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## WANG ON PROPERTIES LIMITED

### 宏安地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1243)

## ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

### INTERIM FINANCIAL HIGHLIGHTS

	<b>For the six months ended 30 September 2024 HK\$'million</b>	<b>For the six months ended 30 September 2023 HK\$'million</b>	<b>Change</b>
Contracted sales (included Joint Ventures)	1,247	670	86%
Revenue	442	287	54%
Gross profit	93	80	16%
Profit attributable to owners of the parent	97	268	(64%)
Earnings per share ( <i>HK cents</i> )			
— Basis and diluted	0.64	1.76	(64%)
	<b>As at 30 September 2024 HK\$'million</b>	<b>As at 31 March 2024 HK\$'million</b>	
Net asset value	4,542	4,447	2%
Net asset value per share ( <i>HK\$</i> )	0.299	0.293	2%

## INTERIM RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Wang On Properties Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) is pleased to announce the unaudited interim condensed consolidated results of the Group for the six months ended 30 September 2024, together with the comparative figures for the corresponding period of last year, as follows. This interim condensed consolidated financial information was not audited, but has been reviewed by the audit committee of the Company (the “**Audit Committee**”).

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Six months ended 30 September 2024*

		Six months ended	
		30 September	
		2024	2023
	Notes	(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
<b>REVENUE</b>	3	<b>441,667</b>	286,655
Cost of sales		<u>(348,920)</u>	<u>(206,935)</u>
Gross profit		<b>92,747</b>	79,720
Other income and gains, net	3	<b>24,333</b>	28,049
Selling and distribution expenses		<b>(87,392)</b>	(69,859)
Administrative expenses		<b>(56,463)</b>	(54,449)
Finance costs	5	<b>(103,295)</b>	(80,688)
Impairment losses on financial assets, net		—	(701)
Write-down of properties under development		<b>(7,302)</b>	—
Fair value (losses)/gains on investment properties, net		<b>(2,000)</b>	3,800
Fair value losses on financial assets and liabilities at fair value through profit or loss, net		<b>(14,555)</b>	(7,193)
Share of profits or losses of joint ventures		<u><b>248,811</b></u>	<u>375,990</u>
<b>PROFIT BEFORE TAX</b>	4	<b>94,884</b>	274,669
Income tax expense	6	<u><b>(51)</b></u>	<u>(7,388)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>94,833</b></u>	<u>267,281</u>

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
<i>Note</i>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	414	(37,891)
Reclassification adjustments for losses included in profit or loss:		
— impairment losses, net	<u>—</u>	<u>704</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>414</u>	<u>(37,187)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<u>414</u>	<u>(37,187)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>95,247</u></u>	<u><u>230,094</u></u>
Profit/(loss) attributable to:		
Owners of the parent	96,902	267,697
Non-controlling interests	<u>(2,069)</u>	<u>(416)</u>
	<u><u>94,833</u></u>	<u><u>267,281</u></u>
Total comprehensive income/(loss) attributable to:		
Owners of the parent	97,316	230,510
Non-controlling interests	<u>(2,069)</u>	<u>(416)</u>
	<u><u>95,247</u></u>	<u><u>230,094</u></u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		
Basic and diluted	8	<u><u>HK0.64 cent</u></u> <u><u>HK1.76 cents</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2024

	30 September 2024 <i>Note</i> (Unaudited) <i>HK\$'000</i>	31 March 2024 (Audited) <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	94,799	86,687
Investment properties	69,000	71,000
Club membership	17,780	17,780
Properties under development	210,102	243,600
Interests in joint ventures	4,242,752	3,855,629
Loan and interest receivables	—	17,808
Deposits and other receivables	16,906	28,449
Financial assets at fair value through profit or loss	—	775
Deferred tax assets	3,965	3,965
	<u>4,655,304</u>	<u>4,325,693</u>
Total non-current assets		
<b>CURRENT ASSETS</b>		
Properties under development	991,211	1,925,060
Properties held for sale	2,443,797	1,710,302
Trade receivables	9 1,330	2,336
Loan and interest receivables	17,808	—
Prepayments, other receivables and other assets	258,649	281,401
Cost of obtaining contracts	7,104	18,443
Tax recoverable	3,152	3,100
Debt investments at fair value through other comprehensive income	2,900	2,486
Financial assets at fair value through profit or loss	36,043	41,086
Cash and bank balances	596,437	722,742
	<u>4,358,431</u>	<u>4,706,956</u>
Assets of a disposal group classified as held for sale	—	857,292
Total current assets	<u>4,358,431</u>	<u>5,564,248</u>

