CSI
PROPERTIES
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CSI PROPERTIES LIMITED
資本策略地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The board of directors of CSI Properties Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the interim period ended 30 September 2024, the revenue of the Group was HK$143.0 million, compared with HK$324.0 million in the last interim period. The Group recorded unaudited condensed consolidated loss of HK$914.6 million for the interim period ended 30 September 2024 as compared to consolidated profit of HK$56.0 million in the last interim period. The consolidated loss was primarily attributable to the aggregate of adverse changes in the fair value of the Group's investment properties, write-down of properties held for sale and the impairment provision for joint venture's properties for the six months ended 30 September 2024.

Consolidated loss attributable to owners of the Company for the six months ended 30 September 2024 was HK$904.1 million, as compared to consolidated profit attributable to owners of the Company for the six months ended 30 September 2023 was HK$57.6 million. Loss per share attributable to shareholders for the interim period was HK9.82 cents, compared to earnings per share attributable to shareholders of HK0.62 cent in the last interim period.

* *For identification purpose only*

The interim period under review continued to be very challenging. The persistently high interest rate environment has dampened overall property investment sentiment, and has remained a substantial strain on our profitability. Facing continuing weakness in the Mainland China and Hong Kong economies, our asset sales have remained slow, in addition to the need for making impairment provisions for some of our Group's portfolio. All these factors have combined to extending our losses since the end of the previous financial period.

On the residential property market, Hong Kong Government has relaxed the various measures previously taken to dampen purchase sentiment since the beginning of 2024. The results have been mixed with improving sales volume but at subdued pricing levels. The Group's portfolio of residential properties has seen slow but improving sales on both the mass end and luxury end. In light of the recent US interest rate cuts, we remain cautious of an improving residential market and sales going forward, albeit at subdued pricings.

The Hong Kong commercial property sector continues to face significant challenges, with office and retail uptake demand remaining at subdued levels. The ongoing uncertainty in the broader economic environment, coupled with shifts in consumer behaviour and workplace dynamics, have contributed to sluggish demand for commercial spaces. Businesses remain cautious about expansion and investment, albeit there are some early signs of stabilisation in Hong Kong office vacancy rates as per a November property market report from Jones Lang LaSalle, and new rental leases of prime office spaces by leading global institutions like Millennium Capital and JD.com in Central. As a result, while the outlook for the commercial property market remains challenging, we are hopeful of improvements in the medium to longer term. The Group will endeavor to navigate the complex landscape and seek strategies to adapt to the evolving market conditions prudently and carefully.

Looking ahead, we expect the property markets in both Hong Kong and Mainland China to remain relatively subdued in the near future, despite early positive signals from US monetary policy and Chinese economic stimulus measures. With the recent election of Donald Trump back to the US presidency and the resultant uncertainties in rate cuts and possible tariffs on China, the outlook for Hong Kong and Mainland China will likely remain challenging. Given the projected tight market liquidity, we maintain a cautious outlook, while focusing on continual asset disposal efforts, prudent financial management and appropriate refinancing strategies to balance the interests of all stakeholders.

Hong Kong Commercial Properties

The Group has continued to make solid progress to develop and upgrade its portfolio of strategic commercial projects. The URA project at Gage Street/Graham Street, Central, is a joint venture mixed-use commercial development with Wing Tai Properties Limited. The project will deliver a Grade A office tower, a super luxury hotel, F&B and retail shops with a combined gross floor area of approximately 432,000 square feet. The construction is well underway with foundation works completed and superstructure works already commenced and final construction completion set for early 2026.

Over in Kowloon East, the Group has been actively managing and upgrading leasing arrangements for the "Harbourside HQ", the joint ventured prime office building in prime Kowloon Bay. The Group has continually upgraded its tenant mix with the Hospital Authority renting an additional 16,000 square feet of office space in addition to the 100,000 square feet previously rented. The Group will strive to continue bringing in high calibre tenants, as well as achieve respectable rental yields.

The "Hong Kong Health Check Tower" at Nos. 241 and 243 Nathan Road in Jordan has a leading Hong Kong medical service provider, Hong Kong Health Check and Medical Diagnostic Centre Limited, anchored as the main tenant. Leading retail tenants include Chow Tai Fook Jewellery and the Bank of East Asia. The tower is strategically located at the junction of Nathan Road and Jordan Road. We will continue to actively manage and upgrade leasing arrangements to achieve better returns.

