



CHUANG'S  
CONSORTIUM  
INTERNATIONAL  
LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 367

2023/2024  
INTERIM REPORT

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# CORPORATE INFORMATION

<b>Honorary Chairman</b>	Alan Chuang Shaw Swee
<b>Directors</b>	Albert Chuang Ka Pun, J.P. ( <i>Chairman and Managing Director</i> ) Richard Hung Ting Ho ( <i>Vice Chairman</i> ) Edwin Chuang Ka Fung ( <i>Deputy Managing Director</i> ) Ann Li Mee Sum Candy Kotewall Chuang Ka Wai Geoffrey Chuang Ka Kam Chan Chun Man Abraham Shek Lai Him, G.B.S., J.P.* Fong Shing Kwong* Yau Chi Ming* David Chu Yu Lin, S.B.S., J.P.* Tony Tse Wai Chuen, B.B.S., J.P.*
	<i>* Independent Non-Executive Directors</i>
<b>Audit Committee</b>	Abraham Shek Lai Him, G.B.S., J.P.# Fong Shing Kwong Yau Chi Ming
<b>Nomination Committee/ Remuneration Committee</b>	Abraham Shek Lai Him, G.B.S., J.P.# Fong Shing Kwong David Chu Yu Lin, S.B.S., J.P.
<b>Corporate Governance Committee</b>	Albert Chuang Ka Pun, J.P.# Edwin Chuang Ka Fung Candy Kotewall Chuang Ka Wai Chan Chun Man
<b>Company Secretary</b>	Lee Wai Ching
<b>Independent Auditor</b>	PricewaterhouseCoopers <i>Certified Public Accountants and Registered Public Interest Entity Auditor</i> 22nd Floor, Prince's Building 10 Chater Road Central, Hong Kong
<b>Registrars</b>	<b>Bermuda:</b> MUFG Fund Services (Bermuda) Limited 4th floor North Cedar House 41 Cedar Avenue Hamilton, HM 12 Bermuda <b>Hong Kong:</b> Tricor Standard Limited 17/F., Far East Finance Centre 16 Harcourt Road Hong Kong

# *Chairman of the relevant committee*

## CORPORATE INFORMATION *(Continued)*

<b>Principal Bankers</b>	The Hongkong and Shanghai Banking Corporation Limited Hang Seng Bank Limited Bank of China (Hong Kong) Limited China Construction Bank (Asia) Corporation Ltd. Nanyang Commercial Bank, Limited Bank of Communications Co., Ltd.
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<b>Stock Code</b>	367

# MANAGEMENT DISCUSSION ON RESULTS

The board of Directors (the “Board”) of Chuang’s Consortium International Limited (the “Company”) presents the interim report including the condensed consolidated interim financial information of the Company and its subsidiaries (collectively as the “Group”) for the six months ended 30 September 2023. The condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated cash flow statement and the condensed consolidated statement of changes in equity for the six months ended 30 September 2023, and the condensed consolidated balance sheet as at 30 September 2023 along with the notes thereon, are set out on pages 29 to 50 of this report.

## HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

### Business

1. During the period under review, the Group had successfully disposed of the following properties which is in-line with the Group’s strategy to off-load investments in non-core assets. Their sale proceeds had further strengthened the Group’s financial position.
  - (a) On 1 February 2023, the Group entered into a provisional sale and purchase agreement with an independent third party to dispose of the 18 residential units at Parkes Residence, Kowloon, Hong Kong for a cash consideration of HK\$70.3 million. The disposal was completed on 3 May 2023 with the recognition of revenues by the Group in the current period.
  - (b) On 18 February 2023, the Group entered into another provisional sale and purchase agreement with an independent third party to dispose of a shop at Wuhu Residence, Kowloon, Hong Kong for a cash consideration of HK\$33.8 million. The disposal was completed on 8 June 2023 and was recorded by the Group in the current period.
  - (c) As announced on 29 August 2023, the Group entered into an agreement to dispose of the land and factory building of Sintex in Singapore for a consideration of S\$18 million (equivalent to approximately HK\$103.7 million), and it is expected that the completion will take place within the year of 2024.
2. For ARUNA, the Ap Lei Chau project, it will be developed into a 27-storey residential/commercial building comprising 105 residential units with clubhouse facilities and retail units at the podium levels. Superstructure work has been completed. Internal and external finishing works are in progress. It is expected that the project will obtain the occupation permit in the first half of the year 2024.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 *(Continued)*