		<b>30 September</b>	31 March
		<b>2024</b>	2024
	<i>Note</i>	<b>(Unaudited)</b>	(Audited)
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	10	25,045	112,355
Other payables and accruals		278,661	214,464
Contract liabilities		171,495	71,821
Interest-bearing bank and other borrowings		2,676,582	3,149,757
Financial liabilities at fair value through profit or loss		2,485	—
Tax payable		4,497	4,284
		<u>3,158,765</u>	<u>3,552,681</u>
Liabilities of a disposal group classified as held for sale		—	322,936
Total current liabilities		<u>3,158,765</u>	<u>3,875,617</u>
<b>NET CURRENT ASSETS</b>		<u>1,199,666</u>	<u>1,688,631</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,854,970</u>	<u>6,014,324</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities at fair value through profit or loss		9,819	606
Other payables and accruals		12,447	962
Interest-bearing bank and other borrowings		1,289,748	1,565,047
Deferred tax liabilities		562	562
Total non-current liabilities		<u>1,312,576</u>	<u>1,567,177</u>
Net assets		<u>4,542,394</u>	<u>4,447,147</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital		15,200	15,200
Reserves		4,532,760	4,435,444
		<u>4,547,960</u>	<u>4,450,644</u>
<b>Non-controlling interests</b>		<u>(5,566)</u>	<u>(3,497)</u>
Total equity		<u>4,542,394</u>	<u>4,447,147</u>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 1.1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 September 2024 has been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2024.

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those adopted in the Group’s audited financial statements for the year ended 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRSs as disclosed in note 1.2 below.

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for investment properties, debt investments at fair value through other comprehensive income and financial assets and liabilities at fair value through profit or loss, which have been measured at fair value. This unaudited interim condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

## 1.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial information:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

## 2. OPERATING SEGMENT INFORMATION

### Six months ended 30 September

	Property development and trading		Property investment		Asset management		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Segment revenue:</b>								
Sales to external customers	427,856	258,433	830	2,037	12,981	26,185	441,667	286,655
Other income	19,907	14,026	67	4	—	—	19,974	14,030
<b>Total</b>	<b>447,763</b>	<b>272,459</b>	<b>897</b>	<b>2,041</b>	<b>12,981</b>	<b>26,185</b>	<b>461,641</b>	<b>300,685</b>
<b>Segment results</b>	<b>64,912</b>	<b>(2,074)</b>	<b>169,164</b>	<b>369,503</b>	<b>(6,316)</b>	<b>9,921</b>	<b>227,760</b>	<b>377,350</b>
<i>Reconciliation</i>								
Interest income from bank deposits							3,997	5,474
Interest income from debt investments at fair value through other comprehensive income							—	5,346
Interest income from financial assets at fair value through profit or loss							—	2,640
Dividend income from financial assets at fair value through profit or loss							362	559
Fair value losses on financial assets and liabilities at fair value through profit or loss, net							(14,555)	(7,193)
Impairment losses on financial assets, net							—	(701)
Finance costs							(103,295)	(80,688)
Corporate and unallocated expenses							(19,385)	(28,118)
Profit before tax							94,884	274,669
Income tax expense							(51)	(7,388)
Profit for the period							<b>94,833</b>	<b>267,281</b>

## 3. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

	Six months ended 30 September	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Revenue</b>		
<i>Revenue from contracts with customers</i>		
Sale of properties	427,856	258,433
Provision of asset management services	12,981	26,185
<b>Subtotal</b>	<b>440,837</b>	<b>284,618</b>
<i>Revenue from other source</i>		
Rental income	830	2,037
<b>Total revenue</b>	<b>441,667</b>	<b>286,655</b>



An analysis of the Group's other income and gains, net is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Other income and gains, net</b>		
Interest income from bank deposits	3,997	5,474
Interest income from debt investments at fair value through other comprehensive income	—	5,346
Interest income from financial assets at fair value through profit or loss	—	2,640
Dividend income from financial assets at fair value through profit or loss	362	559
Forfeiture of deposits from customers	7,635	626
Management fee income	5,496	4,515
Others	6,843	8,889
	<u>24,333</u>	<u>28,049</u>
Total other income and gains, net	<u>24,333</u>	<u>28,049</u>

#### 4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Cost of properties sold*	334,158	195,173
Cost of services provided*	14,689	11,672
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties*	73	90
Depreciation of owned assets	449	406
Depreciation of right-of-use assets	7,198	6,578
	<u>7,198</u>	<u>6,578</u>

\* These expenses are included in "Cost of sales" in the condensed consolidated statement of profit or loss and other comprehensive income.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on bank and other borrowings	<b>177,014</b>	142,047
Interest portion of lease liabilities	<b>283</b>	165
	<b>177,297</b>	142,212
Less: Interest capitalised	<b>(74,002)</b>	(61,524)
Total	<b>103,295</b>	80,688

## 6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current — Hong Kong		
Charge for the period	<b>51</b>	3,513
Deferred	<b>—</b>	3,875
Total	<b>51</b>	7,388

## 7. DIVIDENDS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Final dividend paid — Nil		
(2023: HK0.69 cent) per ordinary share	<b>—</b>	104,880

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share for the six months ended 30 September 2024 is based on the profit for the period attributable to owners of the parent of HK\$96,902,000 (six months ended 30 September 2023: HK\$267,697,000) and the weighted average number of ordinary shares of 15,200,000,000 (six months ended 30 September 2023: 15,200,000,000).

