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信銘生命科技集團有限公司
Aceso Life Science Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00474)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board (the “**Board**”) of directors (the “**Directors**”) of Aceso Life Science Group Limited (the “**Company**”) is pleased to present the shareholders of the Company (the “**Shareholders**”) the interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended on 30 September 2022 (the “**Period**”).

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

For the six months ended 30 September 2022

		Six months ended	
		30 September	
		2022	2021
	<i>Notes</i>	HK\$'million	HK\$'million
		(unaudited)	(unaudited)
Revenue	4	161	166
Cost of revenue		<u>(86)</u>	<u>(73)</u>
Gross profit		75	93
Other income	5	26	16
Fair value gains/(losses), net:		1	(19)
— investment properties		(9)	129
— financial assets at fair value through profit or loss (“FVTPL”)		(68)	(116)
— financial liabilities at FVTPL		78	(32)
Other gains, net	5	60	13
Administrative expenses		(62)	(72)
Allowance for expected credit loss on financial assets		(48)	(108)
Share-based payment expenses		(2)	(4)
Share of results of associates		(7)	23
Share of results of joint ventures		(5)	15
Finance costs	6	<u>(43)</u>	<u>(64)</u>
Loss before taxation		(5)	(107)
Income tax credit/(expense)	7	<u>1</u>	<u>(23)</u>
Loss for the period		<u>(4)</u>	<u>(130)</u>
Loss for the period attributable to:			
Equity holders of the Company		(51)	(83)
Non-controlling interests		<u>47</u>	<u>(47)</u>
		<u>(4)</u>	<u>(130)</u>
Loss per share attributable to the equity holders of the Company			
Basic (<i>HK cents</i>)	9	(0.7)	(1.18)
Diluted (<i>HK cents</i>)	9	<u>(0.71)</u>	<u>(1.63)</u>

	Six months ended	
	30 September	
	2022	2021
	<i>HK\$'million</i>	<i>HK\$'million</i>
	(unaudited)	(unaudited)
Loss for the period	<u>(4)</u>	<u>(130)</u>
Other comprehensive loss:		
<i>Items that will not be reclassified to profit or loss</i>		
Fair value loss on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)	(125)	(96)
<i>Items that may be reclassified to profit or loss</i>		
Currencies translation differences	<u>(160)</u>	<u>(22)</u>
Other comprehensive loss for the period, net of tax	<u>(285)</u>	<u>(118)</u>
Total comprehensive loss for the period	<u>(289)</u>	<u>(248)</u>
Total comprehensive loss for the period attributable to:		
Equity holders of the Company	(312)	(189)
Non-controlling interests	<u>23</u>	<u>(59)</u>
	<u>(289)</u>	<u>(248)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

	As at 30 September 2022	As at 31 March 2022
<i>Notes</i>	<i>HK\$'million</i> (unaudited)	<i>HK\$'million</i> (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	240	254
Right-of-use assets	20	29
Investment properties	1,374	1,625
Intangible assets	158	158
Investments in associates	1,254	1,308
Investments in joint ventures	75	80
Financial assets at FVTOCI	366	441
Loan receivables	–	16
Finance lease receivables	1	2
Deferred tax assets	52	53
Pledged bank deposits	–	21
Other receivables and deposits	5	10
	3,545	3,997
Total non-current assets	3,545	3,997
Current assets		
Inventories	3	6
Properties under development	334	368
Trade receivables	142	149
Other receivables, deposits and prepayments	164	124
Financial assets at FVTPL	444	522
Loan receivables	221	331
Finance lease receivables	3	4
Corporate note receivables	467	471
Trusted and segregated bank accounts	112	96
Pledged bank deposit	68	–
Cash and cash equivalents	273	195
	2,231	2,266
Total current assets	2,231	2,266
Total assets	5,776	6,263

		As at 30 September 2022	As at 31 March 2022
	<i>Notes</i>	<i>HK\$'million</i> (unaudited)	<i>HK\$'million</i> (audited)
LIABILITIES			
Current liabilities			
Lease liabilities		10	12
Bank and other borrowings		1,510	1,734
Corporate note payables		410	390
Trade payables	<i>11</i>	20	6
Other payables, deposits received and accruals		207	289
Income tax payables		22	20
Total current liabilities		<u>2,179</u>	<u>2,451</u>
Net current assets/(liabilities)		<u>52</u>	<u>(185)</u>
Total asset less current liabilities		<u>3,597</u>	<u>3,812</u>
Non-current liabilities			
Lease liabilities		12	17
Deferred tax liabilities		100	111
Bank and other borrowings		198	188
Corporate note payables		40	40
Financial liabilities at FVTPL		551	629
Total non-current liabilities		<u>901</u>	<u>985</u>
Net assets		<u>2,696</u>	<u>2,827</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	<i>12</i>	73	74
Reserves		1,610	1,928
		<u>1,683</u>	<u>2,002</u>
Non-controlling interests		1,013	825
Total equity		<u>2,696</u>	<u>2,827</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

1. GENERAL INFORMATION

Aceso Life Science Group Limited (the “**Company**”) is an exempted limited liability company incorporated in the Cayman Islands. Its immediate and ultimate holding company is Asia Link Capital Investment Holdings Limited, which is incorporated in the British Virgin Islands (“**BVI**”), and the ultimate controlling shareholder is Ms. Li Shao Yu. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Hong Kong is Rooms 2501–2509, 25/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong. The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company and the principal activities of the Group include: (i) securities investment; (ii) provision of commodities, futures, securities brokerage and other financial services; (iii) asset management; (iv) rental and trading of construction machinery; (v) provision of repair and maintenance and transportation service; (vi) property development; (vii) property leasing; and (viii) money lending.

The Group’s condensed consolidated financial statements have not been audited.

The Group’s condensed consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), and rounded to the nearest million, unless otherwise stated.

2. BASIS OF PREPARATION AND KEY EVENTS

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain of financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules (the “**Listing Rule**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements as at 31 March 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) issued by the HKICPA.

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2022. HKFRSs comprise HKFRS; HKAS and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior period.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

Key event during the six months ended 30 September 2022

1. On 11 May 2022, Victory Bright Limited, an indirect non-wholly owned subsidiary of the Company agreed to sell 15% of the entire issued share capital of Alcott Global Limited at a consideration of US\$20 million (equivalent to approximately HK\$157 million), which was settled in cash upon completion and the completion took place on 16 May 2022.

The major asset of Alcott Global Limited is 22% of the issued share capital of the project company which is principally engaged in investment in urban complex development project. Approval was granted by the Council of Ministers to the project company to establish a special economic zone at Koh Kong Province, Cambodia.

