



INTERIM REPORT
2023/24 中期報告

Stock Code 股份代號: 497

CORPORATE INFORMATION

Board of Directors

Executive Directors:

Chung Cho Yee, Mico (Chairman)
Kan Sze Man
Chow Hou Man
Ho Lok Fai
Leung King Yin, Kevin
Chung Yuen Tung, Jasmine

Independent Non-Executive Directors:

Lam Lee G., BBS, JP
Cheng Yuk Wo
Shek Lai Him, Abraham, GBS, JP
Lo Wing Yan, William, JP

Audit Committee

Cheng Yuk Wo (Chairman)
Lam Lee G., BBS, JP
Shek Lai Him, Abraham, GBS, JP
Lo Wing Yan, William, JP

Remuneration Committee

Cheng Yuk Wo (Chairman)
Chung Cho Yee, Mico
Lam Lee G., BBS, JP

Nomination Committee

Chung Cho Yee, Mico (Chairman)
Lam Lee G., BBS, JP
Cheng Yuk Wo

Executive Committee

Chung Cho Yee, Mico (Chairman)
Kan Sze Man
Chow Hou Man
Ho Lok Fai
Leung King Yin, Kevin
Chung Yuen Tung, Jasmine

Company Secretary

Kan Sze Man

Principal Bankers

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.,
Hong Kong Branch
Chong Hing Bank Limited
Dah Sing Bank, Limited
DBS Bank (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China
(Asia) Limited
Nanyang Commercial Bank, Limited
Oversea-Chinese Banking Corporation Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking
Corporation Limited
United Overseas Bank Limited

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Hong Kong Head Office and Principal Place of Business

31/F., Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Shanghai Office

Room 804, The Platinum
233 Taicang Road
Huangpu District
Shanghai, 200020, China

Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F., One Pacific Place
88 Queensway
Hong Kong

Principal Registrars

MUFG Fund Services (Bermuda) Limited
4th Floor North, Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Hong Kong Branch Share Registrars

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Stock Code

497

Company Website

www.csigroup.hk



The board of directors (the “Board”) of CSI Properties Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2023. The condensed consolidated interim financial statements of the Group have not been audited, but have been reviewed by the Company’s auditor, Deloitte Touche Tohmatsu and the Company’s Audit Committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

		Six months ended 30 September	
	NOTES	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	323,983	230,732
Cost of sales and services		(132,019)	(106,217)
Gross profit		191,964	124,515
Income and (losses) gains from investments	4	(103,941)	21,832
Other income	5	167,942	136,550
Fair value loss on investment properties	13	(27,244)	–
Other gains and losses	6	31,385	13,760
Administrative expenses		(115,553)	(145,090)
Finance costs	7	(323,748)	(191,438)
Share of results of joint ventures		269,387	166,665
Share of results of associates		(37,983)	(12,595)
Profit before taxation		52,209	114,199
Income tax credit (expense)	8	3,780	(21,128)
Profit for the period	9	55,989	93,071
Profit for the period attributable to:			
Owners of the Company		57,579	61,570
Holders of perpetual capital securities		–	34,300
Non-controlling interests		(1,590)	(2,799)
		55,989	93,071
Earnings per share (HK cents)			
– Basic	11	0.62	0.66

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 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Profit for the period	55,989	93,071
Other comprehensive expense <i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(126,207)	(333,267)
Share of exchange differences of joint ventures, net of related income tax	(73,498)	(234,989)
	(199,705)	(568,256)
Total comprehensive expense for the period	(143,716)	(475,185)
Total comprehensive (expense) income attributable to:		
Owners of the Company	(142,126)	(506,686)
Holders of perpetual capital securities	–	34,300
Non-controlling interests	(1,590)	(2,799)
	(143,716)	(475,185)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2023

	NOTES	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Non-Current Assets			
Property, plant and equipment	12	181,295	197,837
Investment properties	13	3,174,482	3,356,142
Financial assets at fair value through profit or loss ("FVTPL")	17	211,897	337,317
Derivative financial instruments	23	–	12,774
Club memberships		12,405	12,405
Interests in joint ventures		5,940,569	5,738,958
Amounts due from joint ventures	14	7,083,988	6,612,511
Interests in associates		445,486	455,593
Amounts due from associates	14	914,603	880,148
Loan receivables		74,797	77,553
		18,039,522	17,681,238
Current Assets			
Loan receivables		114,670	114,028
Trade and other receivables	15	236,779	269,403
Properties held for sale	16	6,329,754	6,386,824
Financial assets at FVTPL	17	143,128	150,491
Taxation recoverable		2,976	2,488
Cash held by securities brokers		42,365	15,099
Bank balances and cash	18	3,131,720	3,146,934
		10,001,392	10,085,267
Current Liabilities			
Other payables and accruals	19	381,610	466,180
Contract liabilities		960,000	114,000
Taxation payable		185,391	185,349
Amounts due to joint ventures	14	1,322,251	1,142,594
Amounts due to non-controlling shareholders of subsidiaries	14	146,528	164,728
Bank borrowings – due within one year	20	2,706,196	2,064,162
		5,701,976	4,137,013
Net Current Assets		4,299,416	5,948,254
Total assets less current liabilities		22,338,938	23,629,492

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

AT 30 SEPTEMBER 2023

	NOTES	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Capital and Reserves			
Share capital	21	73,752	74,952
Reserves		14,090,712	14,289,340
Equity attributable to owners of the Company		14,164,464	14,364,292
Non-controlling interests		33,091	35,480
Total Equity		14,197,555	14,399,772
Non-Current Liabilities			
Bank borrowings – due after one year	20	5,705,737	6,791,830
Guaranteed notes – due after one year	22	2,298,745	2,295,909
Deferred tax liabilities		136,901	141,981
		8,141,383	9,229,720
		22,338,938	23,629,492

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Attributable to owners of the Company							Holders of perpetual capital securities HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000 <i>(note)</i>	Translation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000			
At 1 April 2023 (audited)	74,952	2,052,135	6,620	72,579	(257,715)	12,415,721	14,364,292	-	35,480	14,399,772
Profit for the period	-	-	-	-	-	57,579	57,579	-	(1,590)	55,989
Exchange differences arising on translation of foreign operations	-	-	-	-	(126,207)	-	(126,207)	-	-	(126,207)
Share of exchange differences of joint ventures, net of related income tax	-	-	-	-	(73,498)	-	(73,498)	-	-	(73,498)
Total comprehensive (expense) income for the period	-	-	-	-	(199,705)	57,579	(142,126)	-	(1,590)	(143,716)
Share repurchases (note 21)	(1,200)	-	-	-	-	(17,152)	(18,352)	-	-	(18,352)
Dividends recognised as distribution (note 10)	-	-	-	-	-	(39,350)	(39,350)	-	-	(39,350)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	(799)	(799)
At 30 September 2023 (unaudited)	73,752	2,052,135	6,620	72,579	(457,420)	12,416,798	14,164,464	-	33,091	14,197,555

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Attributable to owners of the Company							Holders of perpetual capital securities HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000 (note)	Translation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000			
At 1 April 2022 (audited)	74,974	2,052,135	6,620	72,579	157,996	12,143,253	14,507,557	1,257,327	41,934	15,806,818
Profit for the period	-	-	-	-	-	61,570	61,570	34,300	(2,799)	93,071
Exchange differences arising on translation of foreign operations	-	-	-	-	(333,267)	-	(333,267)	-	-	(333,267)
Share of exchange differences of joint ventures, net of related income tax	-	-	-	-	(234,989)	-	(234,989)	-	-	(234,989)
Total comprehensive (expense) income for the period	-	-	-	-	(568,256)	61,570	(506,686)	34,300	(2,799)	(475,185)
Share repurchases (note 21)	(22)	-	-	-	-	(523)	(545)	-	-	(545)
Dividends recognised as distribution (note 10)	-	-	-	-	-	(39,361)	(39,361)	-	-	(39,361)
Distribution to holders of perpetual capital securities	-	-	-	-	-	-	-	(36,509)	-	(36,509)
Dividend paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	(800)	(800)
Redemption of perpetual capital securities	-	-	-	-	-	(23,302)	(23,302)	(1,255,118)	-	(1,278,420)
At 30 September 2022 (unaudited)	74,952	2,052,135	6,620	72,579	(410,260)	12,141,637	13,937,663	-	38,335	13,975,998