No adjustment has been made to the basic earnings per share presented for the six months ended 30 September 2024 and 2023 as the Group had no potentially dilutive ordinary shares in issue during these periods.

## 9. TRADE RECEIVABLES

	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
Trade receivables from joint ventures	1,330	2,336
Impairment	<u>—</u>	<u>—</u>
Total	<u><b>1,330</b></u>	<u><b>2,336</b></u>

The Group's trading terms with its customers are mainly on credit. The credit periods range from 10 to 90 days. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
Within 1 month	<u><b>1,330</b></u>	<u><b>2,336</b></u>

The Group's customers normally settle their bills in a timely manner and the Group's trade receivables as at the end of the reporting period aged less than three months. As such, the Group's exposure to credit risk is insignificant and the directors of the Company were of the opinion that the expected credit losses of these trade receivables are minimal.

## 10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
Within 30 days	<u><b>25,045</b></u>	<u>112,355</u>

The trade payables are non-interest-bearing and have an average term of 30 days. The carrying amounts of the trade payables approximate to their fair values.

## 11. DISPOSALS OF SUBSIDIARIES

### For the six months ended 30 September 2024

Details of the net assets of the subsidiaries disposed of during the period and their financial impacts are summarised below:

	<b>Beam Up and its subsidiary (Unaudited) HK\$'000 (Note)</b>
Net assets disposed of:	
Properties under development	856,062
Prepayments, deposits and other receivables	38
Cash and bank balances	4,209
Other payables and accruals	(1,867)
Interest-bearing bank borrowings	<u>(322,588)</u>
	<u><b>535,854</b></u>
Satisfied by:	
Cash consideration	294,449
Shareholder's loan due to the Group included in loans to a joint venture	<u>241,405</u>
	<u><b>535,854</b></u>

An analysis of the net inflow of cash and cash equivalents for the period in respect of the disposals of subsidiaries is as follows:

	<b>Beam Up and its subsidiary</b> (Unaudited) <i>HK\$'000</i>
Cash consideration	294,449
Consideration receivable included in prepayments, other receivables and other assets as at 30 September 2024	(53,044)
Deposit received as at 31 March 2024	(19,927)
Cash and cash equivalents disposed of	<u>(4,209)</u>
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	<u><u>217,269</u></u>

*Note:*

On 26 July 2024, the Group disposed of its entire equity interest in, together with the shareholder's loan owed by, Beam Up Holdings Limited ("**Beam Up**"), to Divine Glory International Limited, an indirectly 50%-owned joint venture of the Group, for a consideration of approximately HK\$535,854,000 (subject to further price adjustment based on the excess gross floor area to be approved by the building authority). Beam Up is an investment holding company and its subsidiary is principally engaged in property development in Hong Kong. Further details of the disposal were set out in the joint announcement of Wang On Group Limited and the Company dated 28 March 2024 and the circular of the Company dated 21 June 2024.

## INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL RESULTS

#### Revenue

The Group's revenue consisted of (i) revenue derived from sales of the Group's properties; (ii) fees from asset management services; and (iii) rental income from property leasing. The following table sets forth a breakdown of the Group's revenue and the percentages of total revenue for the reporting periods indicated:

	For the six months ended 30 September			
	2024		2023	
	(Unaudited) HK\$'000	%	(Unaudited) HK\$'000	%
Sales of properties	427,856	97	258,433	90
Asset management fees	12,981	3	26,185	9
Rental income	830	0	2,037	1
Total	<u>441,667</u>	<u>100</u>	<u>286,655</u>	<u>100</u>

For the six months ended 30 September 2024 (the “**Reporting Period**”), the Group's revenue amounted to approximately HK\$441.7 million (six months ended 30 September 2023: approximately HK\$286.7 million).

#### — Sales of properties

Revenue derived from sales of properties increased substantially by approximately 65.6% from approximately HK\$258.4 million for the six months ended 30 September 2023 to approximately HK\$427.9 million for the Reporting Period. The increase was primarily due to the delivery of a residential project, LARCHWOOD, which obtained the occupation permit during the Reporting Period.