2. On 22 June 2022, True Well Limited, an indirect non-wholly owned subsidiary of the Company, executed an order with Shanghai Commercial Bank Limited for a bond purchase at the consideration of approximately US\$45 million (equivalent to approximately HK\$355 million).
3. On 23 June 2022, Victor Ocean Developments Limited, an indirect non-wholly owned subsidiary of the Company, executed an agreement for the disposal of 49% equity interest in Triple Blessing International Limited, an associate of the Group at a consideration of HK\$44 million.
4. On 19 July 2022, Glory Century Limited, an indirect non wholly-owned subsidiary of the Company, received a statement confirming that the redemption of 126,068.186 Participating Shares in Riverwood Multi-Growth Fund (formerly HT Riverwood Multi-Growth Fund) at the aggregate redemption price of approximately US\$5.8 million (equivalent to approximately HK\$45 million) on 4 July 2022.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing this interim condensed consolidated financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to annual financial statements for the year ended 31 March 2022.

4 REVENUE AND SEGMENT INFORMATION

a. Description of segments and principal activities

The Group has identified six (30 September 2021: six) reportable segments of its business:

- (i) Rental and sale of construction machinery and spare parts business: The Group offers crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment in its construction machinery rental fleet in Hong Kong. The Group also sells construction machinery and spare parts in Hong Kong and Macau.
- (ii) Provision of repair and maintenance and transportation service business: The Group provides repair and maintenance service for construction machinery, in particular the crawler cranes, in Hong Kong. The Group also provides transportation services which include local container delivery, construction site delivery and heavy machinery transport in Hong Kong.
- (iii) Provision of asset management, securities brokerage, commodities, futures and other financial service business: The Group holds Securities and Future Commission licenses for conducting type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance and provides a wide range of financial services in Hong Kong.
- (iv) Property leasing business: The Group holds a commercial property in London, the UK, for leasing.
- (v) Property development business: The Group holds properties under development in Malaysia through a subsidiary and in Cambodia through an associate.
- (vi) Money lending business: The Group holds money lending licenses and offers mortgaged loan and personal loan businesses in Hong Kong.

b. Segment profit or loss

The segment profit or loss for the reportable segments provided to the chief operating decision maker and reconciliation to loss before taxation for the six months ended 30 September 2022 and 2021 are as follows:

For the six months ended 30 September 2022 (unaudited)	Rental and sale of construction machinery and spare parts <i>HK\$'million</i>	Provision of repair and maintenance and transportation service <i>HK\$'million</i>	Money lending <i>HK\$'million</i>	Provision of asset management, securities brokerage, commodities, futures and other financial services <i>HK\$'million</i>	Property leasing <i>HK\$'million</i>	Property development <i>HK\$'million</i>	Total <i>HK\$'million</i>
External revenue	108	5	14	5	29	-	161
Segment results before the following items:	38	5	9	5	20	-	77
— Depreciation and amortisation	(25)	-	-	-	-	-	(25)
— Reversal of allowance/(allowance) for expected credit loss on financial assets	4	-	(53)	3	-	-	(46)
— Finance costs	(2)	-	-	-	(12)	-	(14)
Segment results	15	5	(44)	8	8	-	(8)
Unallocated:							
— Other income							21
— Fair value losses							10
— Other gains, net							62
— Administrative expenses							(45)
— Allowance for expected credit loss on financial assets							(2)
— Share-based payment expenses							(2)
— Share of results of associates							(7)
— Share of results of joint ventures							(5)
— Finance costs							(29)
Loss before taxation							(5)

For the six months ended 30 September 2021 (unaudited)	Rental and sale of construction machinery and spare parts <i>HK\$'million</i>	Provision of repair and maintenance and transportation service <i>HK\$'million</i>	Money lending <i>HK\$'million</i>	Provision of asset management, securities brokerage, commodities, futures and other financial services <i>HK\$'million</i>	Property leasing <i>HK\$'million</i>	Property development <i>HK\$'million</i>	Total <i>HK\$'million</i>
External revenue	<u>84</u>	<u>4</u>	<u>34</u>	<u>10</u>	<u>34</u>	<u>-</u>	<u>166</u>
Segment results before the following items:	29	2	24	7	151	-	213
— Depreciation and amortisation	(19)	-	-	-	-	-	(19)
— Allowance for expected credit loss on financial assets	(1)	-	(102)	(1)	-	-	(104)
— Finance costs	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(11)</u>	<u>-</u>	<u>(13)</u>
Segment results	<u>8</u>	<u>2</u>	<u>(79)</u>	<u>6</u>	<u>140</u>	<u>-</u>	<u>77</u>
Unallocated:							
— Other income							14
— Fair value losses							(148)
— Other gains, net							14
— Administrative expenses							(43)
— Allowance for expected credit loss on financial assets							(4)
— Share-based payment expenses							(4)
— Share of results of associates							23
— Share of results of joint ventures							15
— Finance costs							<u>(51)</u>
Loss before taxation							<u>(107)</u>

No segment assets and liabilities are presented as the chief operating decision maker does not regularly review segment assets and liabilities.

c. Geographical information

The information about the Group's revenue by location of operations of the relevant group's entities and the Group's non-current assets by geographical area in which the assets physically are located is detailed below:

	Revenue Six months ended 30 September		Non-current assets (<i>note</i>)	
	2022 <i>HK\$'million</i> (unaudited)	2021 <i>HK\$'million</i> (unaudited)	As of 30 September 2022 <i>HK\$'million</i> (unaudited)	As of 31 March 2022 <i>HK\$'million</i> (audited)
Geographical market:				
Hong Kong	126	132	370	449
UK	29	34	1,374	1,625
The People's Republic of China (the "PRC")	5	–	252	261
Macau	1	–	–	–
Cambodia	–	–	1,127	1,127
	<u>161</u>	<u>166</u>	<u>3,123</u>	<u>3,462</u>

Note: Non-current assets excluded financial assets at FVTOCI, loan receivables, finance lease receivables, financial assets included in other receivables and deposits and deferred tax assets.

d. Revenue summary

	Six months ended	
	30 September	
	2022	2021
	HK\$'million	HK\$'million
	(unaudited)	(unaudited)
Revenue from contracts with customers (<i>note i</i>):		
— Sales of construction machinery and spare parts	25	24
— Repair and maintenance and transportation service income	5	4
— Commission income generated from asset management, securities brokerage, commodities, futures and other financial services	3	7
	<hr/> 33	<hr/> 35
Revenue from other sources:		
— Rental income generated from construction machinery	83	60
— Rental income generated from leasing of investment properties	29	34
— Interest income generated from money lending	14	34
— Interest income generated from margin financing	2	3
	<hr/> 128	<hr/> 131
	<hr/> 161	<hr/> 166

Note i:

Disaggregated revenue information

For the six months ended 30 September 2022 (unaudited)

	Sales of construction machinery and spare parts <i>HK\$'million</i>	Provision of transportation and other services <i>HK\$'million</i>	Provision of asset management, securities brokerage, commodities, futures and other financial services <i>HK\$'million</i>	Total <i>HK\$'million</i>
Type of goods or services				
Sales of construction machinery and spare parts	25	–	–	25
Repair and maintenance and transportation service income	–	5	–	5
Commission income generated from asset management, securities brokerage, commodities, futures and other financial services	–	–	3	3
	<u>25</u>	<u>5</u>	<u>3</u>	<u>33</u>
Timing of revenue recognition				
At a point in time	25	–	3	28
Over time	–	5	–	5
	<u>25</u>	<u>5</u>	<u>3</u>	<u>33</u>
Total	<u>25</u>	<u>5</u>	<u>3</u>	<u>33</u>