Note: The contributed surplus of the Group represents the amount arising from capital reorganisation carried out by the Company during the year ended 31 March 2003.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	NOTES	Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Net cash from operating activities:			
Decrease in fair value of financial assets at FVTPL		117,422	96,127
Decrease in other payables and accruals		(81,936)	(101,124)
Increase (decrease) in contract liabilities		846,000	(10,588)
Decrease (increase) in properties held for sale		101,103	(76,872)
Decrease in trade and other receivables		2,988	19,488
(Increase) decrease in cash held by securities brokers		(27,266)	9,174
Net cash inflows from other operating activities		69,521	101,998
		1,027,832	38,203
Net cash used in investing activities:			
Interest received		50,431	31,413
Interest income received from financial assets at FVTPL		10,816	16,364
Dividend income received from financial assets at FVTPL		3,929	10,513
Purchase of financial assets at FVTPL		(145,663)	(15,000)
Disposal of financial assets at FVTPL		–	13,325
Purchase of property, plant and equipment	12	–	(17)
Investments in joint ventures		(73,795)	(19,338)
Advances to joint ventures		(634,983)	(377,703)
Repayments from joint ventures		278,103	168,491
Investment in an associate		–	(4,200)
Advance to an associate		(35,489)	(223,700)
Repayment from an associate		1,805	–
Repayment of loan receivables		2,114	106,177
Proceeds on disposal of derivative financial instruments		14,352	153,090
Settlement of derivative financial instruments		–	(10,890)
Placement of time deposits with original maturity over three months		(5,297)	–
		(533,677)	(151,475)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	NOTES	Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Net cash used in financing activities:			
Repayments of bank borrowings	20	(2,024,436)	(2,263,029)
Repurchase of guaranteed notes		–	(30,170)
Repurchase of shares	21	(18,352)	(545)
Dividends paid	10	(39,350)	(39,361)
Dividends paid to non-controlling shareholders of subsidiaries		(799)	(800)
Advance from joint ventures		179,671	206,705
Repayment to joint ventures		(14)	(952)
Repayment to non-controlling shareholders		(18,200)	(3,582)
New bank borrowings raised	20	1,702,470	2,889,811
Interest paid		(323,748)	(194,963)
Distribution to holders of perpetual capital securities		–	(36,509)
Repurchase of perpetual capital securities		–	(1,278,420)
		(542,758)	(751,815)
Net decrease in cash and cash equivalents		(48,603)	(865,087)
Cash and cash equivalents at beginning of the period		3,146,934	3,455,719
Effect of foreign exchange rate changes, net		28,092	16,861
Cash and cash equivalents at end of the period		3,126,423	2,607,493
Analysis of cash and cash equivalents			
Bank balances and cash		3,131,720	2,607,493
Less: Time deposits with original maturity over three months	18	(5,297)	–
		3,126,423	2,607,493

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 (“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 Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HKSE”).

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), 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 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 Group’s 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 AND SEGMENT INFORMATION

(a) Disaggregation of revenue

For the six months ended 30 September

	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Sales of properties held for sale – at a point in time	203,298	105,879
Rental income	120,685	124,853
	323,983	230,732

	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Sales of properties held for sale		
Geographical market		
Hong Kong	203,298	105,879

3. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Disaggregation of revenue (Continued)

For the six months ended 30 September (Continued)

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

	Commercial property holding HK\$'000	Residential property holding HK\$'000	Macau property holding HK\$'000	Securities investment HK\$'000	Consolidated HK\$'000
<i>For the six months ended 30 September 2023 (unaudited)</i>					
Segment revenue	391,760	1,124,689	1,056	14,745	1,532,250
Less: share of revenue of associates and joint ventures					
Rental income	(45,952)	(4,964)	-	-	(50,916)
Sales of properties held for sale	(23,475)	(1,119,131)	-	-	(1,142,606)
Segment revenue excluding share of revenue of associates and joint ventures	322,333	594	1,056	14,745	338,728
Less: other revenue					
Rental income	(119,035)	(594)	(1,056)	-	(120,685)
Interest income and dividend income	-	-	-	(14,745)	(14,745)
Revenue from contracts with customers	203,298	-	-	-	203,298

3. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Disaggregation of revenue (Continued)

For the six months ended 30 September (Continued)

	Commercial property holding HK\$'000	Residential property holding HK\$'000	Macau property holding HK\$'000	Securities investment HK\$'000	Consolidated HK\$'000
<i>For the six months ended 30 September 2022 (unaudited)</i>					
Segment revenue	271,164	801,627	1,260	26,877	1,100,928
Less: share of revenue of associates and joint ventures					
Rental income	(50,027)	(3,085)	-	-	(53,112)
Sales of properties held for sale	-	(790,207)	-	-	(790,207)
Segment revenue excluding share of revenue of associates and joint ventures	221,137	8,335	1,260	26,877	257,609
Less: other revenue					
Rental income	(115,258)	(8,335)	(1,260)	-	(124,853)
Interest income and dividend income	-	-	-	(26,877)	(26,877)
Revenue from contracts with customers	105,879	-	-	-	105,879

Revenue from properties held for sale is recognised at a point in time when the customer obtains the control of the properties, which is the property stated in the sale and purchase agreement being delivered and its title being passed to the customer. The Group receives at least 5% of the contract value as deposits from customers when they sign the preliminary sale and purchase agreements and the balance of purchase price shall be paid upon completion of the sale and purchase of the properties.

All contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM") representing the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

There are four reportable and operating segments as follows:

- (a) commercial property holding segment, which engages in the investment and trading of commercial properties, properties under development, and also the strategic alliances with the joint venture partners of the joint ventures and associates in Hong Kong and the People's Republic of China (the "PRC") excluding Macau;
- (b) residential property holding segment, which engages in the investment and trading of residential properties, properties under development and also the strategic alliances with the joint venture partners of the joint ventures and associates in Hong Kong and the PRC excluding Macau;
- (c) Macau property holding segment, which engages in the investment and trading of properties located in Macau; and
- (d) securities investment segment, which engages in the securities trading and investment.

The CODM also considered the share of revenue of associates and joint ventures for the purpose of allocating resources and assessing performance of each segment.