## — **Asset management fees**

Revenue derived from asset management services decreased by approximately 50.4% from approximately HK\$26.2 million for the six months ended 30 September 2023 to approximately HK\$13.0 million for the Reporting Period. The decrease was mainly attributed to a one-off acquisition fee from a newly acquired project co-invested with a joint venture partner recorded during the previous reporting period but no such acquisition fee has been recorded in the Reporting Period.

## — **Rental income**

The Group earned rental income from its investment properties portfolio. The decrease of rental income for the Reporting Period by approximately HK\$1.2 million was mainly due to the disposals of two investment properties during the year ended 31 March 2024, the completion of which took place on 25 October 2023 and 15 November 2023, respectively.

## **Gross profit**

Gross profit increased from approximately HK\$79.7 million for the six months ended 30 September 2023 to approximately HK\$92.7 million for the Reporting Period, which represented an increase of approximately 16.3%. The increase was primarily due to the increase in sales of properties.

## **Other income and gains, net**

The Group had a net gain of approximately HK\$24.3 million for other income and gains for the Reporting Period (six months ended 30 September 2023: approximately HK\$28.0 million). The net gain during the Reporting Period was primarily due to forfeiture of deposits from customers of approximately HK\$7.6 million (six months ended 30 September 2023: approximately HK\$0.6 million), interest income from bank deposits of approximately HK\$4.0 million (six months ended 30 September 2023: approximately HK\$5.5 million) and property management fee of approximately HK\$5.5 million (six months ended 30 September 2023: approximately HK\$4.5 million).

## **Selling and distribution expenses**

Selling and distribution expenses primarily consisted of commissions, advertising and promotional expenses.

Selling and distribution expenses for the Reporting Period amounted to approximately HK\$87.4 million (six months ended 30 September 2023: approximately HK\$69.9 million), representing an increase of approximately 25.0%. The increase was primarily due to commission expenses incurred in connection with the delivery of residential units of LARCHWOOD to the customers.

## **Administrative expenses**

Administrative expenses primarily included staff salaries and benefits, donation, depreciation expenses, office expenses, travel expenses, professional fees, utilities and building management fee. Administrative expenses for the Reporting Period amounted to approximately HK\$56.5 million (six months ended 30 September 2023: approximately HK\$54.4 million), representing an increase of approximately 3.9% as compared to the previous reporting period. The slight increase is mainly due to legal and professional fee incurred for disposal of the Sze Shan Street Project and the formation of JV with Chevalier. The Group's continued adherence to a strict cost control policy during the Reporting Period.

## **Finance costs**

Finance costs consisted primarily of interest expenses on borrowings and lease liabilities net of capitalised finance costs. Finance costs amounted to approximately HK\$103.3 million for the Reporting Period (six months ended 30 September 2023: approximately HK\$80.7 million). The increment was mainly attributed to the increase in cost of borrowing and completion of LARCHWOOD, resulting in related project loan's finance costs no longer being capitalised and being recorded as finance costs in the condensed consolidated statement of profit or loss and other comprehensive income for the Reporting Period.

## **Share of profits of joint ventures**

Share of profits of joint ventures for the Reporting Period amounted to approximately HK\$248.8 million (six months ended 30 September 2023: approximately HK\$376.0 million), the decrease was mainly due to the decrease in profits contributed by the commercial portfolio held by the joint ventures.

## **Profit attributable to owners of the parent**

The Group recorded a profit of approximately HK\$96.9 million (six months ended 30 September 2023: approximately HK\$267.7 million) attributable to owners of the parent for the Reporting Period. The decrease was mainly due to the increase in finance cost and selling and distribution expenses, the decrease in share of profits of joint ventures and partially offset by an increase in gross profit, during the Reporting Period.



## **BUSINESS REVIEW**

### **Property Development**

#### ***Contracted sales***

During the Reporting Period, the Group recorded satisfactory contracted sales driven by the improved market conditions. For the six months ended 30 September 2024, the Group's residential projects, including those developed in collaboration with joint ventures, achieved total contracted sales of approximately HK\$1,247.0 million (six months ended 30 September 2023: approximately HK\$670.0 million). This represented an increase of approximately 86.1% compared to the same period last year, with a contracted sales area of approximately 45,201 square feet (six months ended 30 September 2023: approximately 23,109 square feet) reflecting a year-over-year increase of approximately 95.6%.

During the Reporting Period, the Group's residential project, LARCHWOOD, completed construction and obtained occupation permits. As of the date of this announcement, LARCHWOOD has achieved total contracted sales of approximately HK\$842.3 million, of which HK\$404.8 million has been recognized as revenue in the Reporting Period whilst HK\$437.5 million is anticipated to be recognized as revenue in the second half of the financial year ending 31 March 2025 upon the handover of the completed units to buyers. Out of a total of 187 residential units, 168 units have been sold, representing approximately 89.8% of the total.