For the six months ended 30 September 2021 (unaudited)

	Sales of construction machinery and spare parts <i>HK\$'million</i>	Provision of transportation and other services <i>HK\$'million</i>	Provision of asset management, securities brokerage, commodities, futures and other financial services <i>HK\$'million</i>	Total <i>HK\$'million</i>
Type of goods or services				
Sales of construction machinery and spare parts	24	–	–	24
Repair and maintenance and transportation service income	–	4	–	4
Commission income generated from asset management, securities brokerage, commodities, futures and other financial services	–	–	7	7
	<u>24</u>	<u>4</u>	<u>7</u>	<u>35</u>
Timing of revenue recognition				
At a point in time	24	–	7	31
Over time	–	4	–	4
Total	<u>24</u>	<u>4</u>	<u>7</u>	<u>35</u>

5. OTHER INCOME/OTHER GAINS, NET

	Six months ended 30 September	
	2022	2021
	<i>HK\$'million</i>	<i>HK\$'million</i>
	(unaudited)	(unaudited)
Other income		
Interest earned on corporate note receivables	14	10
Interest earned on bank deposits	1	1
Dividend income	2	–
Compensation received for early termination of lease	6	–
Government subsidies	–	1
Sundry income	3	4
	<u>26</u>	<u>16</u>
Other gains, net		
Gain on early redemption of convertible note	–	10
Gain on early redemption of corporate bond	54	–
Gain on disposal of a subsidiary	1	–
Gain on disposal of an associate	1	–
Net foreign exchange gain	4	3
	<u>60</u>	<u>13</u>
Total	<u>86</u>	<u>29</u>

6. FINANCE COSTS

	Six months ended 30 September	
	2022	2021
	<i>HK\$'million</i>	<i>HK\$'million</i>
	(unaudited)	(unaudited)
Interest expenses arising from:		
— bank and other borrowings	44	26
— corporate note payables	23	42
— convertible note payable	–	1
Exchange difference on borrowings	(24)	(5)
	<u>43</u>	<u>64</u>

7. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 September	
	2022	2021
	HK\$'million (unaudited)	HK\$'million (unaudited)
Current tax		
Hong Kong	2	8
Overseas	–	4
	<u>2</u>	<u>12</u>
Deferred tax (credit)/expense	<u>(3)</u>	<u>11</u>
Income tax (credit)/expense	<u>(1)</u>	<u>23</u>

Hong Kong Profits Tax is calculated at the rate of 8.25% on the estimated assessable profit up to HK\$2,000,000 and 16.5% on any part of estimated assessable profit over HK\$2,000,000 for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

The directors of the Company do not recommend the payment of interim dividend for the six months ended 30 September 2022 and 2021.

9. LOSS PER SHARE

(a) Basic

Basic loss per share was calculated by dividing the loss for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2022	2021
	(unaudited)	(unaudited)
Loss for the period attributable to the equity holders of the Company (HK\$'million)	(51)	(83)
Weighted average number of ordinary shares in issue (million shares)	<u>7,321</u>	<u>7,026</u>
Basic loss per share (HK cents)	<u>(0.7)</u>	<u>(1.18)</u>

(b) Diluted

Diluted loss per share was calculated as follows:

	Six months ended 30 September	
	2022	2021
	<i>HK\$'million</i>	<i>HK\$'million</i>
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic loss per share	7,321	7,026
Adjustment for:		
— Assumed exercise of call option	—	360
— Assumed conversion of convertible note	—	109
	<u>7,321</u>	<u>7,495</u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>7,321</u>	<u>7,495</u>
	Six months ended 30 September	
	2022	2021
	(unaudited)	(unaudited)
Loss for the period attributable to the equity holders of the Company (<i>HK\$' million</i>)	(51)	(83)
Adjustments for:		
— Assumed exercise of call option (<i>HK\$' million</i>)	—	(30)
— Assumed conversion of convertible note (<i>HK\$' million</i>)	—	(9)
— Assumed grant at share awards by Hao Tian International Construction Investment Group Limited (<i>HK\$' million</i>)	(1)	—
	<u>(52)</u>	<u>(122)</u>
Adjusted loss for the period attributable to equity holders of the Company used to determine the diluted loss per share	<u>(52)</u>	<u>(122)</u>
Weighted average number of ordinary shares in issue (<i>million shares</i>)	<u>7,321</u>	<u>7,495</u>
Diluted loss per share (<i>HK cents</i>)	<u>(0.71)</u>	<u>(1.63)</u>

10. TRADE RECEIVABLES

	As at 30 September 2022 <i>HK\$'million</i> (unaudited)	As at 31 March 2022 <i>HK\$'million</i> (audited)
Trade receivables from clients arising from		
— rental income from construction machinery business	58	66
— securities brokerage	78	82
— rental income from investment properties	22	24
	158	172
Less: Allowance for expected credit loss	(16)	(23)
	142	149

The ageing analysis by invoice date of trade receivables (other than rental income from leasing of investment properties) before allowance for expected credit losses is as follows:

	As at 30 September 2022 <i>HK\$'million</i> (unaudited)	As at 31 March 2022 <i>HK\$'million</i> (audited)
0–30 days	29	27
31–60 days	7	22
61–90 days	16	16
91–180 days	16	19
181–365 days	15	32
Over 365 days	53	32
	136	148

11. TRADE PAYABLES

An ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	As at 30 September 2022 <i>HK\$'million</i> (unaudited)	As at 31 March 2022 <i>HK\$'million</i> (audited)
0–30 days	5	2
31–60 days	10	2
61–180 days	5	2
	<u>20</u>	<u>6</u>

12. SHARE CAPITAL

	Number of shares (<i>'million</i>)	Share capital <i>HK\$'million</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2021, 31 March 2022, 1 April 2022 and 30 September 2022	<u>50,000</u>	<u>500</u>
At 1 April 2022 (audited)	7,387	74
Shares cancellation (<i>note a</i>)	<u>(5)</u>	<u>(1)</u>
At 30 September 2022 (unaudited)	<u>7,382</u>	<u>73</u>

Note:

- (a) The Company buy back 2,820,000 shares and 2,220,000 shares on 28 February 2022 and 1 March 2022, respectively. All the 5,040,000 shares were cancelled on 26 August 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Impact of COVID-19, Geopolitical Tensions, Military Occupation and High Inflation Rate

2022 was another challenging year as the global and local pandemic of COVID-19 continued to disrupt all types of activities. Together with geopolitical tensions, military occupation, supply chain disruptions, travel restrictions, high inflation rate, and other upheavals that were rarely encountered in recent history. The Hong Kong economy has remained vulnerable as economic recovery was uneven in different sectors, stringent measures of quarantine for travelers continues and global economy recover remains uncertain. The Group remained resilient and focused on its existing businesses.