#### Business *(Continued)*

3. For ONE SOHO, the joint venture project at Mongkok, occupation permit and certificate of compliance had been obtained in March 2023 and July 2023 respectively. Pre-sale consent of the 322 residential units was obtained in April 2021, in which 183 units had been sold with an aggregate consideration of about HK\$1.3 billion and had been handed-over to the end buyers during the period under review. The joint venture company continues to market and sell the remaining unsold 139 residential units in order to realize cash flow from the investment in this project. A further 17 units with an aggregate consideration of about HK\$114.6 million were sold subsequent to the reporting period.
4. For Po Shan Road joint venture project, the Group is developing the property into one vertical house with 8 storeys over the podium. The 8-storey house will include a luxury living and dining area with 6m floor-to-floor height, an entertainment floor and 6 residential suite floors with at least 3.5m floor-to-floor height. The proposed GFA for the house is about 44,537 *sq. ft.*, with an additional area of about 5,200 *sq. ft.* for garden and about 2,200 *sq. ft.* for roof. Concreting of the superstructure works are proceeding as scheduled with podium level and tower portion completed and the concreting works are focusing on the outdoor garden and swimming pool portion. It is expected that the overall superstructure works will be completed by first quarter of 2024, and the project will obtain the occupation permit in the second quarter of 2024. Marketing work for the house is in progress.
5. For the redevelopment project at Gage Street, the Group has successfully consolidated this project with a total site area of about 3,600 *sq. ft.*. General building plans of the project to develop a 26-storey residential/commercial building comprising clubhouse facilities and retail units with GFA of about 34,675 *sq. ft.* have been approved. Foundation works are currently in progress and are expected to be completed by the third quarter of 2024.

#### Financial

- Total cash resources of the Group (including bond and securities investments) amounted to HK\$2.6 billion, in which cash and bank balances aggregated to approximately HK\$2.5 billion.
- Net assets attributable to equity holders of the Company amounted to HK\$8,673.3 million.
- Net debt to equity ratio of the Group is 15.1%.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### FINANCIAL REVIEW

For the six months ended 30 September 2023, revenues of the Group increased to HK\$215.7 million (2022: HK\$148.7 million) mainly due to the increase in sales of properties. Revenues of the Group comprised of revenues from sales of properties of HK\$121.9 million (2022: HK\$1.4 million), revenues from rental and other income of investment properties of HK\$64.5 million (2022: HK\$74.3 million), revenues from cemetery business of HK\$9.1 million (2022: HK\$9.3 million), revenues from sales of goods and merchandises of HK\$5.4 million (2022: HK\$5.8 million), revenues from money lending business of HK\$0.6 million (2022: HK\$7.9 million), and revenues from securities investment and trading business of HK\$14.2 million (2022: HK\$50.0 million).

During the period under review, gross loss of HK\$20.3 million (2022: gross profit of HK\$110.3 million) was recorded which was attributable to the impairment provision for properties for sale regarding the properties of the Group under the current property market conditions.

Other income and net loss amounted to HK\$176.2 million (2022: HK\$278.3 million) mainly due to the net loss of bond investments recorded during the period under review. A breakdown of other income and net loss is shown in note 7A on page 42 of this report. Loss from change in fair value of investment properties of the Group amounted to HK\$206.3 million (2022: HK\$112.8 million) mainly due to the decrease in fair value of the investment properties of the Group under the current property market.

On the costs side, selling and marketing expenses increased to HK\$12.7 million (2022: HK\$7.3 million) principally due to the increase in sales activities during the period. Administrative and other operating expenses decreased to HK\$117.3 million (2022: HK\$148.6 million) mainly due to the decrease in business activities and cost saving on general overheads of the Group. Finance costs increased to HK\$78.8 million (2022: HK\$65.3 million) mainly due to the increase in interest rates during the period. Share of loss of associated companies amounted to HK\$1.1 million (2022: HK\$1.1 million). Share of profit of joint ventures amounted to HK\$30.6 million (2022: loss of HK\$7.2 million) mainly due to the share of result of a joint venture upon the recognition of revenues after hand-over of completed residential units to end buyers during the period. Taxation credit amounted to HK\$15.5 million (2022: HK\$19.9 million) mainly due to the reversal of deferred taxation arising from the fair value loss of investment properties during the period.

Taking into account the above, loss attributable to equity holders of the Company for the six months ended 30 September 2023 amounted to HK\$484.8 million (2022: HK\$429.4 million). Loss per share was 28.99 HK cents (2022: 25.67 HK cents).