In August 2024, the Group launched a pre-sale of the residential units of the project "FINNIE" located in Finnie Street in Quarry Bay. As of the date of this announcement, FINNIE has achieved total contracted sales of approximately HK\$377.2 million, with 61 residential units out of 90 units sold, representing approximately 67.8% of the total.

For our joint venture projects, all residential units, including luxury houses at ALTISSIMO in Ma On Shan, were fully sold, achieving contracted sales of approximately HK\$280.0 million during the Reporting Period. Additionally, as of the date of this announcement, another project PHOENEXT, located in Wong Tai Sin, has achieved a total contracted sales of approximately HK\$723.8 million, with 150 units out of 230 units sold, representing approximately 65.2% of the total.

Lastly, in November 2024, the Group launched the pre-sale of another premium residential project, 101 KINGS ROAD, located on King's Road in Fortress Hill. As of the date of this announcement, the project has achieved remarkable contracted sales of approximately HK\$805.4 million.

#### ***New joint venture***

During the Reporting Period, the Group had a joint venture partnership with a reputable property developer, Chevalier International Holdings Limited (the "**JV with Chevalier**"), to acquire the site located at Nos. 18-20 Sze Shan Street, Yau Tong (the "**Sze Shan Street Project**"). In July 2024, the Group disposed of its entire equity interest in the Sze Shan Street Project to the JV with Chevalier which is a 50%-owned joint venture of the Group. Further details of the disposal were set out in the joint announcement of the Company dated 28 March 2024 and the circular of the Company dated 21 June 2024. As at the date of this announcement, the Group owned 50% interests in the Sze Shan Street Project through the JV with Chevalier.

## ***Land bank of the Group***

As at the date of this announcement, the Group has 11 projects under sales and development with a total gross floor area of approximately 953,200 square feet. For the joint venture with APG Strategic Real Estate Pool, there are approximately 464,000 square feet of properties under development, of which approximately 78,300 square feet was sold through pre-sales as at the date of this announcement. The following table sets forth an overview of the Group's property projects as at the date of this announcement:

<b>Location</b>	<b>Approximate site area (sq.ft.)</b>	<b>Approximate gross floor area (sq.ft.)</b>	<b>Intended usage</b>	<b>Anticipated year of completion</b>	<b>Interest attributable to the Group</b>	<b>Total approximate unsold saleable floor area (sq.ft.)</b>
1. Nos. 86A-86G Pokfulam Road ("MOUNT POKFULAM")	28,500	28,500	Residential	Completed	70%	26,200
2. Nos. 50-62 Larch Street and Nos. 6-8 Lime Street, Tai Kok Tsui ("LARCHWOOD")	6,800	61,500	Residential and Commercial	Completed	100%	12,300
3. Nos. 120-130 Main Street, Ap Lei Chau <sup>#</sup>	7,200	74,200	Residential and Commercial	2026	50%	64,000
4. Nos. 34 and 36 Main Street and Nos. 5, 7 & 9 Wai Fung Street, Ap Lei Chau <sup>#</sup>	4,100	38,600	Residential and Commercial	2025	50%	30,000
5. Nos. 26-48 Ming Fung Street, Wong Tai Sin <sup>#</sup> ("PHOENEXT")	9,600	81,200	Residential and Commercial	2025	50%	27,100
6. Nos. 31-41 & 45 Fei Fung Street, Wong Tai Sin <sup>#</sup>	10,400	93,700	Residential and Commercial	2026	50%	80,000
7. Nos. 12-16, 18-20, 22 and 24 Ting Yip Street, Ngau Tau Kok <sup>#</sup>	5,200	46,300	Residential and Commercial	2026	50%	38,000
8. Nos. 101 and 111, King's Road, Fortress Hill <sup>#</sup> ("101 KINGS ROAD")	12,400	130,000	Residential and Commercial	2026	50%	80,600
9. Nos. 3-9 Finnie Street, Quarry Bay ("FINNIE")	4,200	39,100	Residential and Commercial	2026	100%	13,300
10. Nos. 17-23 Ap Lei Chau Main Street, 7-9 Ping Lan Street and 37-39 Shan Shi Street, Ap Lei Chau	6,600	68,100	Residential and Commercial	2027	100%	58,000
11. Nos. 18-20 Sze Shan Street, Yau Tong <sup>#</sup>	41,700	292,000	Residential and Commercial	2028	50%	276,000
<b>Total</b>	<b>136,700</b>	<b>953,200</b>				<b>705,500</b>

<sup>#</sup> The Group has been engaged as the asset manager for the projects.

The Group is always exploring different channels to increase its land banks as and when suitable opportunities arise. Apart from its engagement in public tenders, the Group also worked on old building acquisitions, to provide stable land resource for future development.

