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CENTRAL DEVELOPMENT HOLDINGS LIMITED

中發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The board (the "**Board**") of directors (the "**Director(s)**") of Central Development Holdings Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 September 2023 which have been reviewed by the Company's audit committee and external auditor, together with the comparative figures for the corresponding previous period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

		Six months ended 30 September	
		2023	2022
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**90,717**	135,631
Cost of sales		**(87,178)**	(133,708)
Gross profit		**3,539**	1,923
Other income	*5*	**2,645**	3,024
Other gains and losses, net	*6*	**478**	3,727
Impairment losses under expected credit loss model, net of reversal		**–**	(587)
Selling and distribution costs		**(1,206)**	(1,067)
Administrative expenses		**(10,661)**	(9,609)
Finance costs	*7*	**(6,050)**	(3,065)
Share of result of associate company		**(378)**	–
Loss before taxation		**(11,633)**	(5,654)
Income tax expense	*8*	**(455)**	(1,378)
Loss for the period	*9*	**(12,088)**	(7,032)
Other comprehensive expense for the period			
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**(4,797)**	(6,580)
Total comprehensive expense for the period		**(16,885)**	(13,612)
Loss for the period attributable to:			
– Owners of the Company		**(11,908)**	(5,614)
– Non-controlling interests		**(180)**	(1,418)
		(12,088)	(7,032)
Total comprehensive expense attributable to:			
– Owners of the Company		**(15,686)**	(8,289)
– Non-controlling interests		**(1,199)**	(5,323)
		(16,885)	(13,612)
Loss per share	*10*		
Basic (HK cents)		**(3.07)**	(1.45)
Diluted (HK cents)		**(3.07)**	(1.45)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2023

	NOTES	**At 30 September 2023** **HK$'000** **(unaudited)**	At 31 March 2023 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*12*	**16,807**	18,418
Right-of-use assets	*12*	**9,235**	7,407
Investment properties	*12*	**85,118**	88,617
Intangible assets		**47,052**	50,132
Interest in an associate		**51,197**	54,002
Rental deposits		**231**	–
		209,640	218,576
Current assets			
Inventories		**2,566**	2,427
Trade receivables	*13*	**7,290**	2,181
Other receivables, deposits and prepayments		**20,440**	19,709
Bank balances and cash		**19,419**	13,122
		49,715	37,439
Current liabilities			
Trade payables	*14*	**6,237**	1,665
Other payables and accruals		**29,655**	25,019
Due to a shareholder		**22**	–
Bank borrowing		**2,692**	2,724
Lease liabilities		**824**	195
		39,430	29,603
Net current assets		**10,285**	7,836
Total assets less current liabilities		**219,925**	226,412

	NOTES	At 30 September 2023 HK$'000 (unaudited)	At 31 March 2023 HK$'000 (audited)
Non-current liabilities			
Loans from a controlling shareholder and a shareholder		**105,838**	99,700
Deferred tax liabilities		**12,029**	12,123
Bank borrowing		**14,960**	17,099
Lease liabilities		**1,547**	24
Convertible bonds	*15*	**33,264**	30,053
Derivative financial instruments	*15*	**13,000**	13,000
		180,638	171,999
Net assets		**39,287**	54,413
Capital and reserves			
Share capital	*16*	**3,876**	3,876
Reserves		**12,057**	25,984
Equity attributable to owners of the Company		**15,933**	29,860
Non-controlling interests		**23,354**	24,553
Total equity		**39,287**	54,413

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

1. BASIS OF PREPARATION

The condensed consolidated financial statements have 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**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and derivative financial instruments in relation to convertible bonds, which are measured at fair value.

Other than the additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2023.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 April 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform - Pillar Two Model Rules

The application of the new and amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Disaggregation of revenue from contracts with customers

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from sales of goods:		
Jewelry products	**8,321**	16,651
Solar energy products	**–**	63
Refined oil	**31,878**	17,837
Liquefied natural gas ("**LNG**")	**50,518**	101,080
Total revenue	**90,717**	135,631
Timing of revenue recognition:		
A point in time	**90,717**	135,631

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

For six months ended 30 September 2023 (unaudited)

	Jewelry business	**Energy business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Sales of jewelry products	**8,321**	**–**	**8,321**
Sales of refined oil	**–**	**31,878**	**31,878**
Sales of LNG	**–**	**50,518**	**50,518**
	8,321	**82,396**	**90,717**

For six months ended 30 September 2022 (unaudited)

	Jewelry business *HK$'000*	Energy business *HK$'000*	Total *HK$'000*
Sales of jewelry products	16,651	–	16,651
Sales of solar energy products	–	63	63
Sales of refined oil	–	17,837	17,837
Sales of LNG	–	101,080	101,080
	16,651	118,980	135,631

4. SEGMENT INFORMATION

Information is regularly reviewed by the chief operating decision maker (the "**CODM**"), represented by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance focusing on nature of the Group's businesses and operations. The Group's operating and reportable segments are therefore as follows:

(i) Jewelry business (wholesale of jewelry products); and

(ii) Energy business including i) manufacture and sales of solar cooling intelligent technology products using thermal cooling-stored pipes and sales of solar photovoltaic modules and components (which are collectively referred to as solar energy products); ii) sales of refined oil; and iii) sales of LNG.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in the Group's annual consolidated financial statements for year ended 31 March 2023. Segment results represent the profit or loss by each segment without allocation of gain on fair value changes of investment properties, unallocated corporate expenses which include central administration costs and directors' remuneration at the head office, unallocated corporate income which includes rental income, interest income, government grants and sundry income and unallocated finance costs which include certain interest on lease liabilities and imputed interest on loans from a controlling shareholder and a shareholder. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For six months ended 30 September 2023 (unaudited)