The redevelopment plan for "Novotel Hotel", via transforming it into a new commercial and residential complex, is progressing well with construction completion targeting in the latter part of 2025. The residential portion have conducted successful presale exercises since May 2024 and over 180 units out of 259 units have been presold, and the management team is constantly evaluating the optimal future tenants for the commercial portion.

We have another commercial project "DL Tower" at No. 92 Wellington Street which is in close proximity to the SOHO district in Central. This joint venture project with Canada Pension Plan Investment Board and a minority partner has been developed into a stylish commercial building with construction completed in March 2024. The strata sale of individual floors is well underway with decent responses and a total of 8 floors sold. We are hopeful that additional sales will be entered into as the recovery for commercial F&B/retail activities in the prime Central district is slowly continuing.

Despite the current slower market, the Group has continued its efforts in driving the development and repositioning of our various commercial assets. We are hopeful that these continual efforts will enable the Group in capitalising on these value-added works in the future with the slow recovery of commercial real estate market on a longer term horizon.

Hong Kong Residential Properties

The Group currently maintains a good portfolio of luxury and mass residential projects in prime locations of Hong Kong, with decent cashflow expected from these disposals in the forthcoming financial periods.

"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. The Group has seen improving buying interest of ultra-luxury units after the US Federal Reserve rate cut in September and sold an additional two duplex units. To date the Group has successfully sold a substantial majority of the units in the project at superior prices. We will endeavour to sell the remaining units (including the immaculate penthouse unit) at good 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 built detached house at No. 10 Peak Road at this prime Peak address. This project is endowed with sweeping, full 180-degree views of Victoria Harbour. We believe that this splendid project will continue to solidify our renowned reputation for ultra-luxury residential projects.

Our residential project "Cadenza" at No. 333 Fan Kam Road in Sheung Shui comprises of 6 luxurious villas, each providing a gross floor area of more than 6,000 square feet. Each villa benefits from its own swimming pool and exquisite private garden, setting the benchmark for the most prestigious country houses. The project is situated a mere three-minute drive from the acclaimed Hong Kong Golf Club at Fanling, with easy accessibility to Mainland China for cross border frequent travellers. Since the US Federal Reserve rate cut in September, we entered into sale agreement for one of the villas and we are hopeful of more sales in the future.

The prime residential project at Nos. 3-6 Glenealy, Central, on which we are working with Pacific Century Premium Developments Limited, is well underway with foundation works in good progress. We are anticipating the launch of the presales to be as early as first half of 2025.

Our Yau Tong MTR residential project in joint venture with Sino Land Company Limited is progressing well according to schedule. We currently anticipate the presale of the residential units to be as early as first half of 2025 and remain hopeful to receive solid market response due to its convenient location in Kowloon East.

Our Phase V development project of "THE SOUTHSIDE" at Wong Chuk Hang MTR station, in joint venture with New World Development Company Limited among others, is a superior residential property located atop "THE SOUTHSIDE" shopping mall in Hong Kong Island South at Wong Chuk Hang MTR station. The plan is to develop the prime site into a premium residential complex with a total gross floor area of around 636,000 square feet. The residential units will have excellent views of Ocean Park Hong

Kong and Deep Water Bay, creating a well-located haven for premium residential units at this convenient address with a short five-minute MTR ride away from Admiralty. Construction of superstructure has commenced for this project with target completion in 2025. Presale of the residential units is currently anticipated to be as soon as in the first half of 2025. The Group is hopeful the project will command solid response and decent profitability in light of the recent stronger residential market sentiment from stamp duties relaxation, in addition to the extremely convenient location in Hong Kong Island South.

Our joint venture project in Yuen Long, “Lai Sun Yuen Long Centre”, will be transformed into a mass residential complex with an anticipated gross floor area of approximately 480,000 square feet. We are diligently progressing with the preparation work for the site and working closely with relevant departments to ensure timely delivery of the mass residential units in the future.

Overall, the Group remains satisfied with the performance and development progress of our residential projects achieved to-date. We have a solid pipeline of residential projects that will be realised in the foreseeable future, especially on the mass residential spectrum, and will contribute to the continued progress of the Group’s residential property portfolio.

Mainland China Market

“Knightsbridge” is the Group’s first luxury residential joint venture project in Beijing and 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. The completed renovation works include an upgrade of the façade and common areas, and the fitting out of the interiors of the 2 floors of show units. Sales of the units are well underway with over 90 of the total 114 refurbished units sold at solid pricing, demonstrating a still resilient demand from affluent mainlanders for high-end luxury residential properties in Mainland China.

