Wing Tai Properties Announces 2025 Interim Results

Healthy Financial Position Maintained amid Market Challenges
Confident in Central Crossing as a New Hong Kong Landmark

21 August 2025, Hong Kong - **Wing Tai Properties Limited** ("Wing Tai" or "the Group", SEHK stock code: 369) announced today the Group's unaudited consolidated results for the six months ended 30 June 2025.

In the first half of 2025, the Group's revenue was HK$442 million, compared with HK$560 million in 2024. The decrease was mainly due to less sales of remaining units of OMA by the Sea.

Core consolidated profit attributable to shareholders, excluding non-cash net valuation loss and impairment provision, was HK$108 million, an increase of HK$76 million, compared with HK$32 million in 2024. The increase was mainly attributable to (i) HK$38 million gain on disposal of an investment property in London, (ii) HK$28 million decreased loss from the hospitality investment and management segment, and (iii) lower finance cost.

Including total non-cash net valuation loss, consolidated loss attributable to shareholders was HK$1,187 million, a decrease of HK$150 million, compared with HK$1,337 million in 2024.

With prudent consideration of the Group's business performance and financial position, the Board of Directors recommended an interim dividend of HK3.0 cents per share, which amounted to HK$41 million.

Wing Tai Properties Limited said, "Hong Kong's property sector continued to face considerable challenges amid prolonged economic uncertainties. Ongoing US-China trade tensions, weak consumption, and cautious investment sentiment have further constrained economic activities, and created a difficult operating environment. In response, developers have adopted competitive pricing strategies for new residential launches to stimulate demand. The property sector's recovery continued to depend on broader economic improvements and a revival in consumer and investor confidence.

Against this backdrop, residential properties sales have gained momentum, supported by a recovering stock market and decline in Hong Kong Interbank Offered Rate ("HIBOR"), albeit at restrained pricing. Meanwhile, high supply and weak demand continued to pressure Grade A office rents. This weak market condition is expected to persist until better local economic recovery.

For our residential properties, we launched the pre-sale of UNI Residence, our joint-venture residential site near Tai Wai and Hin Keng MTR stations, achieving positive results with around 40% of the total units pre-sold. In addition, we managed to sell some remaining units of OMA OMA and OMA by the Sea. Cloudview, our medium-density residential site near Sheung Shui MTR, obtained pre-sale consent in October 2024 and is ready to launch pre-sale.

For office properties, our Hong Kong Landmark East twin towers achieved an occupancy of approximately 86% which is above market average in Kowloon East despite the weak sentiment in office leasing market. In the meantime, our London office properties have also maintained their stable occupancy during the reporting period. In June, the Group completed the disposal of an investment property located at Brook Street in London’s West End which generated about HK$448 million cash inflow, and reported a disposal gain of HK$38 million over book value.

Our development in the heart of Central, now named as “Central Crossing”, is expected to be completed in mid-2026. Located at 118 Wellington Street between Graham and Cochrane Streets, this rare mixed-used development comprises Grade A offices, a luxury international hotel, bespoke retails and a green open space. This project represents the latest iconic development in Hong Kong by Foster + Partners, a globally acclaimed architecture firm. It aims to bring a new dimension to Central by reinstating historic links and re-establishing local connections, with a permeable public space at the heart of the site. Marketing and pre-leasing works of the project are now in progress.

Our Lanson Place Causeway Bay hotel has continued to leverage different channels and seize the opportunities brought by the Government’s efforts in promoting “Mega Event Economy” to boost its occupancy. We remained committed to enhancing market awareness and delivering quality service to offer discerning guests a sophisticated home-away-from-home experience in the dynamic neighbourhood of Causeway Bay in the heart of Hong Kong. Lanson Place hospitality management company has further extended its footprint in Greater Bay Area. In August, we signed up and managed an upscale serviced apartment, Lanson Place Grand Bayview, Qianhai, Shenzhen, designed by Foster + Partners. The apartment complex comprises 1,028 units and is located in Qianhai CBD, surrounded by Fortune 500 corporate headquarters, financial institutions and innovation hubs.