	Jewelry business *HK$'000*	Energy business *HK$'000*	Total *HK$'000*
Revenue	**8,321**	**82,396**	**90,717**
Segment loss	**(85)**	**(6,905)**	**(6,990)**
Unallocated corporate other gains			**478**
Unallocated corporate income			**2,645**
Unallocated corporate expenses			**(5,441)**
Finance costs			**(2,325)**
Loss before taxation			**(11,633)**

For six months ended 30 September 2022 (unaudited)

	Jewelry business *HK$'000*	Energy business *HK$'000*	Total *HK$'000*
Revenue	16,651	118,980	135,631
Segment profit (loss)	212	(5,649)	(5,437)
Unallocated corporate other gains			4,089
Unallocated corporate income			3,024
Unallocated corporate expenses			(4,936)
Finance costs			(2,394)
Loss before taxation			(5,654)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both periods.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

	At 30 September 2023 *HK$'000* **(unaudited)**	At 31 March 2023 *HK$'000* (audited)
Jewelry business	**6,338**	1,554
Energy business	**145,576**	152,450
Total segment assets	**151,914**	154,004
Bank balances and cash	**19,419**	13,122
Other unallocated assets	**88,022**	88,889
Consolidated assets	**259,355**	256,015
Jewelry business	**6,038**	1,482
Energy business	**88,903**	84,242
Total segment liabilities	**94,941**	85,724
Due to a shareholder and loans from a controlling shareholder and a shareholder	**105,860**	99,700
Other unallocated liabilities	**19,267**	16,178
Consolidated liabilities	**220,068**	201,602

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than certain property, plant and equipment, certain rental deposit, certain right-of-use assets, certain other receivables, deposits and prepayments, investment properties and bank balances and cash.

- all liabilities are allocated to reportable segments other than certain other payables and accruals, certain lease liabilities, due to a shareholder, loans from a controlling shareholder and a shareholder and deferred tax liabilities.

5. OTHER INCOME

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income	**13**	24
Rental income	**2,632**	2,783
Government grants *(note)*	**–**	119
Others	**–**	98
	2,645	3,024

Note: During the six months ended 30 September 2022, the Group received and recognised government grants of HK$119,000 related to Employment Support Scheme provided by the Hong Kong Government.

6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Gain on fair value changes of investment properties	**478**	4,089
Loss on early termination of a lease	**–**	(362)
	478	3,727

7. FINANCE COSTS

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank borrowing	**512**	648
Interest on lease liabilities	**24**	109
Interest on convertible bonds	**3,211**	–
Imputed interest on loans from a controlling shareholder and a shareholder	**2,303**	2,308
	6,050	3,065

8. INCOME TAX EXPENSE

Income tax expense in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
PRC Enterprise Income Tax	**–**	(2)
Deferred tax	**(455)**	(1,376)
Income tax expense for the period	**(455)**	(1,378)

No provision for Hong Kong Profits Tax has been made for both periods, either due to tax losses incurred by the subsidiaries operating in Hong Kong or their assessable profits being wholly absorbed by tax losses carried forward from previous years.

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and the Implementation Regulation of the EIT Law, the tax rate applied to the PRC subsidiaries is 25% for both periods.

9. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	**861**	854
Depreciation of right-of-use assets	**261**	594
Amortisation of intangible assets	**844**	898
Cost of inventories recognised as an expense (including write-down of inventories amounting to HK$674,000 (for the six months ended 30 September 2022: HK$2,187,000))	**87,178**	133,708
Staff costs (including directors' remuneration)	**4,680**	4,244

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the purposes of calculating basic and diluted loss per share:		
Loss for the period attributable to owners of the Company	**(11,908)**	(5,614)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**387,564**	387,564

The computation of diluted loss per share for the six months ended 30 September 2023 does not assume the effect of conversion of the Company's convertible bonds since the conversion would result in an anti-dilutive effect on loss per share.

For the six months ended 30 September 2023 and 2022, the computation of diluted loss per share did not assume the exercise of share options because their exercise price is higher than the average share price.

11. DIVIDENDS

No dividend was paid or proposed during the current interim period (six months ended 30 September 2022: Nil), nor has any dividend been proposed since the end of the reporting period.

12. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

During the six months ended 30 September 2023, the Group acquired property, plant and equipment of HK$64,000 (six months ended 30 September 2022: HK$450,000).

During the six months ended 30 September 2023, the Group renewed a lease agreement with lease term of 3 years. On the date of lease commencement, the Group recognised right-of-use assets of HK$2,421,000 (including fair value adjustments to a rental deposit) and lease liabilities of HK$2,379,000.

During the six months ended 30 September 2022, the Group early terminated a lease agreement with a remaining lease term of less than one year and derecognised right-of-use assets of HK$615,000 and lease liabilities of HK$544,000, resulting in a loss on early termination of a lease of HK$362,000 (including forfeiture of a rental deposit of HK$291,000).