Our premium shopping malls, namely “In Point” and “Richgate Plaza” in Shanghai, are well positioned to capture long-term benefits after the latest revamp with improving occupancies and better tenant mix.

Looking ahead to the longer future, the Group remains cautious on Mainland China in light of the slowly improving Mainland China economy from various government support measures, and will adapt and respond conservatively with appropriate positioning and investment strategies.

Securities Investment

As at 30 September 2024, the Group held financial assets at fair value through profit or loss of approximately HK$321.0 million (31 March 2024: HK$351.8 million). The investment portfolio comprises of 28.2% listed debt securities, 3.0% listed equity securities and 68.8% unlisted equity and debt securities. They are denominated in different currencies with 97.0% in United States dollars and 3.0% in Hong Kong dollars.

During the period under review, a mark-to-market valuation of net losses of HK$31.9 million, comprising HK$2.8 million of net fair value loss from listed debt securities, HK$0.9 million of net fair value gain from equity securities (mostly listed in Hong Kong) and HK$30.0 million arising from net fair value loss from unlisted equity and debt securities.

During the period under review, interest income and dividend income from securities investment increased to approximately HK$24.6 million (30 September 2023: HK$14.7 million).

As at 30 September 2024, approximately HK$5.9 million (31 March 2024: HK$5.1 million) of these listed securities investments were pledged to banks as collateral for banking facilities granted to the Group.

FINANCIAL POLICIES AND MARKET OUTLOOK

The Group has made various initiatives to improve on adaptability, resilience, and has adopted prudent risk management to manage the current challenges. We have also placed a strong emphasis on maintaining a healthy financial position. This includes stringent cost management practices, optimising our capital structure, and ensuring adequate liquidity to meet our obligations and seize opportunities as they arise. As a highlight, the Group has refinanced earlier in April 2024 our syndicated loan due later this year with a new four-year HK$1.3 billion sustainability-linked term loan with good support from our Hong Kong commercial banking partners. The Group will strive to continue maintaining strong liquidity, financial position, and a well-managed maturity profile for our liabilities.

We anticipate the Mainland China and Hong Kong economies to continue its slow recovery in the coming period amidst new government support policies. Over the medium to long term, demand for residential property in Hong Kong is expected to remain resilient, supported by a potential interest rate cut, pent-up demand from home buyers, and growing demand from new immigrants arriving through various government initiatives.

We are also actively preparing for the pre-sale launches of our joint venture Wong Chuk Hang and Yau Tong MTR residential projects in the forthcoming year. These two projects are well situated along MTR lines and are well-positioned to capitalise on the release of pent-up demand from first-time home buyers at these convenient locations.

With the aforementioned efforts in continual asset disposal, property sales, and operational enhancement, the Group is determined to navigate and survive in this property down cycle. Nonetheless, given the prevailing uncertainty, the Group does not rule out the possibility of undertaking necessary measures to ensure healthy liquidity and financial position so as to safeguard the interests of all stakeholders. The management team is grateful to the various stakeholders including our investors, customers and banking partners for their continual support to the Group during such challenging time. We remain hopeful for a slow but gradual recovery of the Hong Kong property markets eventually.

RESULTS

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 2024 together with the comparative figures for the six months ended 30 September 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

		Six months ended 30 September	
		2024	2023
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**142,984**	323,983
Cost of sales and services		**(107,530)**	(132,019)
Gross profit		**35,454**	191,964
Income and losses from investments	*4*	**(8,394)**	(103,941)
Other income	*5*	**166,603**	167,942
Fair value loss on investment properties		**(51,010)**	(27,244)
Other gains and losses	*6*	**(61,407)**	31,385
Administrative expenses		**(95,611)**	(115,553)
Finance costs	*7*	**(298,510)**	(323,748)
Share of results of joint ventures		**(581,869)**	269,387
Share of results of associates		**(43,869)**	(37,983)
(Loss) profit before taxation		**(938,613)**	52,209
Income tax credit	*8*	**23,971**	3,780
(Loss) profit for the period	*9*	**(914,642)**	55,989
(Loss) profit for the period attributable to:			
Owners of the Company		**(904,102)**	57,579
Non-controlling interests		**(10,540)**	(1,590)
		(914,642)	55,989
(Loss) earnings per share *(HK cents)*	*11*		
– Basic		**(9.82)**	0.62