Though operations of the construction industry in Hong Kong have been affected as a consequence of COVID-19. Due to the relatively stable undertaking and additional demands from government infrastructure projects, such as Mobile Cabin Hospital (方艙醫院) and the 3rd runway system of the Hong Kong International Airport, the Group managed to record an increase in the rental income generated from construction machinery during the Period. The utilisation rate for the rental machineries kept at approximately 85%.

To manage the impact of COVID-19, the Group maintained its operation and put in place precautionary and risk mitigation measures, including suitably deploying remote work arrangements, periodic deep cleaning and sanitisation for both our warehouse and offices, provision of facemasks or other personal protection equipment for all employees, daily COVID-19 Antigen Test and body temperature measurement for all personnel at workplaces, and proper record keeping of work schedule and contact history for tracing.

During the Period, the Group continued to pursue a long-term business strategy of diversifying into financial services business, property leasing, property development business, and construction machinery business. The Group's principal activities include: (i) securities investment; (ii) provision of commodities, futures, securities brokerage and financial services; (iii) asset management; (iv) rental and trading of construction machinery; (v) provision of repair and maintenance and transportation service; (vi) property development; (vii) property leasing; and (viii) money lending.

Construction machinery business

The Group offers crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment in its construction machinery rental fleet. The Group procures these construction machinery mainly through the manufacturers of construction machinery located in Western Europe, Japan and China as well as traders of used construction machinery around the world. The Group has maintained approximately 180 units of construction machinery in the rental fleet during the Period. In order to maintain a modern fleet of construction machinery with a greater variety of models, the Group has been replacing portions of its fleet of construction machinery from time to time. The Board will continue to monitor the daily operations and review the expansion plan of the rental fleet and the capital requirements of the Group regularly. The Group may reschedule such expansion plan according to the operation and needs, the preference of the target customers and prevailing market conditions if necessary. To satisfy customers' needs, the Group also sells spare parts for maintenance purposes or upon request.

Financial services business

The Group holds licenses for conducting Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the "SFO"). The Group provides a wide range of financial services.

The revenue for the Period of the financial services business (including provision of asset management, securities brokerage, commodities, futures and other financial services) was approximately HK\$5 million (2021: approximately HK\$10 million). The decrease in revenue was mainly due to decrease in the value and volume of transactions in securities brokerage.

Money lending business

The Group holds money lender licenses under the Money Lenders Ordinance and the money lending business was conducted through its subsidiaries to grant loans to individuals and enterprises. The Group strived to adhere to a set of comprehensive policy and procedural manual in respect of loan approval, loan renewal, loan recovery, loan compliance, monitoring and anti-money laundering.

As at 30 September 2022, the Group had loans receivable with carrying amount of approximately HK\$221 million (31 March 2022: approximately HK\$347 million). A total amount of approximately HK\$99 million of the loan receivables and interest income receivables was received from borrowers during the Period. The Group recorded interest income from loans receivable of approximately HK\$14 million for the Period (2021: approximately HK\$34 million).

As at 30 September 2022, the management had engaged an independent qualified valuer to determine the expected credit losses of the Group's loans receivable (the "**loans receivable ECL**"). In assessing the loans receivable ECL of the Group, a credit rating analysis of the underlying debtors was adopted by reviewing the historical accounting information to estimate the default risk. The Group applied different expected loss rates to different classes of receivables according to their respective risk characteristics. In determining the default risk, factors including but not limited to, the ageing analysis of the receivables, the Group's internal assessment of the debtors' credit worthiness, historical and forecast occurrence of event of default, existence and valuation of the collaterals, the relevant regulatory framework and government policies in Hong Kong and global economic outlook in general and the specific economic condition of Hong Kong would be considered. The rate of loans receivable ECL ranged from 7% to 61% depending on the nature, probability of default and loss of the loans receivable.

The Group has adopted a credit policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrowers and their assets, the credibility of the potential borrowers, the necessity in obtaining collaterals and determination of suitable interest rate to reflect the risk level of the provision of loan.

The Group has performed background and credit risk assessment on the potential borrowers before granting the loans by (a) searching on their identity and background; (b) reviewing and assessing their financial information; and (c) performing an assessment on their creditability.

The Group also assesses and decides the necessity and the value of security/collateral for granting of each loan, whether to an individual or enterprise, on a case by case basis considering factors, including but not limited to, the repayment history, results of public search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.

Our Group is required to and has, at all times, strictly complied with all relevant laws and regulations. In the opinion of our Directors, in addition to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Money Lenders Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance constituted a major governance on our Group's money lending business.

During the Period, we did not receive any objection from and was not investigated by the Registrar of Money Lenders (presently performed by the Registrar of Companies) nor the Commissioner of Police regarding the renewal of the money lenders license.

Securities investment business

The Group had various securities in its investment portfolio such as listed equity securities, unlisted equity securities, unlisted funds, unlisted debts, etc. A fair value loss of approximately HK\$68 million was recorded during the Period (2021: fair value loss of approximately HK\$116 million).

During the Period, in relation to fair value loss in FVTPL of approximately HK\$68 million, a total of approximately HK\$15 million and HK\$30 million were related to investment in Riverwood Multi-Growth Fund (“**Riverwood Fund**”) (formerly HT Riverwood Multi-Growth Fund) and Tisé Opportunities SPC, respectively.

For Riverwood Fund, investment with fair value of approximately HK\$44 million at 31 March 2022 was redeemed during the Period at approximately HK\$45 million. A fair value gain of approximately HK\$1 million was recorded from this redemption. At 30 September 2022, there is a further adjustment to fair value loss of approximately HK\$16 million.

Leasing business

During the Period, the rental income derived from investment properties contributed revenue of approximately HK\$29 million (2021: approximately HK\$34 million) and the fair value loss on investment properties was approximately HK\$9 million (2021: approximately HK\$129 million gain).

Property development business

The Group has property development projects in Cambodia and Malaysia. In Cambodia, the Council of Ministers approved the project company to establish a special economic zone with a size of 17,252,519 square meters at Koh Kong Province, Cambodia. The project company shall have the sole and exclusive right to develop the special economic zone with all the necessary land use rights, including those for residential, industrial and commercial development purposes. The project was still in its preliminary stage during the Period because of the impact of COVID-19 in Cambodia.

The Group has another property development project in Malaysia. The project is a residential and commercial mixed property development project located at Port Dickson, Negeri Sembilan, Malaysia comprising 267,500 square meters (or 2,879,343 square feet). The property is held from the government for a lease term of 99 years expiring on 8 February 2097 for residential and commercial building uses. The project was still in its preliminary stage during the Period because of the impact of COVID-19 in Malaysia.

FINANCIAL REVIEW

The Group had incurred a loss of approximately HK\$4 million for the Period (2021: approximately HK\$130 million).

Revenue

During the Period, the total revenue was approximately HK\$161 million (2021: approximately HK\$166 million).