### ***Property Investment***

As at 30 September 2024, the Group's portfolio of wholly-owned investment properties comprised of commercial units located in Hong Kong with a total carrying value of approximately HK\$69.0 million (31 March 2024: approximately HK\$71.0 million).

As at the date of this announcement, the Group's investment properties portfolio, including joint ventures, has a total asset value of not less than HK\$6.7 billion. The table below shows the details of investment properties portfolio.

<b>Property</b>	<b>Approximate saleable area/leasing unit</b>	<b>Interest attributable to the Group</b>	<b>Approximate occupancy rate</b>
1. The Parkside <sup>#</sup>	35,300 sq.ft.	50%	82%
2. Lake Silver <sup>#</sup>	31,400 sq.ft.	50%	100%
3. Shop in Cheung Sha Wan Road	2,400 sq.ft.	100%	100%
4. 2 Shops in Electric Road	600 sq.ft.	100%	100%
5. Parkville <sup>#</sup>	8,300 sq.ft.	64%	100%
6. Jumbo Court <sup>#</sup>	509 car parking spaces	50%	100%
7. Sunny House Kai Tak <sup>@#</sup>	1,424 beds	35%	99%

<sup>@</sup> The name was rebranded from "Pentahotel Hong Kong, Kowloon" to "Sunny House Kai Tak" during the financial year ended 31 March 2024. The renovation of the property was completed during the Reporting Period.

<sup>#</sup> The Group has been engaged as the asset manager for the projects.

The Group's portfolio of investment properties comprised of two wholly-owned commercial properties and five projects in partnership with global private equity funds, including Kohlberg Kravis Roberts & Co. L.P. and Angelo, Gordon & Co., L.P. ("AG"), as well as individual investors with holding stakes ranging from 35% to 64%. As at the date of this announcement, the overall occupancy rate of the Group's investment properties was approximately 88%, including the recently launched Sunny House Kai Tak, which commenced operations in the third quarter of 2024.

During the Reporting Period, the Group entered into the sale and purchase agreements with several independent investors to dispose of six shops on the ground floor of Parkville, for an aggregate consideration of approximately HK\$113.1 million. A loss of approximately HK\$17.8 million has been recognised from these disposals through "Share of profits and losses of joint ventures".

### **Asset Management**

The Group has established joint ventures with different strategic partners for both residential developments and commercial investments. By leveraging the resources and networks in the Hong Kong market, the Group also manages the assets on behalf of its capital partners.

As the asset manager of the invested assets, the Group earns fee incomes, including asset management fees, acquisition fees, development fees and leasing fees, as well as promote fees upon reaching or exceeding certain target internal rate of return and after the Group's joint venture partners have received their targeted capital returns.

For further details of the residential and commercial properties of which the Group has been engaged as asset manager, please refer to the above sections of "Property Development" and "Property Investment".

### **Hospitality**

In December 2022, the Group has formed a new joint venture with AG for the acquisition and operation of a property located at No. 19 Luk Hop Street, Kowloon, Hong Kong, including the hotel building erected thereon formerly known as "Pentahotel Hong Kong, Kowloon". The property has been rebranded as "Sunny House Kai Tak" and redeveloped as student accommodation upon the completion of renovation in the third quarter of 2024. A total of 720 rooms with total number of 1,424 beds are offered to the market. As at the date of this announcement, the property is currently operational with an occupancy rate exceeding 99%. The majority of tenants of "Sunny House Kai Tak" are students from Mainland China and the Asia-Pacific region, studying at more than 20 colleges across Hong Kong.

By utilizing the Group's expertise in asset management and further expansion of the expertise to hospitality sector, it would seek to secure its asset management income and explore strategic expansion opportunities for additional recurring income.

## **Property Management**

The Group started the property management business in 2017. As at the date of this announcement, the Group manages 7 projects. The pricing model of the management fee charged by the Group is based by reference to a proportion of the total annual expenses incurred by respective buildings, providing a fair and transparent pricing structure. In the near future, the Group anticipates an expansion in the property management business due to an increase in the delivery of residential projects. The Group will continue to invest in a professional property management team and advanced management technology to deliver high-quality services and meet customer demands.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 September 2024, the Group's total assets less current liabilities were approximately HK\$5,855.0 million (31 March 2024: approximately HK\$6,014.3 million) and the current ratio was approximately 1.4 times (31 March 2024: approximately 1.4 times). As at 30 September 2024, the Group had cash and bank balances of approximately HK\$596.4 million (31 March 2024: approximately HK\$722.7 million).