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss) profit for the period	**(914,642)**	55,989
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**15,546**	(126,207)
Share of exchange differences of joint ventures, net of related income tax	**3,242**	(73,498)
	18,788	(199,705)
Total comprehensive expense for the period	**(895,854)**	(143,716)
Total comprehensive expense attributable to:		
Owners of the Company	**(885,314)**	(142,126)
Non-controlling interests	**(10,540)**	(1,590)
	(895,854)	(143,716)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2024

	NOTES	30 September 2024 HK$'000 (unaudited)	31 March 2024 HK$'000 (audited)
Non-Current Assets			
Property, plant and equipment		**155,612**	165,047
Investment properties		**3,170,362**	3,204,457
Financial assets at fair value through profit or loss ("FVTPL")	*13*	**259,771**	283,230
Club memberships		**12,405**	12,405
Interests in joint ventures		**3,708,396**	5,645,075
Amounts due from joint ventures		**6,822,347**	6,813,871
Interests in associates		**508,908**	503,086
Amounts due from associates		**998,936**	940,018
Loan receivables		**70,688**	72,792
		15,707,425	17,639,981
Current Assets			
Loan receivables		**6,782**	115,399
Trade and other receivables	*12*	**179,713**	290,858
Properties held for sale		**5,527,169**	5,598,042
Financial assets at FVTPL	*13*	**61,211**	68,591
Taxation recoverable		**838**	1,560
Cash held by securities brokers		**1,583**	3,399
Bank balances and cash		**1,969,874**	2,520,518
		7,747,170	8,598,367
Current Liabilities			
Other payables and accruals	*14*	**207,410**	229,605
Contract liabilities		**1,766**	620
Taxation payable		**108,187**	128,872
Amounts due to joint ventures		**367,716**	1,699,816
Amounts due to non-controlling shareholders of subsidiaries		**104,513**	123,254
Bank borrowings – due within one year		**1,921,279**	3,876,918
Guaranteed notes – due within one year		**2,304,654**	–
		5,015,525	6,059,085
Net Current Assets		**2,731,645**	2,539,282
Total assets less current liabilities		**18,439,070**	20,179,263

	30 September 2024 HK$'000 (unaudited)	31 March 2024 HK$'000 (audited)
Capital and Reserves		
Share capital	**73,678**	73,678
Reserves	**12,773,593**	13,658,907
Equity attributable to owners of the Company	**12,847,271**	13,732,585
Non-controlling interests	**(7,807)**	3,533
Total Equity	**12,839,464**	13,736,118
Non-Current Liabilities		
Bank borrowings – due after one year	**5,469,057**	4,005,930
Guaranteed notes – due after one year	**–**	2,301,660
Deferred tax liabilities	**130,549**	135,555
	5,599,606	6,443,145
	18,439,070	20,179,263

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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 the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

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 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following 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 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the 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

	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Sales of properties held for sale – at a point in time	**23,080**	203,298
Rental income	**119,904**	120,685
	142,984	323,983

	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Sales of properties held for sale		
Geographical market		
Hong Kong	**10,080**	203,298
Macau	**13,000**	–
	23,080	203,298

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*
For the six months ended 30 September 2024 (unaudited)					
Segment revenue	372,197	706,190	14,078	24,556	1,117,021
Less: share of revenue of associates and joint ventures					
Rental income	(36,705)	(279)	–	–	(36,984)
Sales of properties held for sale	(217,103)	(695,394)	–	–	(912,497)
Segment revenue excluding share of revenue of associates and joint ventures	118,389	10,517	14,078	24,556	167,540
Less: other revenue					
Rental income	(118,389)	(437)	(1,078)	–	(119,904)
Interest income and dividend income	–	–	–	(24,556)	(24,556)
Revenue from contracts with customers	–	10,080	13,000	–	23,080

	Commercial property holding	Residential property holding	Macau property holding	Securities investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the six months ended 30 September 2023 (unaudited)					
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

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.

(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 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 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.