We would like to express our sincere gratitude to all our dedicated employees for their unwavering commitment and contribution. Their resilience and diligence have been essential in overcoming the challenges during the period and maintaining the smooth operation of our business. We would also like to extend our appreciation to our fellow Board members, business partners and stakeholders for their continued support.”

BUSINESS REVIEW

Property Development

The property development segment revenue excluding inter-segment sales was HK$90 million in the first half of 2025, compared with HK$221 million in 2024, mainly due to less sales of remaining units of OMA by the Sea. Core segment loss before taxation was HK$63 million, compared with HK$20 million in 2024. Due to the continued weakening of Hong Kong property market, and in line with market valuation mark down, impairment provision on our properties under development of HK$432 million (2024: HK$577 million) was booked based on the June valuation. Segment loss before taxation including impairment provision and net valuation loss (2025: HK$507 million; 2024: HK$569 million) was HK$570 million, compared with HK$589 million in 2024.

Regarding the Group's wholly-owned project, OMA OMA, a medium-density residential site on So Kwun Wat Road, So Kwun Wat, Tuen Mun, provides a saleable area of approximately 234,000 square feet for 466 residential apartment units. In the first half of 2025, around 3% (in terms of number) of the residential units were sold. Cumulatively, as at 30 June 2025, around 98% (in terms of number) of the residential units were sold. Around 1% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in the first half of 2025.

For majority-owned projects, the Group has a 70% interest in OMA by the Sea, Tai Lam, Tuen Mun. This medium-density residential site has a saleable area of approximately 252,000 square feet for 517 residential apartment units. In the first half of 2025, around 1% (in terms of number) of the residential units were sold. Cumulatively, as at 30 June 2025, around 97% (in terms of number) of the residential units were sold. Around 1% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in the first half of 2025.

The Group also has an 85% interest in Cloudview, located at the junction of Fan Kam Road and Castle Peak Road – Kwu Tung, Fanling, New Territories. This medium-density residential site is adjacent to Fanling Golf Course and is within a 10-minute walk to Sheung Shui MTR station, with a gross floor area of approximately 284,000 square feet. The Group is the lead project manager and lead sales and marketing manager for this project. Superstructure work of the project is in progress. Pre-sale consent was obtained in October 2024 and we are preparing for pre-sale launch.

Regarding joint venture projects, the Group has a 50% interest in a commercial mixed-use site in Central. This project is named as "Central Crossing". Advantageously located in the heart of the bustling Central financial hub, the site provides a gross floor area of up to 433,500 square feet to be developed into a Grade A office tower, a hotel, retail shops, as well as public open space with green facilities for the neighbourhood. This development is Foster + Partners' latest iconic development in Hong Kong, which aims to bring a new dimension to Central by reinstating historic links and re-establishing local connections, with a permeable public space at the heart of the site. The Group is the lead project manager and lead leasing manager for this project. Superstructure work of the project is in progress.

The Group also has a 50% interest in a residential site in Sha Tin. This project is named as "UNI Residence". This site enjoys the dual convenience of the East Rail and the Tuen Ma MTR transportation network, is walking distance to the Tai Wai and Hin Keng MTR stations. The site provides a saleable area of approximately 77,000 square feet. Pre-sale consent was obtained in March 2025 and pre-sale was launched in May 2025. The Group is the lead sales and marketing manager for this project. Superstructure work of the project is in progress. As at 30 June 2025, around 40% (in terms of number) of the residential units were pre-sold. Related revenue of the pre-sold units will be recognised upon handover to buyers prior to the project's material date that falls in 2026.