Sales of construction machinery and spare parts, rental income from construction machinery

During the Period, the sales of construction machinery and spare parts, rental income generated from construction machinery were approximately HK\$25 million (2021: approximately HK\$24 million) and approximately HK\$83 million (2021: approximately HK\$60 million), respectively. The increase in rental income was mainly attributable to the increase in government projects, such as Mobile Cabin Hospital 方艙醫院 and the 3rd runway system of the Hong Kong International Airport. The utilisation rate for the rental machineries kept at approximately 85%.

Money lending, asset management, securities brokerage, commodities, futures and other financial services

During the Period, the revenue from money lending, asset management, securities brokerage, provision of commodities, futures and other financial services decreased by approximately HK\$25 million. Such decrease was mainly attributable to the decrease in loan receivables and decrease in the value and volume of transactions securities brokerage.

Fair value losses on financial assets at fair value through profit or loss (“FVTPL”), net

The details of the Group’s securities investments and the net fair value losses recognised for the Period are set out as follows:

Name/(Stock Code)		Number of	Percentage of	Number of	Percentage of	Fair value at		Fair value (losses)/ gains for the Period	Percentage of total assets of the Group at 30 September 2022
		shares held at 31 March 2022	shareholdings at 31 March 2022	shares held at 30 September 2022	shareholdings at 30 September 2022	31 March 2022	30 September 2022		
	(Notes)				(Note 1)	HK\$ million	HK\$ million	HK\$ million	
Shandong Hi-Speed Holdings Group Limited (Formerly China Shandong Hi-Speed Financial Group Limited (412))	2	12,000	0.00%	3,000	0.00%	-	-	-	-
International Alliance Financing Leasing Company Limited (1563)	3	27,566,000	1.84%	28,091,000	1.87%	91	114	21	1.97%
Carnival Group International Limited (996)		3,624,400	0.38%	3,624,400	0.38%	-	-	-	-
Imperial Pacific International Holdings Limited (1076)	4	203,100,000	1.91%	203,100,000	1.91%	13	13	-	0.22%
Far East Holdings International Limited (36)		4,983,000	0.46%	4,983,000	0.46%	1	1	-	0.02%
Beijing Properties (Holdings) Limited (925)		8,140,000	0.12%	8,140,000	0.12%	1	1	-	0.02%
Virtual Mind Holding Company Limited (formerly known as CEFC Hong Kong Financial Investment Company Limited) (1520)	5	283,994,000	15.86%	283,994,000	14.34%	82	68	(14)	1.18%
Bank of Qingdao Company Limited (3866)	6	13,467,500	0.23%	13,467,500	0.23%	51	41	(10)	0.71%
Wealthking Investments Limited (1140)	7	27,900,000	0.69%	29,880,000	0.31%	17	12	(5)	0.21%
Grand Ocean Advanced Resources Company Limited (65)	8	68,600,000	4.56%	63,600,000	4.23%	12	22	12	0.38%
IBO Technology Company Limited (2708)		1,120,000	0.19%	2,376,000	0.37%	3	3	(3)	0.05%
DTXS Silk Road Investment Holdings Company Limited (620)		1,732,000	0.26%	-	-	3	-	(2)	-
China Apex Group Limited (2011)		-	-	-	-	-	-	(3)	-
Power Financial Group Limited (397)		8,000,000	0.29%	8,000,000	0.29%	1	1	-	0.02%
HG Semiconductor Limited (6908)	9	-	-	5,500,000	0.95%	-	22	1	0.38%
Asia Energy Logistics Group Limited (351)	10	-	-	30,650,000	1.81%	-	6	(6)	0.1%
Riverwood Multi-Growth Fund (Formerly HT Riverwood Multi-Growth Fund)	11	N/A	N/A	N/A	N/A	129	69	(15)	1.19%
Atlantis China Fund	12	N/A	N/A	N/A	N/A	23	16	(7)	0.28%
Riverwood Fortune Fund (Formerly Riverwood Umbrella Fund)		N/A	N/A	N/A	N/A	12	7	(5)	0.12%
Tisé Equity SP-1	13	N/A	N/A	N/A	N/A	59	29	(30)	0.5%
Unlisted debt instrument		N/A	N/A	N/A	N/A	20	15	(2)	0.26%
Convertible note receivable		N/A	N/A	N/A	N/A	4	4	-	0.07%
						522	444	(68)	7.68%

Notes:

1. The percentage of shareholdings is calculated with reference to the monthly return of equity issuer on movements in securities for the month ended 30 September 2022 of the issuers publicly available on the website of the Stock Exchange.
2. China Shandong Hi-Speed Financial Group Limited changed its name to Shandong Hi-Speed Holdings Group Limited with effective from 9 August 2022. And there was a share consolidation for 4 old shares into 1 new share will effective from 29 July 2022.

As at 31 March 2022, the Company held 12,000 shares of Shandong Hi-Speed Holdings Group Limited (formerly China Shandong Hi-Speed Financial Group Limited) and the same shares are consolidated into 3,000 new shares on 29 July 2022.

3. International Alliance Financing Leasing Company Limited (“**International Alliance**”) and its subsidiaries (collectively “**International Alliance Group**”) were principally engaged in offering finance lease service.

Pursuant to International Alliance Group’s interim report for the period ended 30 June 2022, International Alliance Group recorded revenue of approximately RMB133 million and total comprehensive income of approximately RMB47 million.

The Group had approximately 27.5 million shares of International Alliance at 31 March 2022, and acquired approximately 0.5 million shares in the Period. And held approximately 28 million shares at 30 September 2022.

4. Imperial Pacific International Holdings Limited (“**Imperial Pacific**”) and its subsidiaries (collectively “**Imperial Pacific Group**”) were principally engaged in the gaming and resort business, including the development of an integrated resort on the Island of Saipan, Commonwealth of the Northern Mariana Islands.

Pursuant to Imperial Pacific Group’s annual report for the year ended 31 December 2021, Imperial Pacific Group recorded revenue of nil and total comprehensive loss of approximately HK\$1,087 million.

The Group held approximately 203 million shares of Imperial Pacific as at 30 September 2022.

5. Virtual Mind Holdings Company Limited (“**Virtual Mind**”), and its subsidiaries (collectively “**Virtual Mind Group**”) were principally engaged in the design, manufacturing and trading of apparels and provision of money lending services.

Pursuant to Virtual Mind Group’s interim report for the period ended 30 June 2022, Virtual Mind Group recorded revenue of approximately HK\$23 million and total comprehensive loss of approximately HK\$41 million.

The Group held approximately 284 million shares of Virtual Mind as at 30 September 2022.

6. Bank of Qingdao Company Limited (“**Bank of Qingdao**”) and its subsidiaries (collectively “**Bank of Qingdao Group**”) were principally engaged in the provision of corporate and personal deposits, loans and advances, settlement, financial market business, financial leasing, wealth management and other services.

Pursuant to Bank of Qingdao interim report for the period ended 30 June 2022, Bank of Qingdao Group recorded revenue of approximately RMB10,739 million and total comprehensive income of approximately RMB1,981 million.

The Group held approximately 13.4 million shares of Bank of Qingdao Group as at 30 September 2022.