The fair value of the Group's investment properties as at 30 September 2023 and 31 March 2023 have been arrived at on the basis of valuation carried out by Valplus Consulting Limited ("**Valplus**"), an independent qualified professional valuer not connected to the Group. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair values are arrived at by using income approach which capitalises the net rental income derived from the existing lease and/or achievable in the existing market with due allowance for the reversionary income potential of the lease, which has been then capitalised to determine the market value at an appropriate capitalisation rate. The management of the Group works closely with Valplus to establish and determine the appropriate valuation inputs for fair value measurements, by using input of capitalisation rate at approximately 7% (31 March 2023: approximately 7%) derived from market rent.

13. TRADE RECEIVABLES

	At 30 September 2023 *HK$'000* **(unaudited)**	At 31 March 2023 *HK$'000* (audited)
Trade receivables from contracts with customers	**7,899**	2,819
Less: Allowance for credit losses	**(609)**	(638)
	7,290	2,181

The Group allows an average credit period ranging from 30 to 180 days to its customers of jewelry business and average credit period ranging from 5 to 365 days to its customers of energy business. The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of reporting period:

	At 30 September 2023 *HK$'000* **(unaudited)**	At 31 March 2023 *HK$'000* (audited)
Within 30 days	**1,386**	2,181
31 to 90 days	**4,482**	–
91 to 180 days	**650**	–
Over 180 days	**772**	–
	7,290	2,181

As at 30 September 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$1,422,000 (31 March 2023: nil) which are past due but are not considered in default as at the reporting date as there has not been a significant change in credit quality of these trade receivables.

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 March 2023.

14. TRADE PAYABLES

The following is an ageing analysis of trade payables presented based on the invoice date at the end of reporting period:

	At 30 September 2023	At 31 March 2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 30 days	**1,060**	1,442
31 to 90 days	**4,295**	–
91 to 180 days	**602**	–
Over 180 days	**280**	223
	6,237	1,665

The average credit period on purchase of goods is 365 days.

15. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

The Company issued convertible bonds with a principal amount of HK$52,000,000 on 5 December 2022 for the acquisition of the Group's associate, which principally holds 50% equity interest of Anhui Huagang Bochen New Energy Co., Ltd. (安徽華港博臣新能源有限公司) ("**Anhui Huagang**"). The convertible bonds are denominated in Hong Kong dollars (other than the Group's functional currency), unsecured and interest-free.

The convertible bonds are comprised of convertible bonds (debt component) and derivative financial instruments (derivative component including conversion and early redemption options). At initial recognition, both the convertible bonds and the derivative financial instruments are recognised at fair values amounting to HK$28,000,000 and HK$24,000,000 respectively. The convertible bonds are subsequently measured at amortised cost with effective interest rate of 22.9% per annum while the derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss.

The movement of the convertible bonds and derivative financial instruments for the six months ended 30 September 2023 (for the six months ended 30 September 2022: nil) are set out as below:

	Convertible bonds *HK$'000*	**Derivative financial instruments** *HK$'000*
As at 1 April 2023 (audited)	30,053	13,000
Interest on convertible bonds	**3,211**	**–**
As at 30 September 2023 (unaudited)	**33,264**	**13,000**

16. SHARE CAPITAL

	Number of shares *'000*	**Amount** *HK$'000*
Ordinary shares with nominal value of HK$0.01 each		
Authorised:		
At 1 April 2022, 31 March 2023 and 30 September 2023	**10,000,000**	**100,000**
Issued and fully paid:		
At 1 April 2022, 31 March 2023 and 30 September 2023	**387,564**	**3,876**

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group principally engaged in the energy business and jewelry business during the period ended 30 September 2023 (the "**Current Period**"). During the Current Period, the Group's total revenue was approximately HK$90.7 million (2022: HK$135.6 million), representing a decrease of approximately 33.1% as compared to the period ended 30 September 2022 (the "**Previous Period**"). In the post-pandemic era, as the economy experienced a slow recovery, the Group's business operations faced many challenges, resulting in a decline in revenue from both the energy business and the jewelry business. Nevertheless, the Group's proactive efforts in reducing operating costs and enhancing internal resource utilisation efficiency during the Current Period led to a significant increase in the Group's gross profit margin for the Current Period from approximately 1.4% for the Previous Period to approximately 3.9% for the Current Period.

Energy Business

During the Current Period, by leveraging our collaboration with experienced partners in the industry and proprietary technology products, we continued to actively develop the energy business with the primary objective of providing a diversified range of energy products and services. Our principal businesses comprise the sale of natural gas and refined oil, as well as solar photovoltaic ("**PV**") intelligent technology products, including solar PV components and accessories, intelligent direct-current micro-inverters and power optimisers. Due to factors such as slow economic recovery, revenue from the energy business decreased by 30.8% year-on-year from HK$119.0 million for the Previous Period to HK$82.4 million for the Current Period. This decrease was mainly attributable to a decline in sales of natural gas products during the Current Period.

Both "Carbon peaking" and "carbon neutrality" (the "**Dual Carbon**") are strategic decisions and essential goals towards long-term and high-quality development for the period covered by the 14th Five-Year Plan (2021-2025) of the People's Republic of China (the "**PRC**"), which have a profound impact on PRC's energy structure and economic structure. To realise the goal, the PRC's government proposed a number of energy transformation actions, facilitates the energy utilisation structure, and vigorously promotes the integrated development of natural gas with various energy sources. Besides, the "Action Plan for Accelerating the Integrated Development of Oil and Gas Exploration and Development with New Energy (2023-2025)" published by the National Energy Administration of the PRC has mentioned the coordinated promotion of oil and gas supply security and green development, as well as the continuous advancement of restructuring and upgrading of energy production and supply structures. As such, refined oil and natural gas are still two of the PRC's major energy sources and play a leading role in the country's energy market. Therefore, we persist with a two-pronged approach and continue to expand the liquefied natural gas ("**LNG**") and oil and gas filling businesses to meet the market demand and strengthen the Group's business foundation.