Property Investment and Management

The property investment and management segment revenue excluding inter-segment sales was HK$264 million in the first half of 2025, compared with HK$282 million in 2024. Core segment profit before taxation was HK$210 million, an increase of HK$31 million compared with HK$179 million in 2024, mainly due to HK$38 million gain on disposal of an investment property in London. Segment loss before taxation including net valuation loss was HK$629 million, compared with HK$565 million in 2024, mainly due to higher net valuation loss (2025: HK$839 million; 2024: HK$744 million) on office buildings, mainly Landmark East.

As at 30 June 2025, the Group's portfolio of investment properties, mostly Grade A office buildings, has a total area of approximately 1,940,000 square feet with an aggregate attributable fair market valuation of around HK$18,000 million. The portfolio covers 1,631,000 square feet in Hong Kong and 309,000 square feet in London.

For investment properties in Hong Kong, Landmark East, the Group's flagship Grade A office complex located in Kowloon East, achieved an occupancy of approximately 86% as at 30 June 2025. In recognition of our unwavering dedication to enhancing building quality and green standards, we have continued to secure industry-leading certifications, including WELL v2 Platinum issued by International WELL Building Institute, BEAM Plus Existing Buildings Platinum issued by Hong Kong Green Building Council Limited and LEED Existing Buildings Platinum issued by U.S. Green Building Council. Meanwhile, Shui Hing Centre, an industrial building in Kowloon Bay, achieved an occupancy of approximately 67% as at 30 June 2025. Town Planning Board's approval for redevelopment was obtained in April 2021. We obtained first land premium offer which is under appeal.

The Group also holds Le Cap and La Vetta, Kau To, Sha Tin, low-density residential projects, for leasing. In 2024, 1 unit and 1 car parking space of Le Cap were sold, and related revenue was recognised upon hand over to the buyer in the first half of 2025. All of Le Cap's residential units were leased and around 74% (in terms of number) of La Vetta's residential units were leased as at 30 June 2025.

Regarding the investment properties in the United Kingdom, the Group disposed of its entire interest in the commercial property located at 8-12 (even) Brook Street, London at a consideration of approximately GBP43 million (equivalent to HK$451 million) and recognised a disposal gain of HK$38 million in June 2025. The Group has two wholly-owned commercial properties in West End, London located at Savile Row/Vigo Street and Berkeley Square. As at 30 June 2025, the above two wholly-owned properties, excluding the disposed commercial property located at Brook Street, West End, achieved an average occupancy of approximately 58%.

In addition, the Group has investments in four joint venture properties located at Fleet Place, City of London, Cavendish Square, West End, 30 Gresham Street, City of London, and 66 Shoe Lane, City of London which the Group has a 25%, 33%, 50%, and 21% interest respectively. As at 30 June 2025, the above four joint venture properties achieved an average occupancy of approximately 93%.

Hospitality Investment and Management

The hospitality investment and management segment revenue was HK$67 million in the first half of 2025, compared with HK$27 million in 2024. Core segment loss before taxation was HK$34 million, compared with HK$65 million in 2024, mainly due to improving business of Lanson Place Causeway Bay hotel. Segment loss before taxation including net valuation loss (2025: HK$87 million; 2024: HK$55 million) was HK$121 million, compared with HK$120 million in 2024.

Following an extensive refurbishment project led by the world-renowned Parisian hotel design maestro, our wholly-owned Lanson Place Causeway Bay hotel in Hong Kong was soft reopened in March 2024, and is building up market awareness and occupancy.

Lanson Place Waterfront Suites, our wholly-owned prime harbour-front furnished residence in Sai Wan Ho, was held for leasing. Its occupancy and performance remained stable, with an average occupancy over 75%.

The Group has a 50% interest in Lanson Place Bukit Ceylon in Kuala Lumpur. Its occupancy and performance remained stable.

Others

This segment represents investing activities and central management and administrative function. Segment revenue was HK$21 million in the first half of 2025, a decrease of HK$9 million compared with HK$30 million in 2024, which was mainly due to a decrease in interest income from financial investments. Core segment profit before taxation was HK$51 million, compared with HK$9 million in 2024, mainly due to lower finance cost. Segment profit before taxation including net valuation gain (2025: HK$96 million gain; 2024: HK$58 million loss) was HK$147 million, compared with segment loss before taxation of HK$49 million in 2024.