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*
For the six months ended 30 September 2024 (unaudited)					
External revenue					
Rental income	**118,389**	**437**	**1,078**	**–**	**119,904**
Sales of properties held for sale	**–**	**10,080**	**13,000**	**–**	**23,080**
Revenue of the Group	**118,389**	**10,517**	**14,078**	**–**	**142,984**
Interest income and dividend income	**–**	**–**	**–**	**24,556**	**24,556**
	118,389	**10,517**	**14,078**	**24,556**	**167,540**
Share of revenue of associates and joint ventures					
Rental income	**36,705**	**279**	**–**	**–**	**36,984**
Sales of properties held for sale	**217,103**	**695,394**	**–**	**–**	**912,497**
	253,808	**695,673**	**–**	**–**	**949,481**
Segment revenue	**372,197**	**706,190**	**14,078**	**24,556**	**1,117,021**
Results					
Share of results of joint ventures *(note)*	**(642,976)**	**61,107**	**–**	**–**	**(581,869)**
Share of results of associates *(note)*	**(298)**	**(43,571)**	**–**	**–**	**(43,869)**
Segment profit (loss) excluding share of results of joint ventures and associates	**22,352**	**6,835**	**(20,615)**	**(55,139)**	**(46,567)**
Segment (loss) profit	**(620,922)**	**24,371**	**(20,615)**	**(55,139)**	**(672,305)**
Unallocated other income					**57,278**
Unallocated other gains and losses					**90**
Central administrative costs					**(25,166)**
Finance costs					**(298,510)**
Loss before taxation					**(938,613)**

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the six months ended 30 September 2023 (unaudited)					
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

Note: Share of results of associates and joint ventures include share of the operating profits or loss and write-down of properties under development of these entities from their business of property investment and development.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss incurred) profit earned by each segment, without allocation of certain items of other income (primarily bank interest income, interest income from loan receivables and amortisation of financial guarantee contracts) and of other gains and losses (primarily reversal of impairment loss recognised on financial guarantee contracts, gain on disposal of property, plant and equipment 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.

4. INCOME AND LOSSES FROM INVESTMENTS

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income from financial assets at FVTPL	**5,306**	10,816
Dividend income from financial assets at FVTPL	**19,250**	3,929
Net change in fair value of financial assets at FVTPL	**(32,950)**	(120,264)
Net change in fair value of derivative financial instruments	**–**	1,578
	(8,394)	(103,941)

5. OTHER INCOME

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Bank interest income	**41,095**	47,720
Interest income from loan receivables	**2,639**	2,711
Interest income from amounts due from joint ventures and an associate	**92,415**	89,154
Amortisation of financial guarantee contracts	**3,736**	3,993
Assets management income from joint ventures	**16,721**	16,001
Consultancy fee income	**189**	284
Others	**9,808**	8,079
	166,603	167,942

6. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Other gains (losses) comprise of:		
Net exchange gain	**10**	4,045
Reversal of impairment loss recognised on financial guarantee contracts	**–**	27,340
Written off of loan receivable	**(61,497)**	–
Gain on disposal of property, plant and equipment	**80**	–
	(61,407)	31,385

7. FINANCE COSTS

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on:		
Bank borrowings	**229,465**	254,385
Guaranteed notes	**63,293**	63,642
Loan from joint ventures	**5,752**	5,721
Total borrowing costs	**298,510**	323,748

8. INCOME TAX CREDIT

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The credit comprises of:		
Hong Kong Profits Tax		
Current period	**1,035**	1,440
Overprovision in prior years	**(20,000)**	(140)
	(18,965)	1,300
Deferred taxation	**(5,006)**	(5,080)
	(23,971)	(3,780)

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 calculated at a rate of 12% on the assessable profits above Macau Pataca ("MOP") 600,000 (2023: MOP600,000) for the period.

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. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss) profit for the period has been arrived at after charging (crediting) the following items:		
Directors' remuneration:		
Salaries and other benefits	**14,445**	16,402
Contributions to retirement benefits schemes	**506**	688
	14,951	17,090
Other staff costs:		
Salaries and other benefits	**27,183**	29,593
Contributions to retirement benefits schemes	**2,487**	1,832
	29,670	31,425
Total staff costs	**44,621**	48,515
Depreciation of property, plant and equipment	**9,437**	16,511
Cost of properties held for sale recognised as an expense	**27,497**	175,625
Write-down (reversal of write-down) of properties held for sale (included in cost of sales)	**44,131**	(111,260)

10. DIVIDENDS

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Final dividend of HK nil cent per share for the year ended 31 March 2024 (2023: HK0.42 cent per share recognised as distribution of final dividend for the year ended 31 March 2023 and paid during the interim period)	**–**	39,350

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2024 and 2023.

11. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss) earnings		
(Loss) earnings for the purpose of basic (loss) earnings per share ((Loss) profit for the period attributable to owners of the Company)	**(904,102)**	57,579

	Six months ended 30 September	
	2024	2023
	Number of shares	Number of shares
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share (in thousands)	**9,209,790**	9,337,806

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

12. TRADE AND OTHER RECEIVABLES

Trade receivables mainly comprise of rental receivables which are receivable on the presentation of debt notes and rental income is billed in advance. The Group allows credit period of 0 – 60 days (31 March 2024: 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 2024 *HK$'000* **(unaudited)**	31 March 2024 *HK$'000* (audited)
Trade receivables:		
0 – 30 days	**6,451**	5,125
31 – 90 days	**7,946**	4,318
	14,397	9,443
Prepayments and deposits	**26,072**	29,400
Other receivables *(note)*	**139,244**	252,015
	179,713	290,858

Note: As at 30 September 2024, other receivables mainly comprised of promissory note issued by a joint venture amounted to HK$72,000,000 (31 March 2024: HK$152,000,000), which is interest bearing at Hong Kong Interbank Offered Rate plus 1.2% per annum.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FINANCIAL ASSETS AT FVTPL")

The financial assets at FVTPL comprise of:

	30 September 2024 *HK$'000* **(unaudited)**	31 March 2024 *HK$'000* (audited)
Listed equity securities	**9,806**	8,949
Unlisted equity securities/limited partnership	**146,103**	175,918
Listed debt securities	**90,448**	97,234
Unlisted debt securities	**74,625**	69,720
	320,982	351,821
Total and reported as:		
Listed		
Hong Kong	**66,107**	63,916
Singapore	**1,891**	2,166
Elsewhere	**32,255**	40,101
Unlisted	**220,729**	245,638
	320,982	351,821
Analysed for reporting purpose as:		
Non-current assets	**259,771**	283,230
Current assets	**61,211**	68,591
	320,982	351,821

14. OTHER PAYABLES AND ACCRUALS

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

	30 September 2024 *HK$'000* **(unaudited)**	31 March 2024 *HK$'000* (audited)
Rental and related deposits received	**92,189**	86,949
Other tax payables	**2,515**	2,488
Financial guarantee contracts	**19,653**	23,003
Interest payables	**38,725**	48,372
Accrued construction costs	**36,998**	38,248
Accruals and other payables	**17,330**	30,545
	207,410	229,605

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2024 and 2023.

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 2024 *HK$'000* **(unaudited)**	31 March 2024 *HK$'000* (audited)
Property, plant and equipment	**153,982**	161,887
Investment properties	**3,170,362**	3,204,457
Properties held for sale	**5,410,739**	5,438,468
Financial assets at FVTPL	**5,947**	5,112
	8,741,030	8,809,924

FINANCIAL GUARANTEE CONTRACTS

	30 September 2024 *HK$'000* **(unaudited)**	31 March 2024 *HK$'000* (audited)
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	**7,531,880**	8,122,698
Associates	**1,220,656**	1,220,656
	8,752,536	9,343,354
and utilised by:		
Joint ventures	**6,666,806**	6,975,561
Associates	**993,736**	993,736
	7,660,542	7,969,297

The directors of the Company assess the expected credit loss allowance in relation to the financial guarantee contracts. As at 30 September 2024, included in other payables and accruals represents financial guarantee contracts amounted to HK$19,653,000 (31 March 2024: HK$23,003,000).

EMPLOYEE

As at 30 September 2024, the total number of employees of the Group was 98 (31 March 2024:104). 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.

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 C1 of the Listing Rules throughout the six months ended 30 September 2024, 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules 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, 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

There was no repurchase, sale or redemption of shares of the Company by the Company or its subsidiaries during the six months ended 30 September 2024.

AUDIT COMMITTEE

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2024 have been reviewed by the Audit Committee of the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.csigroup.hk). The 2024/25 interim report of the Company will be published on the above websites and despatched to shareholders of the Company in due course.

By order of the Board
Chung Cho Yee, Mico
Chairman

Hong Kong, 28 November 2024

As at the date of this announcement, the executive directors of the Company are Mr. Chung Cho Yee, Mico (Chairman), Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Ho Lok Fai, Mr. Leung King Yin, Kevin and Ms. Chung Yuen Tung, Jasmine; and the independent non-executive directors of the Company are Mr. Cheng Yuk Wo, Mr. Shek Lai Him, Abraham, GBS, JP and Dr. Lo Wing Yan, William, JP.