The Group owns an oil and gas filling station in Qingbaijiang District, Chengdu (the "**Filling Station**"). Situated within a large logistics park near the Chengdu International Railway Port, the Filling Station benefits from high traffic flow due to its proximity to multiple highways and national expressways passing through the area. With the lifting of quarantine measures against COVID-19, consumption and production activities in the PRC had gradually returned to normal, and the vehicle traffic volume and overall market demand for refined oil were on the rise, particularly in the flourishing development in tourism, sports and business services sectors in Chengdu and its surrounding regions during the Current Period. Additionally, according to statistics released by the Ministry of Public Security of the PRC, Chengdu led the nation in small car ownership as of September 2023, the sales of the Group's refined oil were boosting up during the Current Period with these favourable circumstantial factors.

On the other hand, as demand for LNG increases, the competition in the LNG market in the PRC has gradually intensified. In order to gain market share, market participants lowered their prices, which exerted considerable pressure on the gross profit of the sales of our LNG products. Therefore, we reduced the order volume of our LNG business during the Current Period. At the same time, we deployed more internal resources, such as management resources and manpower, to other products in the energy business to strive for improvement in marketing quality and optimise resource allocation. Throughout the Current Period, we continued to maintain strong cooperative relationships with upstream suppliers to ensure a stable supply of refined oil and LNG. Combined with the delivery and distribution capabilities of the Filling Station, this provided us with more favourable conditions and flexibility to respond to market changes and seized various business opportunities in the energy business.

During the Current Period, our solar energy business continued to face challenges of varying degrees. The severe international market environment has been affecting the demand for solar PV products in overseas markets. Military tensions have led to instability in the international market, which in turn affected the export and sales of solar PV products. Trade barriers have also restricted the international trade of solar PV products, causing certain obstacles that continue to hinder overseas sales. In the domestic market, competition within the industry has become increasingly intense following the entry of state-owned energy enterprises into the industry. A number of factors had impacted our solar energy business to a certain extent, affecting sales during the Current Period.

Jewelry Business

During the Current Period, the Group was principally engaged in providing products to jewelry distributors in Hong Kong and the PRC. Revenue from the jewelry business decreased by approximately 50.0% from approximately HK$16.7 million for the Previous Period to approximately HK$8.3 million for the Current Period, mainly due to the decrease in sales in both Hong Kong and the PRC. Sales in Hong Kong accounted for approximately 59.9% (2022: 67.0%) of the overall segment sales, while sales in the PRC accounted for approximately 40.1% (2022: 33.0%). The decline in jewelry sales in Hong Kong and the PRC was mainly attributable to the various challenges during the Current Period, including increased market competition, economic uncertainty and shift in consumer preferences, all of which significantly contributed to the decline in our sales.

One of the main factors contributing to the decline in our jewelry sales was increased market competition. In 2023, the jewelry markets in Hong Kong and the PRC became increasingly competitive since the pandemic recovery, with both local and international market players competing for market share. This intense competition put pressure on our jewelry wholesaler business, resulting in lower margins and sales. Additionally, uncertainties and inflationary pressures in the global economy, as well as the stagnation of the Hong Kong economy due to a downturn in the real estate and stock markets, have also affected our jewelry sales. Economic uncertainty had impacted consumer purchasing power and confidence, leading to a shift in consumer preferences. Consumers were looking for more affordable and versatile jewelry pieces that offer style and value for money. However, in an increasingly competitive market environment, sourcing stylish jewelry at lower prices has become more difficult. As a result, the various challenges in the post-pandemic era have had a significant impact on our jewelry business during the Current Period.

Acquisition of 35% Equity Interest in Chengdu Huahan Energy Co., Ltd. (成都華漢能源有限公司) ("Chengdu Huahan")

Hainan Huagang New Energy Development Co., Ltd. (海南華港新能源開發有限公司) ("**Hainan Huagang**"), an indirect wholly-owned subsidiary of the Company, as the purchaser, entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with Mr. Zhang Bing, as the vendor (the "**Vendor**"), and Chengdu Huahan, as the target company on 19 August 2022, and the abovementioned parties subsequently entered into a supplemental agreement (the "**Supplemental Agreement**") to the Equity Transfer Agreement on 15 November 2022 (the "**Acquisition**"). Pursuant to the terms and conditions of the Equity Transfer Agreement and the Supplemental Agreement, Hainan Huagang has agreed to purchase and the Vendor has agreed to sell 35% equity interest in the target company for a total consideration of HK$52 million, which shall be settled by the Company through the issue of interest-free convertible bonds in the principal amount of HK$52 million with a maturity date falling on the third anniversary of the date of issuance (the "**Convertible Bonds**") to the Vendor.

The Acquisition was completed on 5 December 2022 in accordance with the terms of the Equity Transfer Agreement and the Supplemental Agreement, pursuant to which Chengdu Huahan became an associate of the Group. The Company has also issued the Convertible Bonds to the Vendor in accordance with the terms and conditions of the Equity Transfer Agreement and the Supplemental Agreement, and the Company shall issue and allot 70,270,270 new shares of the Company at a conversion price of HK$0.74 per conversion share to the Vendor upon full conversion of the Convertible Bonds to settle the entire consideration of HK$52 million in accordance with the terms of the Equity Transfer Agreement and the Supplemental Agreement.