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results

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

	Commercial property holding HK\$'000	Residential property holding HK\$'000	Macau property holding HK\$'000	Securities investment HK\$'000	Consolidated HK\$'000
<i>For the six months ended 30 September 2023 (unaudited)</i>					
External revenue					
Rental income	119,035	594	1,056	-	120,685
Sales of properties held for sale	203,298	-	-	-	203,298
Revenue of the Group	322,333	594	1,056	-	323,983
Interest income and dividend income	-	-	-	14,745	14,745
	322,333	594	1,056	14,745	338,728
Share of revenue of associates and joint ventures					
Rental income	45,952	4,964	-	-	50,916
Sales of properties held for sale	23,475	1,119,131	-	-	1,142,606
	69,427	1,124,095	-	-	1,193,522
Segment revenue	391,760	1,124,689	1,056	14,745	1,532,250
Results					
Share of results of joint ventures (note)	42,172	266,174	-	(38,959)	269,387
Share of results of associates (note)	131	(38,114)	-	-	(37,983)
Segment profit (loss) excluding share of results of joint ventures and associates	181,745	5,917	(146)	(116,477)	71,039
Segment profit (loss)	224,048	233,977	(146)	(155,436)	302,443
Unallocated other income					62,503
Unallocated other gains and losses					31,385
Central administrative costs					(20,374)
Finance costs					(323,748)
Profit before taxation					52,209

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results (Continued)

	Commercial property holding HK\$'000	Residential property holding HK\$'000	Macau property holding HK\$'000	Securities investment HK\$'000	Consolidated HK\$'000
<i>For the six months ended 30 September 2022 (unaudited)</i>					
External revenue					
Rental income	115,258	8,335	1,260	-	124,853
Sales of properties held for sale	105,879	-	-	-	105,879
Revenue of the Group	221,137	8,335	1,260	-	230,732
Interest income and dividend income	-	-	-	26,877	26,877
	221,137	8,335	1,260	26,877	257,609
Share of revenue of associates and joint ventures					
Rental income	50,027	3,085	-	-	53,112
Sales of properties held for sale	-	790,207	-	-	790,207
	50,027	793,292	-	-	843,319
Segment revenue	271,164	801,627	1,260	26,877	1,100,928
Results					
Share of results of joint ventures (note)	(49,654)	216,319	-	-	166,665
Share of results of associates (note)	1,090	(13,685)	-	-	(12,595)
Segment profit (loss) excluding share of results of joint ventures and associates	140,250	(12,143)	(847)	4,067	131,327
Segment profit (loss)	91,686	190,491	(847)	4,067	285,397
Unallocated other income					49,764
Unallocated other gains and losses					13,760
Central administrative costs					(43,284)
Finance costs					(191,438)
Profit before taxation					114,199

Note: Share of results of joint ventures and associates mainly represent share of the operating profits (losses) of these entities from their business engaging in property investment and development.

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit (loss) includes the profit earned (loss incurred) by each segment, fair value loss on investment properties, income and (losses) gains from investments, assets management income, interest income from amounts due from joint ventures and an associate, consultancy fee income, share of results of joint ventures and associates, without allocation of certain items of other income (primarily bank interest income, loan interest income, amortisation of financial guarantee contracts income and others) and other gains and losses (including reversal of impairment loss recognised on financial guarantee contracts, impairment loss recognised on amounts due from joint ventures, and net exchange gain), central administrative costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

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

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Segment assets		
Commercial property holding	15,502,062	15,560,504
Residential property holding	8,448,947	7,905,882
Macau property holding	147,273	147,197
Securities investment	384,038	557,539
Total segment assets	24,482,320	24,171,122
Property, plant and equipment	181,295	197,837
Taxation recoverable	2,976	2,488
Cash held by securities brokers	42,365	15,099
Bank balances and cash	3,131,720	3,146,934
Other unallocated assets	200,238	233,025
Consolidated total assets	28,040,914	27,766,505
Segment liabilities		
Commercial property holding	362,437	442,691
Residential property holding	2,375,735	1,360,609
Macau property holding	62,326	61,203
Securities investment	5,285	10,301
Total segment liabilities	2,805,783	1,874,804
Guaranteed notes	2,298,745	2,295,909
Bank borrowings	8,411,933	8,855,992
Taxation payable	185,391	185,349
Other unallocated liabilities	141,507	154,679
Consolidated total liabilities	13,843,359	13,366,733

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment assets and liabilities (Continued)

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

- all assets are allocated to operating segments other than property, plant and equipment, taxation recoverable, cash held by securities brokers, bank balances and cash and other assets used jointly by operating and reportable segments; and
- all liabilities are allocated to operating segments other than guaranteed notes, bank borrowings, taxation payable and other liabilities for which operating and reportable segments are jointly liable.

Geographical information

The Group's operations in commercial property holding, residential property holding, Macau property holding and securities investment are mainly located in Hong Kong, the PRC (excluding Hong Kong and Macau) and Macau.

The following table provides an analysis of the Group's revenue and non-current assets by geographical location.

Revenue from property rentals and sales of properties held for sale are allocated based on the geographical location of the property interests.

Non-current assets are allocated by geographical location of the assets.

	Revenue from external customers Six months ended 30 September		Non-current assets (note)	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Hong Kong	258,198	170,983	5,932,755	5,757,793
PRC	64,729	58,489	3,821,482	4,003,142
Macau	1,056	1,260	–	–
	323,983	230,732	9,754,237	9,760,935

Note: Non-current assets exclude financial instruments.

4. INCOME AND (LOSSES) GAINS FROM INVESTMENTS

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest income from financial assets at FVTPL	10,816	16,364
Dividend income from financial assets at FVTPL	3,929	10,513
Losses from change in fair value of financial assets at FVTPL	(120,264)	(96,127)
Gains from change in fair value of derivative financial instruments	1,578	91,082
	(103,941)	21,832

5. OTHER INCOME

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Bank interest income	47,720	13,025
Loan interest income	2,711	18,388
Interest income from amounts due from joint ventures and an associate	89,154	74,290
Amortisation of financial guarantee contracts income	3,993	4,257
Assets management income	16,001	12,401
Consultancy fee income	284	95
Others	8,079	14,094
	167,942	136,550

6. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Other gains (losses) comprise of:		
Net exchange gain	4,045	24,897
Reversal of impairment loss recognised on financial guarantee contracts	27,340	–
Impairment loss recognised on amounts due from joint ventures	–	(11,137)
	31,385	13,760

7. FINANCE COSTS

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest on:		
Bank borrowings	254,385	123,255
Other borrowings	–	6,473
Guaranteed notes	63,642	64,145
Loan from joint ventures	5,721	1,090
Total borrowing costs	323,748	194,963
Less: Amounts capitalised in the cost of qualifying assets	–	(3,525)
	323,748	191,438

Borrowing costs capitalised are interest expenses incurred for financing the development of properties under development. Interest rate of borrowing costs to expenditure on qualifying assets ranged from 1.38% to 3.67% per annum for the six months ended 30 September 2022.

8. INCOME TAX (CREDIT) EXPENSE

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
The (credit) charge comprises of:		
Hong Kong Profits Tax		
Current period	1,440	22,413
(Over) underprovision in prior years	(140)	49
	1,300	22,462
Deferred taxation	(5,080)	(1,334)
	(3,780)	21,128

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

According to the Macau Complementary Tax Law, complementary tax is imposed on a progressive rate scale ranging from 3% to 9% for taxable profits below or equal to Macau Pataca (“MOP”) 300,000 and 12% for taxable profits over MOP300,000. Taxable profits below MOP32,000 are exempt from tax.

According to the budget for the financial year 2023 approved by the Macau Legislative Assembly, the tax-free income threshold for the complementary tax has been increased from MOP32,000 to MOP600,000 for income derived in the tax year of 2022. Taxable profits over MOP600,000 are taxed at 12%.

No provision for Macau complementary tax was required as the subsidiaries of the Group in Macau did not have assessable profits more than MOP600,000 for both periods.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on enterprise income tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

No provision for the PRC on enterprise income tax was required as the subsidiaries of the Group in PRC have accumulated losses available for offset against future profits for both periods.

9. PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Profit for the period has been arrived at after charging the following items:		
Directors' remuneration:		
Salaries and other benefits	16,402	17,047
Contributions to retirement benefits schemes	688	660
	17,090	17,707
Other staff costs:		
Salaries and other benefits	29,593	41,408
Contributions to retirement benefits schemes	1,832	2,223
	31,425	43,631
Total staff costs	48,515	61,338
Depreciation of property, plant and equipment	16,511	17,344
Cost of properties held for sale recognised as an expense	175,625	64,616
Reversal of write-off of properties held for sale (included in cost of sales)	(111,260)	–

10. DIVIDENDS

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Final dividend of HK0.42 cents (2022: HK0.42 cents) per share recognised as distribution for the year ended 31 March 2023 and paid during the interim period	39,350	39,361

The directors do not recommend the payment of an interim dividend for the current interim period (30 September 2022: HK\$nil).

11. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Earnings		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	57,579	61,570

	Six months ended 30 September	
	2023 Number of shares (unaudited)	2022 Number of shares (unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share (in thousands)	9,337,806	9,370,443

No diluted earnings per share is presented as there is no potential ordinary shares outstanding during both periods.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, there was no property, plant and equipment acquired (six months ended 30 September 2022: HK\$17,000).

13. INVESTMENT PROPERTIES

The Group's investment properties at the end of the current interim period were valued by Cushman & Wakefield Limited, an independent and qualified property valuer not connected to the Group.

The valuation was principally based on investment method by taking into account the monthly market rent and capitalisation rate. The resulting decrease in fair value of investment properties of HK\$27,244,000 (six months ended 30 September 2022: HK\$nil) has been recognised directly in profit or loss for the six months ended 30 September 2023.

14. AMOUNTS DUE FROM (TO) JOINT VENTURES/ASSOCIATES/ NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Amounts due from joint ventures included in non-current assets (note i)	7,083,988	6,612,511
Amounts due to joint ventures included in current liabilities (note ii)	1,322,251	1,142,594
Amounts due from associates included in non-current assets (note iii)	914,603	880,148
Amounts due to non-controlling shareholders of subsidiaries included in current liabilities (note iv)	146,528	164,728

The above balances due from (to) the various parties are non-trade in nature and had no default record based on historical information.

Notes:

- (i) Included in the amounts due from joint ventures as at 30 September 2023, there are principal with interest amounts of HK\$2,764,626,000 (31 March 2023: HK\$2,784,830,000), which are unsecured, bear interest at Hong Kong Prime Rate plus 1% to 3% and 4.875% (31 March 2023: Hong Kong Prime Rate plus 1% to 3% and 4.875%) per annum and repayable after one year. The remaining amounts with principal of HK\$5,151,968,000 (31 March 2023: HK\$4,481,092,000) are unsecured, non-interest bearing and have no fixed repayment terms. All the balances are not expected to be repaid within one year and are therefore classified as non-current.

In addition, included in the amounts due from joint ventures as at 30 September 2023, there are share of loss of joint ventures of HK\$390,590,000 (31 March 2023: HK\$457,231,000) representing share of the loss in excess of the cost of investment to the extent of the Group's legal or constructive obligations.

During the period ended 30 September 2023, no impairment (31 March 2023: HK\$29,913,000) is recognised on amounts due from joint ventures, which had been determined by assessing the expected credit loss allowance by management.

- (ii) Included in the amounts due to joint ventures as at 30 September 2023, there is principal amount of HK\$108,700,000 (31 March 2023: HK\$108,700,000), which is unsecured, bear interest at 2% to 3% (31 March 2023: 2% to 3%) per annum and repayable on demand. The remaining balances are unsecured, non-interest bearing and repayable on demand.
- (iii) Included in the amounts due from associates as at 30 September 2023, there is principal with interest amount of HK\$1,105,857,000 (31 March 2023: HK\$1,042,710,000), which is unsecured, bear interest at Hong Kong Prime Rate plus 1.5% per annum and has no fixed repayment terms. All the balances are not expected to be repaid within one year and are therefore classified as non-current.
- (iv) The balances are unsecured, non-interest bearing and repayable on demand.

15. TRADE AND OTHER RECEIVABLES

Trade receivables mainly comprise of rental receivables. Rental receivables are billed and receivable based on the terms of tenancy agreements. The Group allows credit period of 0 - 60 days (31 March 2023: 0 - 60 days) to its tenants. The aging analysis of the trade receivables, presented based on the debit note date for rental receivables which approximated the revenue recognition date, at the end of the reporting period is as follows:

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Trade receivables:		
0 - 30 days	2,165	3,456
31 - 90 days	2,919	3,030
Prepayments and deposits	5,084	6,486
Other receivables (note)	13,640	34,119
	218,055	228,798
	236,779	269,403

Note: During the year ended 31 March 2023, the Group disposed of its 49% equity interest in Star Trail Limited and its subsidiaries (the "2023 Disposed Subsidiary") to two independent third parties and accounted for remaining interest of 51% in the 2023 Disposed Subsidiary as a joint venture (the "Joint Venture"). As at 30 September 2023, other receivables mainly comprised of promissory note issued by the Joint Venture, amounted to HK\$152,000,000 (31 March 2023: HK\$152,000,000), which is interest bearing at Hong Kong Interbank Offered Rate ("HIBOR") plus 1.2% per annum and it is part of the consideration received. The maturity date is the earlier of (i) 12 August 2024; or (ii) 6 months from the date of issuance of occupation permit of the properties under development by the Building Authority of Hong Kong.

16. PROPERTIES HELD FOR SALE

During the six months ended 30 September 2023, the Group incurred HK\$1,239,000 (six months ended 30 September 2022: HK\$147,000) in capital expenditure for properties held for sale and HK\$nil (six months ended 30 September 2022: HK\$76,725,000) in capital expenditure for properties under development.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FINANCIAL ASSETS AT FVTPL”)

The financial assets at FVTPL comprise of:

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Listed equity securities (note i)	9,611	13,669
Unlisted equity securities/limited partnership (note ii)	169,997	171,124
Listed debt securities (note iii)	109,983	211,708
Unlisted debt securities (note iv)	65,434	91,307
	355,025	487,808
Total and reported as:		
Listed		
Hong Kong	59,670	97,708
Singapore	6,751	16,864
Elsewhere	53,173	110,805
Unlisted	235,431	262,431
	355,025	487,808
Analysed for reporting purpose as:		
Non-current assets	211,897	337,317
Current assets	143,128	150,491
	355,025	487,808

Notes:

- (i) The fair values are based on the quoted bid prices of the respective securities in active markets for identical assets.
- (ii) The unlisted equity securities/limited partnership as at 30 September 2023 are measured at fair value. Details are set out in note 24.
- (iii) The listed debt securities at 30 September 2023 represented bonds with fixed interest of 2.5% to 11% (31 March 2023: 2.5% to 11.75%) per annum. The maturity dates of the listed debt securities range from 19 October 2023 to perpetual (31 March 2023: 11 April 2023 to perpetual). Their fair values are determined based on quoted market bid prices available from the market. At 30 September 2023, included in the amount are listed debt securities with carrying amount of HK\$4,289,000 (31 March 2023: HK\$11,968,000) in aggregate which were default.
- (iv) The unlisted debt security at 30 September 2023 represented bonds with fixed interest of 9.5% per annum (31 March 2023: bonds and certificate of deposit bonds with fixed interest of 5.3% to 9.5% per annum). The unlisted debt security will mature in January 2024. The fair value is determined based on discounted cash flows method.

Certain of the listed debt securities are pledged to secure the general banking facilities granted to the Group. Details are set out in note 28.

All of the above financial assets are stated at fair value and details of the fair value measurements are set out in note 24.

18. BANK BALANCES AND CASH

Included in bank balances and cash of HK\$5,297,000 are time deposits with original maturity over three months as at 30 September 2023 (31 March 2023: HK\$nil).