PROSPECTS

In the first half of 2025, Hong Kong's property market remained under pressure due to delayed US interest rate cut, subdued local consumer sentiment and an uncertain economic outlook. Nonetheless, the number of companies in Hong Kong with overseas or Mainland parent companies reached a record high, underscoring strong confidence in the city as a business hub. Hong Kong capital market also shown notable improvement, with the Hang Seng Index increasing by about 20% during this period. Further, a revival in IPO activity, supported by Chinese Government's policies encouraging offshore fundraising of Mainland companies has further bolster market momentum. These developments are likely to generate a positive wealth effect, improving market sentiment and driving investment activities that could benefit the local property market.

On the other hand, China's ongoing emphasis on advancing technology, including increased investment in areas such as artificial intelligence, reflects its efforts to drive long-term economic development and foster innovation despite external challenges. Such an improved outlook is expected to boost business confidence and encourage cross-border investments. Hong Kong, as a key gateway for Mainland capital, stands to benefit from this renewed optimism. With government initiatives to attract talent and strengthen cross-border collaboration, interest in investing in Hong Kong is likely to grow, with local properties positioned as one of the preferred asset classes.

The residential property market is expected to recover gradually, supported by decline in HIBOR and perceived rate cuts from the US Federal Reserve, as well as the growing demand of more immigrants brought by various government policies including the New Capital Investment Entrant Scheme. Yet, the substantial inventory level would continue to moderate price growth in the foreseeable future. This situation presents both challenges and opportunities for attracting homebuyers.

Our two residential projects, Cloudview is poised for pre-sale launch while UNI Residence has launched pre-sale in May 2025 with positive response from the market. These projects, comprising primarily one-bedroom and two-bedroom units conveniently located near MTR stations, are well-positioned to capture demand from first-time home buyers. We believe both projects will benefit from the Government’s Northern Metropolis Development Strategy, and talent initiatives such as the “Top Talent Pass Scheme” and the “Study in Hong Kong” brand, which are likely to attract more potential residents to the area.

Improving sentiment in Central has been bolstered by recent investment and leasing activities, including Hong Kong Exchanges & Clearing’s acquisition of approximately 147,000 square feet of office and retail space in One Exchange Square and a record-breaking lease of over 223,000 square feet by Jane Street in the New Central Harbourfront Site 3. Reflecting this renewed confidence in the area, Central Crossing, our commercial mixed-use site in Central, is set to become a landmark development. As the first and only Grade A office development built in a heritage site among Urban Renewal Authority’s projects in Hong Kong, this site will embrace the local heritage, and at the same time provide a striking new addition to the city’s urban landscape. The vision for this development is to make an exceptional place that is more than world-class in all aspects. This marque project will transform the landscape and legacy of Central, marking a significant step forward in our contribution to the city.

Meanwhile the commercial property market, especially the office sector continues to face challenges. Hong Kong office market in Kowloon East is expected to see continued downward pressure in rents and occupancy rates. On the other hand, London office market remains stable in both rents and occupancy rates.

The Government’s active promotion of mega-events would also be likely to attract more tourists to Hong Kong, thus contributing to a potential rise in occupancy rates at our Lanson Place Causeway Bay hotel. We anticipate the gradual improvement in the hospitality sector as the number of tourists and the overall economy continue to recover.

Looking ahead, we maintain a cautiously optimistic outlook regarding the performance of Hong Kong property market. Despite ongoing challenges, the increasingly robust investment sentiment lay a foundation for sustained long-term growth and a gradual recovery. Maintaining a healthy financial position and diversified portfolio has always been our priority. Going forward, we will continue to operate prudently amidst market volatility, diligently pursuing suitable investment opportunities.