The Vendor has worked in the energy industry for over 25 years. The Vendor is the ultimate beneficial owner of the entire equity interest in Chengdu Huahan. Chengdu Huahan is principally engaged in investment holding, and is the beneficial owner of 50% equity interest in Anhui Huagang Bochen New Energy Co., Ltd. (安徽華港博臣新能源有限公司) ("**Anhui Huagang**"). Anhui Huagang is principally engaged in the construction and operation of natural gas pipeline networks, the operation and maintenance of pipeline corridors, provision of residential heating, and the procurement, transportation and sale of natural gas in Mengcheng County, Anhui Province, the PRC. Anhui Huagang is constructing two distributed energy stations, multiple gas-fired steam boilers, natural gas gateways and heat supply network. In 2019, Anhui Huagang entered into a licensing agreement with the Housing and Urban-Rural Development Bureau of Mengcheng County, under which it was granted a 30-year license to supply heat and steam to industrial, commercial and corporate entities and urban residents in the county planning area of Mengcheng County.

The Acquisition constitutes a discloseable and connected transaction of the Company. As at the date of the Equity Transfer Agreement (i.e. 19 August 2022), the Vendor was the ultimate beneficial owner of 49% equity interest in Chengdu Kaibangyuan Trading Co., Limited (成都凱邦源商貿有限公司) ("**Chengdu Kaibangyuan**"), an indirect non-wholly owned subsidiary of the Company. As such, the Acquisition and the issuance of the Convertible Bonds as consideration constitute connected transactions of the Group, and are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Details of the Acquisition were set out in the Company's announcements dated 19 August 2022, 25 August 2022, 9 September 2022, 14 September 2022, 23 September 2022, 6 October 2022, 21 October 2022, 15 November 2022 and 5 December 2022, and the Company's circular dated 18 November 2022.

PROSPECTS

Transformation of Energy Structure Brings New Development Opportunities

The "bp Energy Outlook 2023" stated that fossil energy will continue to play an important role in the global energy system in the next 15 to 20 years, and there needs to be continuing investment in oil and gas production over the next 30 years. The "Guiding Opinions on Energy Work in 2023" published by the National Energy Administration of The PRC also proposed to further strengthen the security of fossil energy as a safety net and vigorously enhance the level of energy supply security and stability. Therefore, despite the complexity and volatility of the global energy market, accelerating energy transformation and increasing uncertainties, refined oil and LNG will remain the mainstay of the world's energy supply. The Group will also capitalise on the business opportunities in the oil and gas business and make positive contributions to the overall business.

The transformation of the energy structure continues to boost demand for natural gas in the PRC. The "Blue Paper of the PRC's Natural Gas Industry Annual Operation Report", jointly published by the China Petroleum Enterprise Association and others, forecasts that the PRC's natural gas consumption will reach approximately 440 billion cubic metres in 2023, representing a year-on-year growth of 21.2%. Driven by the continuous increase in demand from the commercial sector, transportation and heating, demand for natural gas will continue to grow, which provides a good business opportunity for our natural gas business.

However, the public's demand for overall energy remains high, and refined oil remains one of the major energy consumables in the PRC, despite the transition to clean energy being actively pursued. Demand for refined oil will continue to remain high as demand from the transportation sector increases due to a marked resumption of public travel and consumption since the relaxation of pandemic control. Therefore, our refined oil business will have the opportunity to further expand its market share and maintain growth.

Firmly Implementing a Clean Energy Development Strategy

As a clean and efficient energy source with low carbon emissions, high calorific efficiency and a stable supply, natural gas is widely used in home heating and industrial production. The "14th Five-Year Plan on National Urban Infrastructure Construction" proposes to commence the construction and renovation of clean urban centralised heating systems to guide the use of clean energy in urban heating. As the construction of urban centralised heating deepens, the demand for natural gas will be further boosted, becoming an important alternative to conventional energy sources. The demand for natural gas is not only driven by the government's environmental protection policy and energy restructuring but also by the growth of the urban population. As new urbanisation and economic and social development in the PRC accelerate, the size of the urban population will continue to increase, and the demand for natural gas in the process of new urbanisation will also increase accordingly. Therefore, the development of the natural gas urban heating market in the PRC will be strongly supported.

In light of the above, we have acquired Chengdu Huahan as an associate of the Group in 2022, which will enable us to fully leverage our operational and management strengths, and also create synergies with our existing natural gas and solar PV businesses, which in turn will improve the overall efficiency of the Group's resource allocation and enhance the long-term development potential of its energy business. The associate provides excellent opportunities for the Group's future development, enriching its business portfolio, and further realising its goal of becoming a supplier of a diversified range of energy products and solutions. We will also leverage the associate's existing industry resources, brand image and extensive marketing experience to achieve complementary of edge with our existing energy business, thereby promoting the rapid development of our diversified energy business.

Given the unpredictable nature of the energy market and the high dependence on the import of natural gas supply in the PRC which led to higher price volatility, LNG is expected to continue to face cost and other challenges. We will continue to strengthen our cooperation and communication with upstream and downstream suppliers and accelerate our efforts to grasp the latest market and price trends in order to deepen the development of our energy business. On the other hand, we will continue to leverage our extensive experience in the clean energy sector and our strengths in operational management to actively lower costs and improve efficiency, and pursue new product development and develop new business, with a view to enhance the development potential of the Group's energy business.