19. OTHER PAYABLES AND ACCRUALS

The following is the breakdown of other payables and accruals at the end of the reporting period:

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Rental and related deposits received	92,556	94,425
Other tax payables	2,292	2,436
Financial guarantee contracts to joint ventures	29,794	61,569
Interest payables	42,712	45,439
Accrued construction costs	196,825	221,478
Accruals and other payables	17,431	40,833
	381,610	466,180

20. BANK BORROWINGS

During the period, the Group obtained bank borrowings of approximately HK\$1,702,470,000 (six months ended 30 September 2022: HK\$2,889,811,000) and repaid bank borrowings of approximately HK\$2,024,436,000 (six months ended 30 September 2022: HK\$2,263,029,000). The bank borrowings as at 30 September 2023 and 31 March 2023 carried floating rate interests, of which borrowings amounting to HK\$7,800,110,000 (31 March 2023: HK\$8,109,144,000) bore interest at HIBOR plus 1.20% to 2.05% (31 March 2023: HIBOR plus 0.60% to 2.05%) per annum, borrowing amounting to HK\$nil (31 March 2023: HK\$91,961,000) bore interest at Sterling Overnight Index Average plus a fixed margin, compounded reference rate and borrowings amounting to HK\$611,823,000 (31 March 2023: HK\$654,887,000) bore interest at the quoted Loan Prime Rate by the National Interbank Funding Center or the Shanghai Interbank Offered Rate plus a fixed margin. At 30 September 2023, the effective interest rates ranged from 4.28% to 7.23% (31 March 2023: 0.61% to 6.80%) per annum.

The bank borrowings are secured by the Group's property, plant and equipment, properties held for sale and financial assets at FVTPL. The carrying amounts of the assets pledged are set out in note 28.

21. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK0.8 cent each		
Authorised:		
At 1 April 2022, 30 September 2022, 31 March 2023 and 30 September 2023	22,500,000,000	180,000
Issued and fully paid:		
At 1 April 2022	9,371,729,676	74,974
Share repurchased and cancelled	(2,790,000)	(22)
At 30 September 2022 and 31 March 2023	9,368,939,676	74,952
Share repurchased and cancelled	(150,000,000)	(1,200)
At 30 September 2023	9,218,939,676	73,752

All the shares issued or repurchased by the Company during the period ended 30 September 2023 and 31 March 2023 rank *pari passu* with the then existing ordinary shares in all respects.

During the period ended 30 September 2023, the Company repurchased 150,000,000 of its own shares through the HKSE. The above shares were cancelled upon repurchase and the total amount paid to acquire these cancelled shares of HK\$18,352,000 was deducted from equity holder's equity.

Month of repurchase	Number of ordinary shares repurchased and cancelled	Price per share		Aggregate price paid HK\$'000
		Highest HK\$	Lowest HK\$	
August 2023	150,000,000	0.125	0.117	18,352

During the year ended 31 March 2023, the Company repurchased 2,790,000 of its own shares through the HKSE. The above shares were cancelled upon repurchase and the total amount paid to acquire these cancelled shares of HK\$545,000 was deducted from equity holder's equity.

Month of repurchase	Number of ordinary shares repurchased and cancelled	Price per share		Aggregate price paid HK\$'000
		Highest HK\$	Lowest HK\$	
July 2022	2,790,000	0.195	0.193	545

22. GUARANTEED NOTES

On 22 July 2021, Estate Sky Limited issued guaranteed notes, which the Company is the guarantor, in the aggregate principal amount of US\$300,000,000 (equivalent to approximately HK\$2,340,000,000) (the "2021 Guaranteed Notes") at an interest rate of 5.45% per annum, payable semi-annually in arrears. During the year ended 31 March 2023, the Group redeemed and cancelled US\$3,868,000 (equivalent to approximately HK\$30,170,000) of the 2021 Guaranteed Notes. The 2021 Guaranteed Notes with carrying amount of HK\$2,298,745,000 as at 30 September 2023 will mature on 21 July 2025 (31 March 2023: HK\$2,295,909,000).

The 2021 Guaranteed Notes were listed on the Singapore Exchange Securities Trading Limited and the fair value was HK\$1,873,477,000 as at 30 September 2023 (31 March 2023: HK\$2,017,530,000).

23. DERIVATIVE FINANCIAL INSTRUMENTS

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Derivative financial assets		
Interest rate swaps	–	12,774

As at 31 March 2023, the Group had interest rate swaps in order to minimise its exposures to cash flow interest rate risk on its floating-rate interest payments to fixed rate interest payments.

Derivative financial instruments – Interest rate swaps

	31 March 2023 (audited)
Notional amount (GBP'000)	10,000
Maturity date	20 September 2027
Strike rate (fixed rate range)	0.688%

The above contracts are measured at fair value as at year ended. None of these derivative contracts were designated as hedging instruments and the net fair value gain amounting to HK\$1,578,000 (six months ended 30 September 2022: HK\$91,082,000) is recognised in profit or loss for the six months ended 30 September 2023.

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)				
Financial assets at FVTPL	Listed equity securities in:	Listed equity securities in:	Level 1	Quoted bid prices in an active market	N/A	N/A
	- Hong Kong:	- Hong Kong:				
	9,584	13,631				
	- Elsewhere:	- Elsewhere:				
27	38					
	Listed debt securities in:	Listed debt securities in:	Level 1	Quoted bid prices in an active market	N/A	N/A
	- Hong Kong:	- Hong Kong:				
	17,950	26,320				
	- Singapore:	- Singapore:				
6,751	16,864					
- Elsewhere:	- Elsewhere:					
53,146	110,767					
	Listed debt securities in:	Listed debt securities in:	Level 2	Quoted bid prices in active market and adjustment of management fee	N/A	N/A
	- Hong Kong:	- Hong Kong:				
32,136	57,757					

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)				
Financial assets at FVTPL	Unlisted debt security: nil	Unlisted debt security: 33,874	Level 1	Quoted bid prices in an over-the-counter market	N/A	N/A
	Unlisted debt security: 65,434	Unlisted debt security: 57,433	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived, based on an appropriate discount rate	Discount rate of 163.87% (31 March 2023: 57.55%)	The increase in discount rate would result in a decrease in fair value
	Unlisted equity securities/limited partnership: – Financial asset A/B: 154,305	Unlisted equity securities/limited partnership: – Financial asset A/B: 156,444	Level 3	Adjusted net asset value, determined based on net asset value ("NAV") adjusted for NAV discount	The NAV discount of 9.80% to 14.13% (31 March 2023: 7.55% to 14.13%)	The increase in the NAV discount rate would result in a decrease in fair value
	– Financial asset C: 15,692	– Financial asset C: 14,680	Level 2	Market approach, determined with reference to the fair value of the underlying investment, i.e. quoted prices in active market and adjustment of operating expenses	N/A	N/A
Derivative financial instruments	Interest rate swaps: nil	Interest rate swaps: 12,774	Level 2	Discounted cash flows, future cash flows are estimated based on interest rates from observable yield curves at the end of the reporting period and contracted interest rates, discounted at a rate that reflects the credit risk of the Group or the counterparties, as appropriate	N/A	N/A

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Reconciliation of level 3 fair value measurements

	Financial asset at FVTPL HK\$'000
At 1 April 2022 (audited)	222,572
Fair value losses in profit or loss	(17,376)
Purchases	2,917
At 30 September 2022 (unaudited)	208,113
At 1 April 2023 (audited)	213,877
Fair value gains in profit or loss	2,757
Purchases	3,105
At 30 September 2023 (unaudited)	219,739

There were no transfers between Level 1 and 2 measurements in both periods.