7. Wealthking Investments Limited (“**Wealthking**”) and its subsidiaries (collectively “**Wealthking Group**”) has a principal investment objective to achieve earnings in the form of medium to long term capital appreciation through investing in a diversified portfolio of global investments in listed and unlisted enterprises.

Pursuant to Wealthking Group’s interim result announcement for the period ended 30 September 2022, Wealthking Group recorded revenue of approximately HK\$211 million and total comprehensive income of approximately HK\$25 million.

The Group acquired approximately 2 million shares of Wealthking during the Period. And held approximately 29.8 million shares of Wealthking as at 30 September 2022.

8. Grand Ocean Advanced Resources Company Limited (“**Grand Ocean**”), and its subsidiaries (collectively “**Grand Ocean Group**”) were principally engaged in the production and sale of coal.

Pursuant to Grand Ocean Group’s Interim Report for the period ended 30 June 2022, Grand Ocean Group recorded revenue of approximately HK\$105 million and total comprehensive income of approximately HK\$10 million.

The Group had approximately 68.6 million shares of Grand Ocean as at 31 March 2022, and approximately 5 million shares was disposed in the Period. And held approximately 63.6 million shares as at 30 September 2022.

9. HG Semiconductor Limited (“**HG Semiconductor**”), and its subsidiaries (collectively “**HG Semiconductor Group**”) were principally engaged in the design, development, manufacturing, subcontracting and sale of semiconductors.

Pursuant to HG Semiconductor Group’s Interim Report for the period ended 30 June 2022, HG Semiconductor Group recorded revenue of approximately RMB43 million and total comprehensive loss of approximately RMB41 million. The Group acquired approximately 5.5 million shares of HG Semiconductor during the Period.

10. Asia Energy Logistics Group Limited (“**Asia Energy**”), and its subsidiaries (collectively “**Asia Energy Group**”) were principally engaged in the (i) shipping and logistics business and (ii) telecommunications related business in the PRC.

Pursuant to Asia Energy Group’s Interim Report for the period ended 30 June 2022, Asia Energy Group recorded revenue of approximately HK\$35 million and total comprehensive loss of approximately HK\$34 million.

The Group acquired approximately 30.6 million shares of Asia Energy during the Period.

11. Riverwood Multi-Growth Fund (Formerly HT Riverwood Multi-Growth Fund) mainly invests in listed equities of companies located in the Greater China Region (which includes Mainland China, Hong Kong, Macau and Taiwan) or deriving income and/or assets from the Greater China Region. Riverwood Fund may invest in Exchange-Traded Funds (ETFs), U.S. Treasury securities and derivative products.
12. Atlantis China Fund (the “**Atlantis Fund**”) may invest in a wide range of listed securities issued by listed companies established in or whose principal place of business is located in the People’s Republic of China (“**PRC**”) and Hong Kong, including but not limited to listed equities, preferred stocks, convertible securities, notes and other financial products. Atlantis Fund may hold ancillary liquid assets, denominated principally in Hong Kong Dollars, Renminbi and United States Dollars, including cash deposits and money market instruments.
13. Tisé Equity SP-1 is a segregate portfolio of Tisé Opportunities SPC, an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands in March 2021, with an investment objective to provide its investors with long-term capital appreciation.

The Group had various securities in its investment portfolio such as listed equity securities, unlisted equity securities, unlisted funds, unlisted debts, etc.

A fair value loss of approximately HK\$68 million was recorded during the Period (2021: fair value loss of approximately HK\$116 million).

During the Period, in relation to fair value loss in FVTPL of approximately HK\$68 million. A total of approximately HK\$15 million and approximately HK\$30 million was related to investment in Riverwood Fund and Tisé Opportunities SPC, respectively.

Fair vale loss on investment properties

During the Period, a fair value loss of approximately HK\$9 million (2021: approximately HK\$129 million gain) was recognised for investment properties of the Group.

Fair value gain on financial liabilities at FVTPL

During the period, a fair value gain of approximately HK\$78 million (2021: approximately HK\$32 million loss) was arise on financial liabilities at FVTPL.

Other gains, net

During the period, other gains, net was at approximately HK\$60 million (2021: approximately HK\$13 million), due to a gain on early redemption of corporate bond at approximately HK\$54 million.

Allowance for expected credit losses on financial assets

During the Period, the Group recognized allowance for expected credit losses on financial assets of approximately HK\$48 million (2021: allowance of approximately HK\$108 million recognised). The decrease in the amount was mainly attributable to the settlement of loan receivables received during the period. The Group has engaged an independent professional valuer for assessing the allowance for expected credit losses on financial assets.

Administrative expenses

During the Period, the administrative expenses were approximately HK\$62 million (2021: approximately HK\$72 million). Among the administrative expenses incurred during the Period, approximately HK\$4 million was related to depreciation and non-cash in nature; while the remaining expenses of approximately HK\$27 million were mainly related to staff costs. The decrease in administrative expenses was mainly attributable to effective implementation in cost-saving plans.

Share of results of associates

During the Period, the share of losses of associates of approximately HK\$7 million (2021: approximately HK\$23 million, gain).

Share-based payment expenses

The expense of approximately HK\$2 million (2021: approximately HK\$4 million) was related to the share awards and emolument shares granted to certain directors and employees.

Finance costs

During the Period, the finance costs were approximately HK\$43 million (2021: approximately HK\$64 million). The decrease was mainly attributable to exchange gain of approximately HK\$26 million arise for investment property related borrowings due to depreciate of UK pound sterling.

Taxation

During the Period, the net income tax credit was approximately HK\$1 million (2021: approximately HK\$23 million expenses).

Fair value losses on financial assets at fair value through other comprehensive income (“FVTOCI”), net

The details of the listed securities investments and the net fair value losses recognised during the Period are set out below:

Name	Notes	Percentage of	Percentage of	Fair value at	Fair value at	Fair value	Percentage of
		shareholdings	shareholdings	31 March	30 September	losses for	total assets of
		at	at	31 March	30 September	the Period	the Group at
		2022	2022	2022	2022	HK\$'million	30 September
				HK\$'million	HK\$'million		2022
Goodwill International (Holdings) Limited	<i>a</i>	7.54%	7.54%	5	4	(1)	0.07%
Co-Lead Holdings Limited	<i>b</i>	1.05%	1.05%	24	16	(8)	0.28%
Quan Yu Tai Investment Company Limited	<i>c</i>	15%	15%	373	275	(98)	4.76%
Oshidori International Holdings Limited (622)	<i>d</i>	1.27%	1.27%	39	21	(18)	0.36%
Tonsin Petrochemical Investment Limited	<i>e</i>	–	16.67%	–	50	–	0.87%
				441	366	(125)	6.34%

Notes:

- Goodwill International (Holdings) Limited (“**Goodwill Int’l**”) invested in a number of property investment projects in Hong Kong and the PRC. The properties would be sold to market upon completion of each projects, and investors (including Goodwill Int’l) would receive dividend.
- Co-lead Holdings Limited is principally engaged in trading of securities, provision of finance and holding of investments in financial services industry.
- Quan Yu Tai Investment Company Limited holds 90% equity interest in He Ying Tung Investments Company Limited (“**He Ying Tung**”). He Ying Tung, through its various indirect wholly-owned or non-wholly owned subsidiaries, is principally engaged in property development in the PRC. He Ying Tung principally has 3 property projects under development located in the municipalities of Changsha, Chenzhou and Hengyang of Hunan Province, the PRC, mainly consisting of large-scale residential complex projects and integrated commercial complex projects, as well as apartments, offices, shopping arcades, cinemas and other supporting facilities.