Moving Towards Quality Renewable Energy Development

To achieve the Dual Carbon goals, the PRC is vigorously promoting the development and utilisation of various renewable energy sources, with a focus on diversifying PV power generation as one of its development strategies. Consequently, we will continue to further explore potential energy projects, including energy storage power stations, PV-storage-charging stations, and other distributed integrated energy station projects. We will leverage our experience in the fields of solar PV and energy storage to explore the development models for combining multiple energy sources.

Simultaneously, we will continue to explore more in-depth cooperation with our business partners to meet the challenges of high costs and intense market competition. Nevertheless, the unstable global economy and unfavourable international trade conditions will continue to impact the expansion of our solar energy business in overseas markets in the near term.

We will actively participate in domestic and international solar energy and energy storage exhibitions. By leveraging our experience in the solar PV and energy storage fields, we will continue to develop "multi-energy complementary" projects and actively explore smart energy station projects based on PV power stations, aiming to expand the market share and revenue of our solar energy products. We will continue to actively assess the market situation, explore new business growth drivers, and adhere to the general operating principles of "seeking stability amidst changes and striving for progress amidst stability", thereby creating long-term value for shareholders.

Addressing the Complexities and Challenges of the Jewelry Market

Given the current geopolitical instability, the jewelry industry continues to face challenges in the global markets as it remains subject to market uncertainty. In the short term, consumers are expected to be more cautious in their spending, especially when it comes to high-end luxury goods. As a result, our jewelry business may experience some pressure in the future. To overcome these challenges, our jewelry sales team will continue to implement prudent business strategies. This includes closely monitoring market conditions, maintaining open communication with all stakeholders, exploring potential business opportunities and further improving our reputation, competitive edge and ability to adapt to market changes. These efforts will help us identify potential business opportunities.

Our jewelry sales team has built strong and lasting relationships with our existing suppliers to ensure a stable supply. We will continue to negotiate with more new suppliers to meet our customers' needs for stylish and valuable products. We consider our long-term business relationships with existing customers and suppliers, the extensive sourcing from new customers and our elite sales team and business consultants as our key competitive advantages. These strengths will play a critical role in the future recovery of growth of our jewelry business. In addition, we will expand our sales network and implement effective marketing strategies, which include participation in more jewelry trade fairs and expositions in different regions, as well as networking with new suppliers of various fashionable jewelry brands from different countries. These endeavours will help us meet the ever-changing market demands and bring more potential growth opportunities to the jewelry business, thus generating more income sources for the Group beyond the energy business.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Current Period was approximately HK$90.7 million, representing a decrease of approximately 33.1% as compared to approximately HK$135.6 million for the Previous Period. The decrease was mainly due to the decrease in turnover of both the energy business and the jewelry business.

Revenue of the energy business decreased by approximately 30.8% from approximately HK$119.0 million for the Previous Period to approximately HK$82.4 million for the Current Period. It was primarily attributable to the decrease in the sales of LNG during the Current Period. The sales of refined oil have increased during the Current Period but less than the decrease in sales of LNG. The sales of our solar intelligent technology products were continuously impacted by escalated international trade conflicts and intense market competition.

Revenue of the jewelry business decreased by approximately 50.0% from approximately HK$16.7 million for the Previous Period to approximately HK$8.3 million for the Current Period. It was primarily attributable to the intensified market competition and economic instability during the Current Period.

Cost of Sales and Gross profit

Cost of sales of the Group for the Current Period was approximately HK$87.2 million, representing a decrease of approximately 34.8% compared to approximately HK$133.7 million for the Previous Period. Gross profit increased from approximately HK$1.9 million for the Previous Period to approximately HK$3.5 million for the Current Period, representing an increase of approximately 84.1%. The increase was mainly attributable to the combination of increased sales of refined oil with higher margin and a write-down of inventories in cost of sales amounted to HK$0.7 million (2022: HK$2.2 million) for the Current Period. Meanwhile, gross profit margin increased from 1.4% for the Previous Period to 3.9% for the Current Period.

Other income

Other income decreased from approximately HK$3.0 million for the Previous Period to approximately HK$2.6 million for the Current Period, representing a decrease of approximately 12.5%, which was mainly attributable to the government grants received by the Group during the Previous Period but none in the Current Period.

Other gains and losses, net

The Group recorded net other gains of approximately HK$0.5 million for the Current Period (2022: HK$3.7 million). The gains were mainly contributed by the gain from the change in the fair value of investment properties of approximately HK$0.5 million (2022: HK$4.1 million) during the Current Period. In the Previous Period, the net other gains and losses were also contributed by the loss on early termination of a lease of approximately HK$0.4 million but none was incurred in the Current Period.

Impairment loss on trade receivables under expected credit loss ("ECL")

The Group recorded an impairment loss on trade receivables under the ECL model amounted to approximately HK$0.6 million for the Previous Period but none was incurred in the Current Period. The management of the Group will continue to conduct regular review of the debtors' repayment histories, resources and financial capabilities to ensure the ability of repayment within the credit period.

Selling and distribution costs

Selling and distribution costs increased from approximately HK$1.1 million for the Previous Period to approximately HK$1.2 million for the Current Period, representing an increase of approximately 13.0%, which was mainly attributable to the increased transportation cost along with increased sales of refined oil in the Current Period.