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### INTERIM DIVIDEND

After taking into account the need to maintain sufficient financial resources for the working capital of the Group's projects and businesses, in particular under the current uncertain business environment, the Board has resolved not to declare an interim dividend for the six months ended 30 September 2023 (2022: Nil).

### BUSINESS REVIEW

#### (A) Investment Properties

Apart from what has been disclosed in other parts of this report, during the period under review, the Group had completed the disposal of a shop at Wuhu Residence, Kowloon, Hong Kong (recorded as investment property) to an independent third party for a cash consideration of HK\$33.8 million. Such disposal is in-line with the Group's strategy to off-load investment in non-core assets, and the sale proceed has further strengthened the Group's financial position.

#### (i) *Chuang's Tower, Nos. 30–32 Connaught Road Central, Hong Kong (100% owned)*

The property is a commercial/office building and is strategically located at the heart of Central District and close to the exits of both the Central Station of the Mass Transit Railway and the Hong Kong Station of the Airport Express Line. The property has a site area of about 3,692 *sq. ft.* and a total gross floor area ("GFA") of about 55,367 *sq. ft.*. During the period, rental and other income from this property amounted to about HK\$18.4 million. With the increase in leasing supply from the newly completed properties in the district, the leasing of this property is expected to be more challenging. The Group would be more flexible on tenant selection as well as tenancy period in order to maintain its competitiveness.



## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (A) Investment Properties *(Continued)*

(ii) ***Chuang's London Plaza, No. 219 Nathan Road, Tsim Sha Tsui, Kowloon (100% owned)***

Strategically located at the heart of shopping centres in Tsim Sha Tsui, Kowloon, and near the exits of the Mass Transit Railway and the Guangzhou-Shenzhen-Hong Kong Express Rail Link Hong Kong Section, the property is a shopping and entertainment complex. The property has a site area of about 9,145 *sq. ft.* and a total GFA of about 103,070 *sq. ft.*. During the period, rental and other income from this property amounted to about HK\$21.9 million. With the gradual increase in number of visitors to Hong Kong, as well as the recovery of local consumption and demand, the Group is optimistic about the property in this district. The Group continues to explore more marketing ideas on leasing so as to further enhance the occupancy of the property.

(iii) ***Posco Building, No. 165 Un Chau Street, Sham Shui Po, Kowloon (100% owned)***

The property is a commercial/industrial building located in between the Cheung Sha Wan (approximately 0.4 kilometre) and the Sham Shui Po (approximately 0.5 kilometre) Mass Transit Railway Stations, enjoying the convenience of good transportation network. The property has a site area of about 3,920 *sq. ft.* and a total GFA of about 47,258 *sq. ft.*. During the period, rental and other income from this property amounted to about HK\$5.3 million. Currently, the property is for commercial (G/F to 3/F and 12/F) and industrial (4/F to 11/F) use. Building plans to redevelop the property into a commercial/residential property with a total GFA of about 35,280 *sq. ft.* have been approved by the Buildings Department. Considering the current downward trend of mass residential property market, the Group will evaluate the best timing to carry out such redevelopment (if any).

(iv) ***House A, No. 37 Island Road, Deep Water Bay, Hong Kong (100% owned)***

Located at Deep Water Bay, a prestigious residential area, the property enjoys a glamorous sea-view. Interior renovation works for upgrading the house have been completed. Marketing work for the house is in progress. The Group will adopt a flexible strategy in considering various options such as disposal in order to maximize return from this investment.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (A) Investment Properties *(Continued)*

- (v) *1st to 3rd Floors of Peng Building, Luohu District, Shenzhen, the PRC (100% owned)*

This property is located next to an exit of Honghu Station of Line 7, Shenzhen Metro, and it is for commercial use with a total gross area of about 5,318 *sq. m.*. The Group leased out the property in March 2022 to an independent third party for 10 years to operate it as a medical centre with tenancy at initial monthly rental of RMB680,000, with a step up by 5% for every 2 years thereafter.

- (vi) *International Finance Centre, Sukhbaatar District, Ulaanbaatar, Mongolia (100% owned)*

The project has a site area of about 3,269 *sq. m.* and is located within the central business district. It is planned that a 26-storey retail/office building with GFA of about 40,000 *sq. m.*, comprising office units and carparking spaces with shopping units at the podium levels will be developed. Upon completion, the property will become one of the highest office buildings in Mongolia. Superstructure works have been topped off. Internal structural works and external cladding works of the property were halted because of Covid-19. The Group is assessing the latest market condition in Mongolia, and is evaluating the best timing either to commence the finishing works with reference to the work schedule with contractors, or seek appropriate opportunity to dispose of the property to realize this investment. Marketing works for the property have commenced.