Except as detailed in note 22, the directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

25. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARY

For the period ended 30 September 2023

Disposal of Marble Range Limited (the “2023 Disposed Subsidiary – Marble Range”)

During the six months ended 30 September 2023, the Group disposed of the entire interests in the 2023 Disposed Subsidiary – Marble Range for a total cash consideration of HK\$106,836,000. Since the 2023 Disposed Subsidiary – Marble Range was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2023 Disposed Subsidiary – Marble Range. Accordingly, the Group had accounted for the disposal of the 2023 Disposed Subsidiary – Marble Range as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2023 Disposal Subsidiary – Marble Range on the date of disposal were as follows:

	HK\$'000
Net assets and liabilities disposed of:	
Property held for sales	175,625
Trade and other receivables, deposits and prepayments	174
Bank balances and cash	4,494
Lease incentive	22,368
Trade and other payables	(3,683)
Taxation payable	(282)
	<hr/>
Net assets disposed of	198,696
Transaction costs	12,040
Loss on disposal	(7,438)
	<hr/>
	203,298
	<hr/>
Total consideration received:	
Cash received	106,836
Assignment of loan	96,462
	<hr/>
	203,298
	<hr/>
Net cash inflow arising on disposal:	
Cash consideration received	106,836
Less: bank balances and cash disposed of	(4,494)
	<hr/>
	102,342
	<hr/>

26. FINANCIAL GUARANTEE CONTRACTS

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	8,168,146	8,706,270
Associates	1,279,200	1,099,200
	9,447,346	9,805,470
and utilised by:		
Joint ventures	6,988,237	7,324,305
Associates	1,099,200	1,099,200
	8,087,437	8,423,505

The directors of the Company have performed impairment assessment of the joint ventures and associates at the end of the reporting period as well as assessed the expected credit loss allowance in relation to the guarantees which is not material.

27. SHARE OPTION SCHEME

The Company had a share option scheme for eligible participants of the Group and expired on 15 August 2022.

No share options were granted at the beginning and end of the periods and during the six months ended 30 September 2022.

28. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure banking facilities granted to the Group:

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Property, plant and equipment	169,805	177,916
Investment properties	3,174,482	3,356,142
Properties held for sale	6,100,536	6,157,606
Financial assets at FVTPL	9,504	30,270
	9,454,327	9,721,934

29. RELATED PARTY DISCLOSURES

- (a) During the period, the Group entered into the following transactions with related parties:

		Six months ended 30 September	
		2023	2022
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Joint ventures	Assets management income	16,001	12,401
Joint ventures	Interest income	60,507	62,015
Joint ventures	Interest expense	1,634	1,090
An associate	Interest income	28,647	12,275

- (b) Details of the amounts due from (to) joint ventures, associates and non-controlling shareholders of subsidiaries are set out in the condensed consolidated statement of financial position and note 14.
- (c) The remuneration of directors and other members of key management during the period is as follows:

		Six months ended 30 September	
		2023	2022
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
	Short-term benefits	16,402	22,089
	Post-employment benefits	688	664
		17,090	22,753

The remuneration of executive directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF CSI PROPERTIES LIMITED
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of CSI Properties Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 2 to 35, which comprise the condensed consolidated statement of financial position as of 30 September 2023 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 November 2023

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: HK\$nil).

REVIEW OF THE RESULTS

The Group reported a total gross revenue for the six months ended 30 September 2023 of approximately HK\$324.0 million (six months ended 30 September 2022: HK\$230.7 million), which was mainly generated from income from sales of properties held for sale of approximately HK\$203.3 million and rental income of approximately HK\$120.7 million. The increase was mainly due to an increase in sales of properties held for sale during the period.

The Group reported a consolidated profit attributable to the owners of the Company of approximately HK\$57.6 million for the six months ended 30 September 2023 (six months ended 30 September 2022: HK\$61.6 million).

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy liquid position which included cash held by securities brokers, bank balances and cash of approximately HK\$3,174.1 million (31 March 2023: HK\$3,162.0 million). The Group generally financed its operations through its internal resources and bank facilities provided by its principal bankers.

As at 30 September 2023, the Group's total external borrowings, comprise of bank borrowings and guaranteed notes, amounted to approximately HK\$10,710.7 million (31 March 2023: HK\$11,151.9 million) and the Group's ratio of total debt to total assets was 38.2% (31 March 2023: 40.2%) (measured by total external borrowings as a percentage to the total assets of the Group).

All bank borrowings were mainly denominated in Hong Kong dollars, Renminbi, US dollars, Australian dollars and Great British Pound which were on a floating rate basis at short-term Hong Kong Interbank Offered Rate plus 1.20% to 2.05% per annum, bore interest at Sterling Overnight Index Average plus a fixed margin, compounded reference rate or bore interest at the quoted Loan Prime Rate by the National Interbank Funding Center or the Shanghai Interbank Offered Rate plus a fixed margin. The maturity profile (including bank borrowings of approximately HK\$62.0 million that contain a repayment on demand clause in the loan agreements are grouped under repayable within one year) usually spread over a period of around 2-5 years with approximately HK\$2,706.2 million repayable within one year, and HK\$5,705.7 million repayable between one to five years.

The majority of the Group's assets and liabilities were denominated in Hong Kong dollars, Renminbi and US dollars. As such, the fluctuation of foreign currencies did not have a significant impact on the performance, result and operation of the Group. However, the Group will closely monitor the risk exposure.

BUSINESS REVIEW

For the interim period ended 30 September 2023, the revenue of CSI Properties Limited (the “Company”) and its subsidiaries (the “Group”) was HK\$324.0 million, compared with HK\$230.7 million in the last interim period. Consolidated profit for the interim period ended 30 September 2023 was HK\$56.0 million, representing a decrease of HK\$37.1 million compared with HK\$93.1 million in the last interim period.

Consolidated profit attributable to owners of the Company for the six months ended 30 September 2023 was HK\$57.6 million, representing a decrease of HK\$4.0 million compared with HK\$61.6 million in the last interim period. Earnings per share attributable to shareholders for the interim period was HK0.62 cents compared with HK0.66 cents in the last interim period.

The global economy has been significantly impacted by geopolitical and economic challenges, leading to a fragile recovery. For China, the continuing tensions with the United States and trade restrictions, as well as the slow recovery from COVID-19 reopening, have dampened investor confidence and external demand. Despite attempts to fill this gap with various stimulus measures and easing of monetary policies from the Chinese Government, the repercussions are still being felt in China.

For the Hong Kong property market, the effects of slowing China economy and high interest rates have resulted in a technical recession since the second quarter of 2023 after a brief economic rebound from the initial euphoria from the Hong Kong border reopening. Furthermore, weak consumer sentiment, tight financial conditions and continuing high borrowing cost suggest a still challenging economic outlook in 2024. The management team is mindful of such tough operating environment and has been prudent in managing our business plans for both commercial and residential businesses.

Hong Kong Commercial Properties

The Hong Kong commercial properties sector has continued to see challenges since the COVID-19 outbreak in 2020. The commercial office space has some leasing and investment activities in the Central area for Grade A offices, while other areas have faced declines due to weak economic activities. Cautious office tenants have put their expansion plans on hold due to uncertainties. With worsening business sentiment and reduced demand from multinational and Chinese enterprises, the leasing market will continue to face pressure. Higher vacancy rates and suppressed rents are expected to persist for some time until the economy recovers.

Despite the slight recovery in visitor numbers since the Hong Kong border reopened, the local retail segment is still heavily reliant on domestic consumption. The weak economic outlook, combined with high interest rate environment and a volatile stock market, will likely continue to weigh on local consumer sentiment, resulting in downward pressure on retail and F&B rents.

With the tough office and retail leasing businesses in Hong Kong this year, the Group has responded by prudently managing the development and costs of key commercial projects, and diligently managing leases and rentals of our office and retail and F&B rental properties with some highlights below.