Administrative expenses

Administrative expenses for the Current Period primarily comprised staff costs, directors' remuneration, auditor's remuneration, legal and professional fees, rent, rates and management fees, and other administrative expenses including depreciation and amortisation. The administrative expenses increased from approximately HK$9.6 million for the Previous Period to approximately HK$10.7 million for the Current Period, representing an increase of approximately 11.0%, which was mainly due to the increase of rent of short-term leases and overall cost following the recovery of operations from the pandemic.

Finance costs

Finance cost represented the imputed interests derived from the long-term loans from a controlling shareholder and a shareholder amounted to approximately HK$2.3 million (2022: HK$2.3 million), the imputed interests derived from the interest-free convertible bonds amounted to approximately HK$3.2 million (2022: Nil), the interest derived from lease liabilities amounted to approximately HK$0.1 million (2022: HK$0.1 million) and the interest derived from the long term bank loan amounted to approximately HK$0.5 million (2022: HK$0.6 million) for the Current Period.

Share of result of an associate

Share of result of an associate represented the share of loss of Chengdu Huahan amounted to HK$0.4 million (2022: Nil) during the Current Period.

Income tax expense

Income tax expense of the Group recorded for the Current Period amounted to approximately HK$0.5 million (2022: HK$1.4 million) was mainly attributable to the provision of deferred tax expense arising from the investment properties of the Group during the Current Period.

Loss for the period attributable to the Owners of the Company

By reason of the factors as stated above, the loss for the period attributable to the owners of the Company increased from approximately HK$5.6 million for the Previous Period to approximately HK$11.9 million for the Current Period, representing an increase of approximately 112.1%. Basic loss per share was 3.1 HK cents (2022: 1.5 HK cents).

Dividend

The Board has resolved not to recommend the payment of an interim dividend for the Current Period (2022: Nil).

Liquidity and Financial Positions

As at 30 September 2023, the Group had net current assets and the current ratio stood at approximately HK$10.3 million and 1.3 respectively (31 March 2023: HK$7.8 million and 1.3 respectively).

As at 30 September 2023, the bank balances and cash amounted to approximately HK$19.4 million (31 March 2023: HK$13.1 million). As at 30 September 2023, the inventories amounted to approximately HK$2.6 million (31 March 2023: HK$2.4 million), mainly representing the refined oil and solar modules intelligent technology products. As at 30 September 2023, the trade receivables and trade payables amounted to approximately HK$7.3 million and HK$6.2 million respectively (31 March 2023: HK$2.2 million and HK$1.7 million respectively), both mainly derived from the energy and jewelry business. As at 30 September 2023, the Group's property, plant and equipment, right-of-use assets and investment properties amounted to approximately HK$16.8 million, HK$9.2 million and HK$85.1 million respectively (31 March 2023: HK$18.4 million, HK$7.4 million and HK$88.6 million respectively). The investment properties of the Group are located at No. 61, Haichao Road, Sino-Italy Ningbo Ecological Park (also known as Zhongyi Ningbo Shengtai Park), Yuyao City of Zhejiang Province for industrial use and are held under operating leases to earn rentals. The investment properties were valued by an independent firm of professional property valuer and the fair values of the investment properties were derived using income approach for both periods.

As at 30 September 2023, the net carrying amount of the intangible assets was approximately HK$47.1 million (31 March 2023: HK$50.1 million), representing the operating rights in relation to the relevant certificates, licenses and approvals for the operations of the filling station and the sale of refined oil with finite useful lives. The intangible assets were arising from the acquisition of the filling station in Chengdu.

Capital Resources and Gearing

As at 30 September 2023, the Group had an interest-bearing bank borrowing of approximately HK$17.7 million (31 March 2023: HK$19.8 million) and bore an effective interest rate of 5.4% per annum (31 March 2023: 5.7%), of which approximately HK$2.7 million (31 March 2023: HK$2.7 million) will be repayable within one year and approximately HK$15.0 million (31 March 2023: HK$17.1 million) will be repayable after one year. The Group's gearing ratio (which was expressed as a percentage of total bank borrowing over total equity) was approximately 44.9% as at 30 September 2023 (31 March 2023: 36.4%).

The bank borrowing was secured by the Group's assets, for details of the charges on the Group's assets, please refer to the section headed "Charges on Group Assets" in this announcement. Save as disclosed above, the Group has no other banking facilities (31 March 2023: Nil). As at 30 September 2023, the Group had interest-free loans due to a controlling shareholder of approximately HK$102.0 million (31 March 2023: HK$95.9 million), which will be repayable after one year. As at 30 September 2023, the Group also had interest-free loans due to a shareholder, which amounted to approximately HK$0.1 million (31 March 2023: Nil) repayable within one year and approximately HK$3.8 million (31 March 2023: HK$3.8 million) repayable after one year.

The Group primarily met its working capital requirement and other liquidity requirements through a combination of operating cash flows, and interest-free loans due from a shareholder and a controlling shareholder and the bank loan during the Current Period.

Convertible bonds

On 5 December 2022, the Convertible Bonds were issued to the Vendor after the completion of the Acquisition. The Convertible Bonds can be converted into shares of the Company at a conversion price of HK$0.74 per conversion share (subject to adjustment), during the 3-year conversion period from 5 December 2022. Upon exercise of the conversion rights attached to the Convertible Bonds in full, the Convertible Bonds can be converted into 70,270,270 new shares of the Company at a conversion price of HK$0.74 per conversion share (subject to adjustment).