#### (B) Hotels and Serviced Apartments

- (i) *Parkes Residence, No. 101 Parkes Street, Kowloon, Hong Kong (100% owned before disposal)*

The property is close to the Jordan Station of the Mass Transit Railway and had been developed by the Group into a 25-storey commercial/residential building comprising 114 fully furnished studio units with clubhouse facilities and shopping units at the podium levels (G/F to 2/F). The Group owns 18 residential units of this property (recorded as properties for sale) and they are operating as serviced apartments to generate income.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### **(B) Hotels and Serviced Apartments *(Continued)***

**(i) *Parkes Residence, No. 101 Parkes Street, Kowloon, Hong Kong (100% owned before disposal) (Continued)***

On 1 February 2023, the Group entered into a provisional sale and purchase agreement with an independent third party to dispose of the 18 residential units for a cash consideration of HK\$70.3 million. The disposal was completed on 3 May 2023 with the recognition of revenues by the Group in the current period. The disposal is in-line with the Group's strategy to off-load investment in non-core assets, and the sale proceed can further strengthen the Group's financial position.

**(ii) *sáv Residence, Xinyi District, Taipei City, Taiwan (100% owned)***

In Taiwan, the Group owns sáv Residence which is located nearby the city centre of Taipei City. The property is a residential complex developed by the Group and comprises of a fully furnished villa and 6 serviced apartments (of which 2 are duplex) with a total GFA of about 20,600 *sq. ft.*. The serviced apartments have been leased out with rental income amounting to approximately HK\$1.2 million for the period under review. Marketing work for leasing the villa is in progress.

**(iii) *sáv Plaza, Sukhbaatar District, Ulaanbaatar, Mongolia (100% owned)***

The project is located in the city centre within the embassy district and is a 19-storey building comprising 142 units and ground floor shops with a total GFA of about 19,000 *sq. m.* and 48 carparking spaces. Internal and external finishing works have been completed. Occupation permit of the project had been obtained in October 2022, and the immovable property certificate had been obtained in January 2023. Decoration works with furniture and fixtures for some floors have been carried out. Of the 100 units which are ready for use and leasing starting from August 2023, up to the date of this report, 68 units have been occupied and leased out to multi-tenants with tenancy periods ranging from one month to a year. The Group will explore more marketing ideas on promotion and leasing of the project.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (C) Development Properties

Apart from what has been disclosed in other parts of this report, during the last financial year, the Group had contracted property sales of about MYR12.0 million (equivalent to approximately HK\$20.0 million), which are expected to be completed in the second half of this financial year, when such sales will be recognized as revenues of the Group.

(i) *Nos. 16–20 Gage Street, Central, Hong Kong (100% owned)*

The Group has successfully consolidated this project with a total site area of about 3,600 *sq. ft.*. General building plans of the project to develop a 26-storey residential/commercial building comprising clubhouse facilities and retail units with total GFA of about 34,675 *sq. ft.* have been approved. Foundation works are currently in progress and are expected to be completed by the third quarter of 2024. The Group targets to achieve BEAM Plus Silver Rating for the property development from the green building perspective. As affected by the fall in property market and rise in interest rate, a provision of impairment of about HK\$40.4 million (2022: nil) was recorded for this project during the period under review.

(ii) *28 Po Shan Road, Hong Kong (50% owned)*

This project is owned as to 50% by the Group and 50% by a wholly-owned subsidiary of K. Wah International Holdings Limited (stock code: 173), and the Group is the project manager of the development. The property, with a site area of about 10,000 *sq. ft.*, is located in a prestigious mid-level area that enjoys a glamorous sea-view. The Group is developing the property into one vertical house with 8 storeys over the podium, and targets to achieve LEED Silver Rating for the property development from the green building perspective. The 8-storey house will include a luxury living and dining area with 6m floor-to-floor height, an entertainment floor and 6 residential suite floors with at least 3.5m floor-to-floor height. The proposed GFA for the house is about 44,537 *sq. ft.*, with an additional area of about 5,200 *sq. ft.* for garden and about 2,200 *sq. ft.* for roof.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (C) Development Properties *(Continued)*

##### *(ii) 28 Po Shan Road, Hong Kong (50% owned) (Continued)*

Concreting of the superstructure works are proceeding as scheduled with podium level and tower portion completed and the concreting works are focusing on the outdoor garden and swimming pool portion. It is expected that the overall superstructure works will be completed by first quarter of 2024, and the project will obtain the occupation permit in the second quarter of 2024. In the meantime, both joint venture partners are also exploring other options (including disposal) to accelerate return on this investment. Marketing work for the house is in progress.