In Kowloon East, the Group has achieved rental progress with “Harbourside HQ”, a joint ventured prime office building in Kowloon Bay. The Group is working continuously to attract high-calibre tenants and has recently secured the Hospital Authority as a new anchor tenant with over 100,000 square feet rented. We will continue to pursue respectable tenancy profile and rental yields moving forward.

Construction of the joint ventured commercial building located at Nos. 92-96 Wellington Street, in close proximity to the SOHO district in Central, is well underway. The Group has entered into contracts to presell 9 floors of the commercial building to investors and users, and remains hopeful for more sales before the completion of the building in mid-2024.

For the joint venture mixed-use URA commercial development in collaboration with Wing Tai Properties Limited at Gage Street/Graham Street, Central, construction work is progressing on schedule with foundation works completed and the superstructure currently under construction with schedule for completion in late 2025.

The joint ventured redevelopment at No. 352 Nathan Road in Jordan is progressing on schedule. We are diligently managing costs and evaluating the optimal tenant profile for the lower commercial floors to maximise future rental yields and tenancy profile upon the construction completion planned for late 2025.

The Group will continue to monitor the market actively and prudently for our commercial portfolio to monetise the assets, while diligently managing and optimising the current tenancy profile to enhance rental yields.

Hong Kong Residential Properties

During the interim period, the primary and secondary residential markets in Hong Kong have also seen a slowdown in activities due to rising mortgage rates and weak purchase sentiment, leading to a softening of home prices in various residential segments. Fortunately, the Group was able to capture respectable sales on our luxury market offerings at the beginning of 2023 when the market sentiment was more optimal during the initial China border reopening.

Key luxury residential sales of the Group include the sale of a landmark luxury house at No. 45 Barker Road at the Peak which was completed in October 2023. This unique redeveloped heritage house at 4,200 square feet is blessed with full and unobstructed 180-degree views of Victoria Harbour and is a rare real estate masterpiece.

“Dukes Place” at No. 47 Perkins Road in Jardine’s Lookout is our joint venture luxury residential project. Nestled in a quiet, prestigious ultra-high-net-worth neighbourhood, the project offers a selective number of super luxury simplexes, duplexes, garden villas and a penthouse, with layouts and sizes ranging from approximately 2,850 square feet to over 6,800 square feet. To date, the Group has sold 12 units out of a total of 16 units at superior prices. We will endeavour to sell the remaining special units at top prices.

“Infinity” at Nos. 8-12 Peak Road is a joint venture project consisting of the refurbishment of a collection of ultra-high-end residences. In addition, the Group wholly owns a newly build detached house at No. 10 Peak Road at this prime Peak address. We have received positive responses and ongoing interests from the community on the units and are confident that this splendid project will continue to solidify our renowned reputation for ultra-luxury residential projects.

Our current and forthcoming key residential projects include “Cadenza” at No. 333 Fan Kam Road in Sheung Shui which comprises of 6 luxurious villas, each providing a gross floor area of more than 6,000 square feet. The project is in the exclusive neighbourhood which is situated a mere three-minute drive from the acclaimed Hong Kong Golf Club at Fanling, with easy accessibility to Mainland China border for cross border frequent travellers.

We are partnering with Asia Standard International Group Limited and ITC Properties Group Limited on a joint venture premium residential development “High Peak” at No. 23 Po Shan Road. This is a 10-storey residential development comprising of 16 luxury residential units with saleable area ranging from 3,770 square feet to 7,260 square feet. We have successfully presold 1 unit at premium price and expect to achieve further sales in the future.

Our Yau Tong MTR joint ventured residential project with Sino Land Company Limited is progressing well according to schedule. We currently anticipate the presale of the residential units to be in 2024, and hope to receive solid market response due to its convenient location in Kowloon East.

The Phase V development project “THE SOUTHSIDE” at Wong Chuk Hang MTR station, in joint venture with New World Development Company Limited and others, is a superior residential property located atop the forthcoming Wong Chuk Hang MTR station mall podium. Construction of the superstructure has commenced for this project with target completion in 2025. We currently anticipate the presale of the residential units to be in 2024.

Another important mass luxury residential project forthcoming is the premium residential tower at No. 350 Nathan Road in Jordan. This is the residential portion of the joint ventured redevelopment project with our partner Canada Pension Plan Investment Board. The facade is designed by the internationally renowned architectural firm, PDP London, and is expecting to complete construction around 2025. Presale of the residential units is expected to commence in 2024 and we expect to receive good response at this prime and convenient Kowloon address.

In terms of future development landbank, the Group has two mass residential sites in the “Northern Metropolis” area in New Territories. Under this important development plan led by the Hong Kong Government, about 30,000 hectares (or 74,132 acres) of land located in the Northern parts of the New Territories along the border with Mainland China will become an economic powerhouse and a residential hub in the next 20 years. The Group is supportive to the plan of the government and is dedicated to making good economic benefits from these two sites in the future.

The first site is our 50:50 joint venture redevelopment of Lai Sun Yuen Long Centre in Yuen Long. The project has made the application to obtain government approvals to transform the existing industrial building into a mass residential complex with a future attributable gross floor area of approximately 480,000 square feet. This convenient site presents easy access to the heart of Yuen Long and Long Ping MTR station.

The second is our joint venture project in Kwu Tung with a future attributable gross floor area of approximately 1,200,000 square feet in which the Group holds a 40% stake of the project. We believe the site, located near the future Kwu Tung MTR station, to be a key mass residential development of the Group in the future. We are diligently progressing with the preparation work for the prime site and working closely with relevant government departments including the Lands Department on issues of land exchange arrangement and negotiation of the land premium.

On our residential property business, the Group remains confident in the long-term prospect of the market, which has shown repeated resilience due to limited supply. However, the current tough business environment presents significant challenges which the management and team will be working diligently to ride out.

Mainland China Market

The Group has made good headway in the Mainland China market despite the slower economy.

As to our long-term holding commercial assets in Mainland China, the Group has done repositioning work to our assets with good rental enhancement. For the “In Point Shopping Mall” at No. 169 Wujiang Road in Shanghai, upgrade works were made to the primarily located mall to create a promenade of double-decker premium street-front stores. After the refurbishment, the Group has achieved significant value creation with occupancy improved from 70% to 90% with stronger tenancy profile and rental yields. The “Richgate Plaza” in Shanghai also enjoys healthy occupancy and rental yields upon recent upgrade in tenancy.

On the residential side, “Knightsbridge” is the Group’s first luxury residential joint venture project in prime Beijing and is located at Nos. 90 and 92 Jinbao Street. This project has a classical European style façade which is one-of-a-kind and well recognisable in the locality. Sales of the units are well underway with more than two-thirds of the refurbished units sold at solid pricing, demonstrating a continual demand from affluent mainlanders for high-end luxury residential properties in Mainland China.

Looking ahead to the longer future, the Group still sees potential in Mainland China, especially in premium luxury retail, and will adapt and respond with appropriate positioning and investment strategies.

Securities Investment

As at 30 September 2023, the Group held financial assets at fair value through profit or loss of approximately HK\$355.0 million (31 March 2023: HK\$487.8 million). The investment portfolio comprises of 31.0% listed debt securities, 2.7% listed equity securities and 66.3% unlisted equity and debt securities. They are denominated in different currencies with 97.3% in United States dollars and 2.7% in Hong Kong dollars.

During the period under review, a mark-to-market valuation of net losses of HK\$118.7 million, comprising HK\$117.4 million of net fair value loss from listed debt securities, HK\$4.1 million of net fair value loss from equity securities (mostly listed in Hong Kong) and HK\$2.8 million arising from net fair value gain from unlisted equity and debt securities.

During the period under review, interest income and dividend income from securities investment decreased to approximately HK\$14.7 million (30 September 2022: HK\$26.9 million).