- d. Oshidori International Holdings Limited (“**Oshidori**”) principally engages in investment holdings, trading and investment in securities, and the provisions of (i) securities brokerage services, (ii) placing and underwriting services, (iii) corporate finance advisory services, (iv) money lending services, (v) investment advisory and asset management services, and (vi) margin financing services. Pursuant to Oshidori’s interim report for the period ended 30 June 2022, Oshidori recorded revenue of approximately HK\$73 million and total comprehensive loss of approximately HK\$336 million.

The Group held 77,500,000 shares of Oshidori as at 30 September 2022 (31 March 2022: 77,500,000).

- e. Tonsin Petrochemical Investment Limited principally engages in the development of EcoPark in South-East Asia which focus on waste management and recycling industry with advanced technologies and value-add processes.

Liquidity, financial resources and capital structure

As at 30 September 2022, the Group’s current assets and current liabilities were approximately HK\$2,231 million (31 March 2022: approximately HK\$2,266 million) and approximately HK\$2,179 million (31 March 2022: approximately HK\$2,451 million) respectively.

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group level. To manage the Group’s exposure to fluctuations in interest rates on project, appropriate funding policies will be applied including the use of bank and other borrowings, corporate note payables, convertible note payables and issue of placement shares. The management will continue its efforts in obtaining the most privileged rates and favourable terms to the Group for its financing.

Gearing ratio and indebtedness

The Group monitors its capital structure based on the gearing ratio. This ratio is calculated as net debts divided by total capital. Total capital is calculated as “equity” as shown in the consolidated statement of financial position plus net debts. The capital structure (including its gearing ratio) as at 30 September 2022 and 31 March 2022 was as follows:

	30 September 2022	31 March 2022
	<i>HK\$'million</i>	<i>HK\$'million</i>
	(unaudited)	(audited)
Bank and other borrowings	1,708	1,922
Corporate note payables		
— at amortised cost	450	430
— at FVTPL	551	629
	<hr/>	<hr/>
Total borrowings	2,709	2,981
Less: cash and cash equivalents	(273)	(195)
pledged bank deposits	(68)	(21)
	<hr/>	<hr/>
Net debts	2,368	2,765
Total equity	2,696	2,827
	<hr/> <hr/>	<hr/> <hr/>
Total capital	5,064	5,592
	<hr/> <hr/>	<hr/> <hr/>
Gearing ratio	47%	49%
	<hr/> <hr/>	<hr/> <hr/>

As at 30 September 2022, the maturity and currency profile for the Group’s bank and other borrowings and corporate note payables at amortised cost are set out as follows:

	Within			
	1 year	2nd year	3–5 years	Total
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
HK\$	482	60	22	564
US\$	586	156	–	742
GBP	852	–	–	852
	<hr/>	<hr/>	<hr/>	<hr/>
	1,920	216	22	2,158
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

As at 30 September 2022, approximately 98% of the Group's borrowings are secured by (1) investment properties; (2) corporate note receivables; (3) property, plant and equipment; (4) financial assets; and (5) bank deposits.

The borrowings with aggregate amounts of approximately HK\$1,638 million were carried at fixed interest rates, approximately HK\$70 million were carried at floating interest rates.

As at 30 September 2022, cash and cash equivalents and pledged bank deposit were denominated in the following currencies:

	<i>HK\$'million</i>
HK\$	193
GBP	23
RMB	34
US\$	87
JPY	3
EUR	1
	<hr/>
	341
	<hr/> <hr/>

Interest rate risk

The Group's pledged bank deposits and finance lease receivables bear fixed interest rates. The Group's cash at bank balances bear floating interest rates. The Group also has borrowings, obligation under finance leases. Exposure to interest rate risk exists on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate movements and rates are appropriately fixed when necessary.

Currency risk

The Group mainly operates in Hong Kong with most of the transactions denominated and settled in HK\$, US\$ and GBP. The Group's exposure to foreign currency risk primarily arises from certain financial instruments including trade receivables, bank balances and cash, trade payables, borrowings and obligation under finance leases which are denominated in US\$ and EUR. The Group does not adopt any hedging strategy in the long run but the management continuously monitors the foreign exchange risk exposure and might enter into foreign exchange forward contracts on a case-by-case basis. The Group has not used any hedging contracts to engage in speculative activities.

Credit risk and liquidity risk

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements.

Risk management

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organisation and the external environment with active management participation and effective internal control procedures in the best interest of the Group and its shareholders.

Major post-balance sheet date events

1. On 28 October 2022, Leading Partner Group Limited, an direct wholly owned subsidiary of the Company and, Novel Advice Limited, an indirect non-wholly owned subsidiary of the Company agreed to acquire 4% and 6%, respectively, of the entire issued share capital of China Pearl Global Limited at consideration note of HK\$170 million and HK\$255 million, which was settled in cash of HK\$50 million and consideration note of HK\$205 million upon completion and the completion took place on 7 November 2022.

The major asset of China Pearl Global Limited is 100% of the issued share capital of the project company which is principally engaged in property investment in Quanzhou, Fujian, People' Republic of China.

Subsequent to the end of the Period and up to the date of this announcement, there was no other significant or important event that affects the business of the Group.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend to the shareholders of the Company for the Period (2021: nil).

CAPITAL COMMITMENTS

As at 30 September 2022, the Group had a capital commitment of approximately HK\$18 million in respect of property, plant and equipment (31 March 2022: Nil).

Contingent liabilities

As at 30 September 2022 and 31 March 2022, the Group had no material contingent liabilities.

Employees and remuneration policy

As at 30 September 2022, the Group had 164 (31 March 2022: 166) staffs. The Group generally recruits its employees from the open market or by referral and enters into employment contracts with its employees. The Group offers attractive remuneration packages to the employees. In addition to salaries, the employees would be entitled to bonuses subject to the Company's and employees' performance. The Group provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for the eligible employees. The Group also adopted a share option scheme and share award scheme.

The operation staff consists of experienced machinery operators and mechanics. While such employees are highly demanded in the market, the Group manages to maintain a relatively stable workforce by continuous recruitment from the market or through referrals. New employees are required to attend induction courses to ensure that they are equipped with the necessary skills and knowledge to perform their duties. In order to promote overall efficiency, the Group also offers technical trainings to existing employees on the operation of more advanced construction machinery from time to time. Selected operation staff are required to attend external trainings which are conducted by the manufacturers of the construction machines to acquire up-to-date technical skills and knowledge on the products of the Group.