Aggregate bank borrowings as at 30 September 2024 amounted to approximately HK\$3,427.2 million (31 March 2024: approximately HK\$3,988.7 million). As at 30 September 2024, the gearing ratio was approximately 62.3% (31 March 2024: approximately 73.4%), calculated by reference to the Group's total bank borrowings net of cash and bank balances and the equity attributable to owners of the parent. As at 30 September 2024, the Group's property, plant and equipment, investment properties, properties under development and properties held for sales, with carrying value of approximately HK\$73.2 million, HK\$69.0 million, HK\$1,189.0 million and HK\$2,396.7 million, respectively (31 March 2024: approximately HK\$74.9 million, HK\$71.0 million, HK\$2,168.7 million and HK\$1,659.7 million respectively) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 30 September 2024 amounted to approximately HK\$1,250.6 million (31 March 2024: approximately HK\$1,573.5 million). In addition, the Group's share of joint ventures' own capital commitments amounted to approximately HK\$465.9 million (31 March 2024: approximately HK\$548.3 million). The Group has given guarantee to banks in connection with facilities granted to two joint ventures up to approximately HK\$425.0 million (31 March 2024: two joint ventures up to approximately HK\$370.4 million) and were utilized to the extent of approximately HK\$407.9 million as at 30 September 2024 (31 March 2024: approximately HK\$301.3 million). Save as disclosed in this announcement, the Group had no significant contingent liabilities as at the end of the Reporting Period.

The Group strengthens and improves its risk control on a continual basis and adopted a prudent approach in its financial management. Financial resources are under close monitoring to ensure the Group's smooth operation, as well as flexibility to respond to market opportunities and uncertainties. The management of the Group is of the opinion that the Group's existing financial structure and resources are healthy and sufficient for the Group's needs in the foreseeable future.

## DEBT PROFILE AND FINANCIAL PLANNING

As at 30 September 2024, interest-bearing debt profile of the Group was analyzed as follows:

	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
Bank loans repayable:		
Within one year or on demand	<b>2,528,164</b>	3,100,477
In the second year	<b>235,015</b>	46,380
In the third to fifth year, inclusive	<b>664,003</b>	841,837
	<b><u>3,427,182</u></b>	<u>3,988,694</u>
Other loans repayable:		
Within one year	<b>148,418</b>	49,280
In the second year	<b>374,530</b>	456,830
In the third to fifth year, inclusive	<b>16,200</b>	220,000
	<b><u>539,148</u></b>	<u>726,110</u>
	<b><u>3,966,330</u></b>	<u>4,714,804</u>

Approximately 88.5% (31 March 2024: approximately 85.7%) of bank and other loans was at floating interest rate and the remaining 11.5% (31 March 2024: approximately 14.3%) were at fixed rates.

The effective interest rate for those bank and other loans with floating interest rates was approximately 6.0% (31 March 2024: approximately 6.6%) per annum, while the average interest rate for certain other loans bear interest at fixed interest rates was approximately 9.8% (31 March 2024: approximately 11.32%) per annum as at 30 September 2024. Overall effective interest rate for all bank and other loans was approximately 6.6% (31 March 2024: approximately 7.0%) as at 30 September 2024.

## TREASURY POLICY

The primary objective of the Group's treasury policy is to ensure sufficient cash flow to meet operational needs, including construction costs, land purchases and operational expenses. Internally generated cash flow and interest-bearing bank borrowings were the general source of funds to finance the operation of the Group. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

## **FOREIGN EXCHANGE**

The management of the Group is of the opinion that the Group has no material foreign exchange exposure. All bank and other borrowings are denominated in Hong Kong dollars. Additionally, the Group's revenue, primarily in Hong Kong dollars, aligns with the Group's operational expense currency requirements. Consequently, the Group has not engaged in any hedging activities related to foreign exchange exposure during the Reporting Period.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed above, during the Reporting Period, the Group did not have any other significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures and future plans for material investments or capital assets.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2024, the Group had 146 (31 March 2024: 145) employees in Hong Kong. The Group remunerates its employees mainly based on the performance, skills, qualifications and experience of the employee and the prevailing industry practices. In addition to salaries, we provide discretionary bonuses based on individual and business performance, along with medical insurance coverage and a comprehensive range of leave entitlements. The Group also provides a defined contribution to the Mandatory Provident Fund (“MPF”) as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong.

The Company operates a share option scheme (the “**Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Share options may be granted to any director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to any member of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The Share Option Scheme became effective on 9 August 2016 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date.

## PROSPECTS

In September 2024, the U.S. Federal Reserve (the “**Federal Reserve**”) implemented a 50 basis point cut in interest rates, marking the first reduction in four years. In November 2024, the Federal Reserve further reduced the interest rate by 25 basis point. The market anticipates additional interest rate cuts in December 2024 and 2025. The Group expects that these reductions will alleviate the burden of interest expenses of the Group and encourage greater investment sentiments activities among customers.