As at 30 September 2023, approximately HK\$9.5 million (31 March 2023: HK\$30.3 million) of these listed securities investments were pledged to banks as collateral for banking facilities granted to the Group.

OUTLOOK

The global market is still overcrowded by the high interest rate environment, which although seeing some signs of rates peaking at the current level, may stay at a high level for some time. This will continue to impact both asset prices in addition to the associated high financing costs for real estate assets globally. Furthermore, the continuing conflicts in Ukraine and the latest upheavals in the Middle East will continue to dent investment sentiment and bring uncertainties to the global markets.

The Group has been prudent in monetising from steady asset sales in the past interim period, while ensuring a solid cash balance to help to maintain good financial health and liquidity. We remain cautiously optimistic on the Hong Kong commercial properties sector in the medium to longer term, and will continue to endeavour to monetise and optimise our commercial real estate business. On the residential front, the Group has been able to capture respectable sales on our luxury market offerings. The recent easing of the various stamp duties from the Hong Kong Government on property purchases are in the right direction in driving new demand to the residential market. The management team will strive to achieve solid sales for our luxury residential offerings and mass market residential offerings in Hong Kong which are located at prime locations with convenient transportation when the market and interest rate normalise in the medium term.

Lastly, our management team remains dedicated to practising prudent business discipline, managing healthy balance sheet, while balancing with the Group's growth objectives for our shareholders in such challenging time.

EMPLOYEE

As at 30 September 2023, the total number of employees of the Group was 102 (31 March 2023: 106). The Group's employees are remunerated in line with the prevailing market terms and individual performance, with the remuneration package and policies reviewed on a regular basis. In addition to salaries, discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and the individual employee.

OTHER INFORMATION

DIRECTORS' AND THE CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2023, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) (the "SFO") required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long positions in shares of the Company:

Name of Directors	Nature of interests	Company/ name of associated corporation	Number of shares held	Approximate Percentage of total Shareholding
Chung Cho Yee, Mico ("Mr. Chung") ^{note}	Beneficial owner	The Company	5,179,192,062	56.18
	Interest of controlled corporation	The Company	5,176,147,062	56.15
Kan Sze Man	Beneficial owner	The Company	23,790,500	0.26

Note: Mr. Chung is the beneficial owner of 5,179,192,062 shares in the Company (being the aggregate of personal interest of Mr. Chung of 3,045,000 shares and the corporate interest held by Earnest Equity Limited ("Earnest Equity") of 5,176,147,062). Earnest Equity is a wholly-owned subsidiary of Digisino Assets Limited ("Digisino"). The entire issued share capital of Digisino is held by Mr. Chung and thus both Digisino and Earnest Equity are corporations wholly-owned and controlled by him. Therefore, Mr. Chung is deemed to be interested in any shares or equity derivatives held by Earnest Equity or Digisino.

Save as disclosed above, as at 30 September 2023, the Company had not been notified of any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 September 2023, according to the register kept by the Company pursuant to Section 336 of SFO, and so far as is known to any Directors or the Company, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANIES

The Group had provided financial assistance to, and guarantee for, affiliated companies in the aggregate amount of HK\$18,466,449,000, which represented approximately 65.9% of the Group's total assets value as at 30 September 2023.

As at 30 September 2023, the advances and guarantees made by the Group to its joint ventures and associates are as follows:

	Advances	Guarantees
	HK\$'000	HK\$'000
Action Soar Investments Limited	257,491	–
Autumn Bliss Limited	43	–
Century Bliss Limited	93,213	290,000
City Synergy Limited	95,285	41,942
Clear Dynamic Limited	459,009	345,000
Cleveland Global Limited	–	172,654
Creative Modern Limited	518,273	240,000
Eagle Wonder Limited	320,525	242,165
Fame Allied Limited	26,993	68,306
Favour Eternal Limited	23,098	–
Great Maker Limited	519,000	–
Innovative Vanguard Limited	–	235,620
Jerwyn Pte. Ltd.	59,820	–
King Empire International Limited	1,105,857	810,000
Land Magic Investments Limited	214,512	186,400
Leading Avenue Limited	273,967	270,000
Lotus Legend Limited	6,891	–
Modern Crescent Limited	1,201,738	760,000
Ocean Beyond Investments Limited	36,947	–
Silver Chic Limited	260,995	136,000
Sincere Charm Limited	286,548	108,760
Sino City Ventures Limited	183,591	–
Southwater Investments Limited	2,536,173	3,450,000
Success Apex Limited	385,460	166,399
Tiptop Noble Limited	425	1,300,500
True Fame Enterprises Limited	–	469,200
Vital Triumph Limited	153,249	154,400
	9,019,103	9,447,346

FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANIES (Continued)

In accordance with the requirement under Rule 13.22 of the Listing Rules, the pro forma combined balance sheet of those affiliated companies and the Group's attributable interests in those affiliated companies based on their latest financial statements available are presented below:

	Combined balance sheet HK\$'000	Group's attributable interests HK\$'000
Non-current assets	47,827	10,014
Current assets	60,576,712	21,759,221
Current liabilities	(25,907,030)	(7,580,514)
Non-current liabilities	(29,702,769)	(10,982,535)
	5,014,740	3,206,186

CHANGES IN INFORMATION OF DIRECTORS

The changes in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Dr. Lam Lee G., *BBS, JP*, was appointed as an independent non-executive director of MOS House Group Limited on 1 October 2023, the shares of which are listed on the Stock Exchange. Dr. Lam resigned as independent non-executive director of Thomson Medical Group Limited and Alset International Limited both on 7 November 2023, the shares of which are listed on the Singapore Exchange.

Dr. Lam retired as an independent non-executive director of each of i) TMC Life Sciences Berhad on 31 May 2023, the shares of which are listed on Bursa Malaysia; and (ii) Haitong Securities Co., Ltd. on 12 October 2023, the shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange.

Mr. Shek Lai Him, Abraham, *GBS, JP*, was appointed as the Court Member of The City University of Hong Kong with effect from 1 January 2023. Mr. Shek was the chairman and an executive director of Goldin Financial Holdings Limited, the shares of which were delisted from the Stock Exchange in October 2023. The company is now in liquidation.

Dr. Lo Wing Yan, William, *JP*, resigned as an independent non-executive director of Oshidori International Holdings Limited on 1 July 2023, the shares of which are listed on the Stock Exchange.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CHANGE OF DIRECTOR

Mr. Fong Man Bun, Jimmy retired as an executive director of the Company with effect from the conclusion of the 2023 annual general meeting of the Company held on 23 August 2023 in accordance with Bye-law 99(A) of the Company's bye-laws.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2023, except for the deviation from code provision C.2.1 of the Code which is explained below.

Code provision C.2.1 of the Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, the Company does not have a chief executive officer position. The Board is of the view that the current management structure has been effective in facilitating the Company’s operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place.

THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code relating to dealings in securities. Memorandum was sent to directors twice a year to draw their attention to the Model Code. The Company made specific enquiries to each director and had received their written confirmation that the directors complied throughout the period in review with the required standards as set out in the Model Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

For the six months ended 30 September 2023, the Company repurchased a total of 150,000,000 shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$18,196,370. All the repurchased shares were subsequently cancelled. The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the earnings per share of the Company. Details of the repurchases are as follows:

Month, Year	Number of ordinary shares repurchased	Purchase price		Aggregate consideration paid (before expenses) HK\$
		Highest HK\$	Lowest HK\$	
August, 2023	150,000,000	0.125	0.117	18,196,370
Total	150,000,000			18,196,370

AUDIT COMMITTEE

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2023 have been reviewed by the Audit Committee of the Company.

By order of the Board
Chung Cho Yee, Mico
Chairman

Hong Kong, 29 November 2023

FOCO

ENTRANCE

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