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About Wing Tai Properties Limited

The business of Wing Tai Properties Limited (SEHK stock code: 369) spans three core areas: property development under the Wing Tai Asia brand; property investment and management arm; and hospitality investment and management arm under the Lanson Place brand in Hong Kong, Shenzhen, Shanghai, Singapore, Kuala Lumpur, Manila and Melbourne. Wing Tai Properties has been listed on The Stock Exchange of Hong Kong Limited since 1991.

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CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2025

	Unaudited Six months ended 30 June	
	2025 HK$'M	2024 HK$'M
Revenue	442.0	560.3
Cost of sales	(184.6)	(252.8)
Gross profit	257.4	307.5
Other gains, net	48.6	22.9
Selling and distribution costs	(15.7)	(26.8)
Administrative expenses	(166.0)	(200.5)
Impairment provision for properties for sale	(291.8)	(461.2)
Change in fair value of		
– investment properties	(889.6)	(827.6)
– financial instruments	21.9	(47.5)
	(867.7)	(875.1)
Gain on disposal of a subsidiary	38.0	-
Loss from operations	(997.2)	(1,233.2)
Finance costs	(84.4)	(107.6)
Finance income	64.4	77.0
Share of results of joint ventures	(154.9)	(59.6)
Share of results of an associate	-	0.2
Loss before taxation	(1,172.1)	(1,323.2)
Taxation	(16.6)	(38.4)
Loss for the period	(1,188.7)	(1,361.6)
(Loss)/profit for the period attributable to:		
Shareholders of the Company	(1,187.1)	(1,337.1)
Holders of perpetual capital securities	32.7	32.8
Non-controlling interests	(34.3)	(57.3)
	(1,188.7)	(1,361.6)
Loss per share attributable to shareholders of the Company		
– Basic	(HK$0.87)	(HK$0.99)
– Diluted	(HK$0.87)	(HK$0.99)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2025

	Unaudited 30 June 2025 HK$'M	Audited 31 December 2024 HK$'M
ASSETS AND LIABILITIES		
Non-current assets		
Investment properties	17,253.5	18,459.3
Other properties, plant and equipment	61.3	62.8
Interests in joint ventures	4,920.6	4,808.5
Interests in an associate	44.8	43.8
Financial investments at amortised cost	162.7	372.9
Financial investments at fair value through profit or loss	467.6	483.5
Deferred tax assets	1.5	5.3
Derivative financial instruments	183.5	182.2
	23,095.5	24,418.3
Current assets		
Properties for sale	3,273.6	3,359.7
Trade and other receivables, deposits and prepayments	263.0	261.8
Financial investments at amortised cost	255.3	208.7
Financial investments at fair value through profit or loss	125.2	298.5
Other current assets	17.0	32.4
Derivative financial instruments	33.5	50.9
Sales proceeds held in stakeholders' accounts	0.6	-
Tax recoverable	2.7	9.3
Pledged bank deposits	86.0	51.8
Bank balances and cash	2,785.1	2,362.1
	6,842.0	6,635.2
Assets classified as held for sale	-	32.0
	6,842.0	6,667.2
Current liabilities		
Trade and other payables and accruals	540.5	568.4
Derivative financial instruments	39.5	1.7
Tax payable	139.3	126.8
Bank and other borrowings	1,292.0	2,088.6
	2,011.3	2,785.5

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)
As at 30 June 2025

	Unaudited 30 June 2025 HK$'M	Audited 31 December 2024 HK$'M
Non-current liabilities		
Bank and other borrowings	5,550.5	4,737.4
Derivative financial instruments	15.6	-
Deferred tax liabilities	236.5	241.8
	5,802.6	4,979.2
NET ASSETS	22,123.6	23,320.8
EQUITY		
Shareholders' funds		
Share capital	683.3	678.6
Reserves	19,903.1	21,070.7
	20,586.4	21,749.3
Perpetual capital securities	1,491.4	1,491.4
Non-controlling interests	45.8	80.1
TOTAL EQUITY	22,123.6	23,320.8

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