As at 30 September 2023, the entire principal amount of the Convertible Bonds remained outstanding. The management performed a fair value assessment and engaged an independent valuer to conduct an assessment on the Convertible Bonds at the end of the reporting period. As at 30 September 2023, the fair value of the debt component and derivative financial instrument derived from the Convertible Bonds was assessed at approximately HK$32.0 million and HK$13.0 million respectively (31 March 2023: HK$30.7 million and HK$13.0 million). The Convertible Bonds were classified as non-current liabilities with a maturity date of more than one year from the end of the reporting period.

Capital Structure

The Group's total assets and total liabilities as at 30 September 2023 amounted to approximately HK$259.4 million (31 March 2023: HK$256.0 million) and approximately HK$220.1 million (31 March 2023: HK$201.6 million) respectively. The Group's debt ratio (which was expressed as a percentage of total liabilities over total assets) was approximately 84.9% as at 30 September 2023 (31 March 2023: 78.7%).

Charges On Group Assets

As at 30 September 2023, the buildings with carrying amounts of approximately HK$3.5 million (31 March 2023: HK$3.8 million), the right-of-use assets with carrying amounts of approximately HK$5.0 million (31 March 2023: HK$5.3 million) and the investment properties with carrying amounts of approximately HK$85.1 million (31 March 2023: HK$88.6 million), were pledged to a bank in the PRC as collateral security for a bank borrowing amounted to approximately HK$17.7 million (31 March 2023: HK$19.8 million).

Save as disclosed above, there were no other charges on the Group's assets as of 30 September 2023.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2023, the Group did not have any capital commitments (31 March 2023: Nil).

As at 30 September 2023, the Group did not have any significant contingent liabilities (31 March 2023: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 30 September 2023, the Group had a total of 58 employees (31 March 2023: 60). The Group's remuneration policies are formulated based on the performance and work experience of individual employees and prevailing market rates, which will be reviewed regularly every year. Salaries of employees are maintained at competitive levels while bonuses are granted by reference to the performance of the Group and individual employees.

The Group also provides internal training to employees when necessary and other staff benefits including the share option schemes and corporate contribution to the statutory mandatory provident fund scheme for employees in Hong Kong and the statutory central pension schemes for employees in the PRC.

Furthermore, the remuneration committee of the Company will review and give recommendations to the Board as to the compensation package of the Directors and senior management of the Group, with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management of the Group.

FOREIGN EXCHANGE FLUCTUATION AND HEDGES

The business operations of the Group's subsidiaries were conducted mainly in the PRC with sales and purchases of the Group's subsidiaries denominated mainly in Renminbi and United States dollars ("**USD**"). The Group's cash and bank deposits were denominated in Hong Kong dollars, Renminbi and USD. Any significant exchange rate fluctuation of Hong Kong dollars against Renminbi or USD may have a financial impact on the Group. While the Group would closely monitor the volatility of the Renminbi exchange rate, the Directors considered that the Group's current risk exposure to foreign exchange rate fluctuation remained minimal currently.

As at 30 September 2023 and 31 March 2023, no forward foreign currency contracts were designated in hedging accounting relationships.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There were no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Current Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have any plans for material investments and capital assets as at 30 September 2023.

EVENT AFTER REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2023 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize effective internal control, accountability and transparency of the Board and are adopted in the best interest of the Company and its shareholders.

Accordingly, the Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "**CG Code**") contained in Appendix 14 to the Listing Rules.

The Company has applied the principles and complied with all the applicable code provisions set out in the CG Code throughout the Current Period.

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**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code throughout the Current Period.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company and following confirmations from the Directors, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares during the Current Period.

REVIEW BY AUDIT COMMITTEE AND INDEPENDENT EXTERNAL AUDITOR

The Company has established the audit committee of the Company (the "**Audit Committee**") with written terms of reference in compliance with the code provisions under the CG Code. The primary duty of the Audit Committee is to review and supervise the financial reporting process, risk management and internal control systems of the Group. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Ms. Zhong Yingjie, Christina (Chairman), Mr. Jin Qingjun and Ms. Sun Ivy Connie. The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed with the management the internal control and financial reporting matters, including the review of the unaudited interim results for the six months ended 30 September 2023. The Group's external auditor, Deloitte Touche Tohmatsu, has been appointed to review the interim financial information. On the basis of their review, they are not aware of any material modifications that should be made to the interim financial information for the Current Period.

NO MATERIAL CHANGE

Since the publication of the latest annual report for the year ended 31 March 2023, there have been no material changes to the Company's business.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed percentage of public float under the Listing Rules.

PUBLICATION OF INTERIM REPORT ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com) and the interim report containing all the information required by the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

Our Board would like to take this opportunity to express its gratitude to our shareholders, our business associates and all our employees for their continuous support.

By order of the Board
CENTRAL DEVELOPMENT HOLDINGS LIMITED
Chan Wing Yuen, Hubert
Chief Executive & Executive Director

Hong Kong, 23 November 2023

As at the date of this announcement, the Board consists of four executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun, Mr. Chan Wing Yuen, Hubert and Mr. Zhang Bing; a non-executive Director, namely Mr. Li Wei Qi, Jacky; and three independent non-executive Directors, namely Mr. Jin Qingjun, Ms. Sun, Ivy Connie and Ms. Zhong Yingjie, Christina.