Sunny House Kai Tak officially opened in August 2024. Offering 1,424 beds, Sunny House Kai Tak provides an all-inclusive 32,000 sq.ft. co-living space with amenities such as study rooms, shared kitchens, sports facilities, and life programs and activities for undergraduates and young professionals. As at the date of this announcement, with an impressive occupancy rate of approximately 99% achieved in Sunny House Kai Tak and in line with the 2024 Policy Address on transforming Hong Kong into an international hub for high-calibre talents, the Group plans to explore further business opportunities and expand the co-living accommodation segment, supporting the government’s “Study in Hong Kong” initiative.

In August and November 2024, thanks to the exceptional efforts of our sales and marketing team, the Group achieved outstanding results from the pre-sales of projects FINNIE and 101 KINGS ROAD, despite a challenging market environment. Looking ahead to the first half of 2025, the Group plans to launch the pre-sale of another residential project located on Wai Fung Street in Aberdeen. As a result, management anticipates record-high contracted sales for the financial year ending 31 March 2025.

While recent federal rate cuts may offer a boost to the Hong Kong property market through reduced borrowing costs and improved investor sentiment, the actual impact will largely depend on broader economic conditions, local government policies, and market dynamics. Therefore, the Group will continue to accelerate the sale of our projects, with a key focus on deleveraging in the second half of the financial year ending 31 March 2025. The Group remains cautious and prudent in its approach to business development and financial management.

## SUSTAINABILITY

During the Reporting Period, the Group attained 5-star rating, the highest rating, under the Development Benchmark in the 2024 Global Real Estate Sustainability Benchmark (“**GRESB**”) assessment. This accomplishment reflects the Group’s commitment to sustainability and excellence in real estate development. This recognition is a testament to the Group’s ongoing efforts to integrate sustainable practices into its development projects, aligning with global trends towards a more resilient and low-carbon future.



The Group had in place bank facilities in the respective amounts of approximately HK\$5.9 billion and HK\$1.2 billion as at 30 September 2024 which were sustainability-linked loan (“**SLL**”) and green loan (“**Green Loan**”). This SLL was directly tethered to the Group’s 5-Year ESG roadmap, which included its commitment to achieve outstanding results in GRESB assessment. This Green Loan was in alignment with the Green Loan principles (“**GLP**”) issued by the Asia Pacific Loan Market Association Limited in May 2020, as updated in February 2023. The GLP seeks to support borrowers in financing environmentally sound and sustainable projects that foster a net-zero emissions economy, protect and restore the environment, facilitate adaptation to climate change, and/or provide other environmental benefits. The Group is also committed to engaging its tenants in developing green leases.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2024.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Group is committed to maintaining a high standard of corporate governance with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company’s competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders of the Company.

In the opinion of the Board, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Listing Rules throughout the period for the six months ended 30 September 2024 save as below:

Since the former non-executive chairman resigned with effective from 8 February 2021, the Company has been searching suitable candidate to fill the vacancy. However, the search process has not been successful. As at the date of this announcement, no chairman has been appointed and the Company will continue to search the replacement and will make announcement as and when required under the Listing Rules. During the Reporting Period, the substantive corporate governance functions of the chairman of the Board under the applicable provisions of the CG Code were performed by the Company’s chief executive officer and executive Director, Mr. Tang Ho Hong, a deviation from Code C.2.1 of the CG Code.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code of conduct regarding the securities transactions by the Directors. Having made specific enquiries of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the Reporting Period.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over, among other things, the Group's financial reporting process, internal controls, risk management and other corporate governance issues. The Audit Committee has reviewed with management the unaudited condensed consolidated financial statements for the six months ended 30 September 2024 of the Group. The Audit Committee comprises all three independent non-executive Directors, namely Mr. Li Wing Sum Steven, Mr. Sung Tze Wah, and Dr. Chan Ho Wah Terence. Mr. Li Wing Sum Steven is the chairman of the Audit Committee.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF INTERIM REPORT**

The interim results announcement is published on the websites of HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.woproperties.com](http://www.woproperties.com)). The 2024 interim report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company (where appropriate) and available on the above websites in due course.

By Order of the Board  
**WANG ON PROPERTIES LIMITED**  
宏安地產有限公司  
**Tang Ho Hong**  
*Executive Director and Chief Executive Officer*

Hong Kong, 27 November 2024

*As at the date of this announcement, the Board comprises Mr. Tang Ho Hong, Ms. Ching Tak Won Teresa and Mr. Yiu Chi Man as executive Directors; and Mr. Li Wing Sum Steven, Mr. Sung Tze Wah, and Dr. Chan Ho Wah Terence as independent non-executive Directors.*