MATERIAL ACQUISITIONS, DISPOSALS AND FUND REDEMPTION IN THE PERIOD

1. On 11 May 2022, Victory Bright Limited, a indirect non-wholly owned subsidiary of the Company agreed to sell 15% of the entire issued share capital of Alcott Global Limited at a consideration of US\$20 million (equivalent to approximately HK\$157 million), which was settled in cash upon completion and the completion took place on 16 May 2022.

The major asset of Alcott Global Limited is 22% of the issued share capital of the project company which is principally engaged in investment in urban complex development project. Approval was granted by the Council of Ministers to the project company to establish a special economic zone at Koh Kong Province, Cambodia.

2. On 22 June 2022, True Well Limited, an indirect non- wholly owned subsidiary of the Company, executed an order with Shanghai Commercial Bank Limited for a bond purchase at the consideration of approximately US\$45 million (equivalent to approximately HK\$355 million).
3. On 23 June 2022, Victor Ocean Developments Limited, an indirect non-wholly owned subsidiary of the Company, executed an agreement for the disposal of 49% equity interest in Triple Blessing International Limited, an associate of the Group at a consideration of HK\$44 million.
4. On 19 July 2022, Glory Century Limited, an indirect non wholly-owned subsidiary of the Company, received a statement confirming that the redemption of 126,068.186 Participating Shares in Riverwood Multi-Growth Fund (formerly HT Riverwood Multi-Growth Fund) at the aggregate redemption price of approximately US\$5.8 million (equivalent to approximately HK\$45 million) on 4 July 2022.

Other than disclosed above, the Group had not made any material acquisition, disposal of subsidiaries and associates and redemption of fund during the Period.

BUSINESS PROSPECTS

The past Period was full of opportunities and challenges. The impact caused by geopolitical tensions and military occupation, supply chain disruptions, travel restrictions, high inflation rate together with the COVID-19 outbreak continues to bring unprecedented challenges as it impacts long-term global economic developments. However, the Group implements prudent business strategies to establish a diversified business portfolio that can survive the uncertain market conditions while exploring high-quality asset investment opportunities to explore the growth potential of profit and capital value for shareholders and investors of the Company.

With the economy still in the midst of COVID pandemic, the on-going businesses of the Group continue to be impacted as a result of reductions in business travel and corporate relocations, general restrictions on non-essential travel and the closing of the Chinese border. Nevertheless, the anticipated world-wide relaxation of epidemic prevention measures has reinforced the management's confidence in its investment strategies. Property value, generally, is expected to rise. Therefore, the Group will continue to look for opportunities in investing in the property market in prime locations in South East Asia as well as in other major economies in the world.

The Management also recognised the growing global demand in natural resources. The Group has put in additional resources in search of investment prospect and opportunities in natural resources related projects around the world. Potential projects have been identified both in South East Asia and Africa. More information will be disclosed to Shareholders in company announcement(s) at suitable juncture.

Looking ahead, the Group will remain cautious and sensibly uphold its risk management policies, strength its capital management and implement stringent cost control measures to uphold its profitability during downturn of economy.

Money lending and financial services business

The Group will continue to expand the clients base and establish a strong track record in order to strengthen the businesses of corporate financial advisory services, asset management services and streamline the client base of money lending services in the coming future. For the securities brokerage services business, the Group will explore the involvement in the share placement activities to enhance its revenue stream.

Property development business

Located in the Indo-China Peninsula, Cambodia is an important stop on the ancient Maritime Silk Road and an important location for China to promote the “One Belt, One Road” construction in the 21st century. Now Cambodia is also preparing an economic transformation, with many business opportunities emerging. Meanwhile, Cambodia has a decent investment environment and the market is highly liberalised and internationalised, attracting the attention and injection of global capital. While taking part in the development potential of the land development project, the Group is also exploring more business opportunities to invest in more business sectors in Cambodia and to share the development dividend of this high growing emerging market in the future.

At the same time, Malaysia is one of the most popular countries in Asia. In recent years, Malaysia’s GDP has continued to rise, which proves that Malaysia has strong investment potential. The Group is also deploying and looking for local high-quality projects, following the layout along the “One Belt, One Road” regions. Looking forward, the Group remains confident in its existing businesses and will continue to monitor the performance in order to maximise the returns to its shareholders.

CORPORATE GOVERNANCE CODE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures that are consistent with the “Corporate Governance Code” (the “**CG Code**”) set out in Appendix 14 to the Listing Rules. The corporate governance principles of the Company emphasise on a quality board of directors, sound internal control, transparency and accountability to all shareholders of the Company.

The Company has applied the principles and complied with all relevant code provisions of the CG Code during the Period, save and except for Code Provision C.2.1 as described below.

Under code provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. The Company has neither appointed a board member as the chairman of the Board nor appointed a chief executive officer. Having considered the business operation of the Group at the material time, it is believed that the Board, which consists of experienced professionals, can function effectively as a whole, and the executive Directors along with other members of senior management of the Company are effective in overseeing the day-to-day operation of the Company under the strong corporate governance structure in place.

Save for the aforesaid, the Board is of the view that the Company has complied with the code provisions as set out in the CG Code during the Period and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its own code of conduct for Directors’ securities transaction. The Company has made specific enquiries to all Directors and all Directors confirmed that they have fully complied with the Model Code throughout the Period.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

A subsidiary of the Company purchased a total of 6,546,000 shares of the Company from the market at an aggregate consideration of approximately HK\$0.4 million during the Period.

The Company repurchased a total of 5,040,000 of shares on the Stock Exchange at an aggregate consideration of approximately HK\$ 0.44 million on 28 February 2022 and 1 March 2022. All the repurchased shares were subsequently cancelled on 26 August 2022. The repurchases were made for the benefit of the Company and its shares as a whole with a view to enhancing the net assets value par share and/or earnings per share.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Period.

GRANT OF GENERAL MANDATE

On 16 September 2022, an ordinary resolution approving the grant of general mandate to issue new Shares was duly passed by way of poll at the annual general meeting of the Company (the “**AGM**”). The general mandate granted the Directors the authority to allot, issue and deal with new Shares with an aggregate nominal amount of not exceeding 20% of the issued share capital of the Company as at the date of the AGM.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and the internal controls and unaudited condensed consolidated interim results and financial report of the Group for the Period.

APPRECIATION

The Board would like to take this opportunity to express its gratitude to all Shareholders, customers, suppliers, business partners, banks, professional parties and employees of the Group for their continuous support.

PUBLICATION OF INTERIM RESULTS

This results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.acesogrouphk.com). The interim report will be despatched to the Shareholders and will be published on the websites of the Stock Exchange and the Company respectively in due course.

By order of the Board of
Aceso Life Science Group Limited
Fok Chi Tak
Executive Director

Hong Kong, 29 November 2022

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xu Hai Ying, Dr. Zhiliang Ou, JP (Australia) and Mr. Fok Chi Tak and three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing and Mr. Mak Yiu Tong.