##### *(iii) ONE SOHO, Kowloon Inland Lot No. 11254, Reclamation Street/Shantung Street, Mongkok, Kowloon, Hong Kong (40% owned)*

Through the joint venture with a wholly-owned subsidiary of Sino Land Company Limited (stock code: 83), the Group participated in this project tendered by the Urban Renewal Authority in December 2017. The site is well located in the heart of the Mongkok district, neighbouring Langham Place. It covers a site area of approximately 14,900 *sq. ft.*. The project has been developed with residential GFA of about 112,200 *sq. ft.* and commercial GFA of about 22,400 *sq. ft.* and, the commercial portion is retained by the Urban Renewal Authority. It is a residential/commercial building comprising 322 residential units, clubhouse facilities, commercial podium and carparking spaces.

The project has obtained “Provisional Gold” rating under BEAM Plus and “WELL Precertification” under the WELL Building Standard respectively for project development. Occupation permit and certificate of compliance had been obtained in March 2023 and July 2023 respectively. Pre-sale consent of the 322 residential units of ONE SOHO was obtained in April 2021, in which 183 units had been sold with an aggregate consideration of about HK\$1.3 billion and had been handed-over to the end buyers during the period under review. The joint venture company continues to market and sell the remaining unsold 139 residential units in order to realize cash flow from the investment in this project. A further 17 units with an aggregate consideration of about HK\$114.6 million were sold subsequent to the reporting period.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### **(D) Chuang’s China Investments Limited (“Chuang’s China”, stock code: 298) (61.15% owned)**

Chuang’s China and its subsidiaries (the “Chuang’s China Group”) are principally engaged in, inter alia, property development, investment and trading. For the six months ended 30 September 2023, the Chuang’s China Group recorded loss attributable to equity holders of HK\$209.0 million (2022: HK\$187.3 million) and revenues of HK\$70.6 million (2022: HK\$38.8 million) (which comprised revenues from sales of properties of HK\$49.7 million (2022: HK\$1.4 million), revenues from rental and management fee of HK\$9.9 million (2022: HK\$13.5 million), revenues from cemetery assets of HK\$9.1 million (2022: HK\$9.3 million) and revenues from securities investment and trading of HK\$1.9 million (2022: HK\$14.6 million)).

#### **(i) Investment Properties**

The Chuang’s China Group holds the following portfolio of investment properties in Hong Kong, the PRC and Malaysia for steady recurring rental income.

1. *The Esplanade Place, Yip Wong Road, Tuen Mun, New Territories, Hong Kong (100% owned by Chuang’s China)*

The Esplanade has GFA of about 117,089 *sq. ft.* comprising 371 residential flats and 30 residential carparking spaces, of which all the residential flats were sold in prior years. During the period under review, one carparking space with sales value of about HK\$1.3 million had also been completed. The Chuang’s China Group will continue to market the remaining 21 unsold carparking spaces.

The Esplanade Place comprises a two-storey commercial podium with about 16 commercial units and 12 commercial carparking spaces, of which 12 commercial units are leased to independent third parties with an aggregate annual rental income of about HK\$3.9 million. The Chuang’s China Group will continue to market the remaining units and carparking spaces in order to generate rental income. As at 30 September 2023, the property was recorded at valuation of about HK\$177.0 million.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) Chuang's China *(Continued)*

##### (i) *Investment Properties (Continued)*

2. *Chuang's Mid-town, Anshan, Liaoning (100% owned by Chuang's China)*

Chuang's Mid-town consists of a 6-level commercial podium providing an aggregate GFA of about 29,600 *sq. m.*. Above the podium stands a twin tower (Block AB and C) with 27 and 33-storey respectively, offering a total GFA of about 62,700 *sq. m.*.

The weak economy in Anshan is adversely affected by Covid-19, thus business activities and leasing are progressing slowly. During the period under review, the Chuang's China Group had leased certain residential units to multi tenants with aggregate rental income of about RMB0.4 million (equivalent to approximately HK\$0.5 million). The Chuang's China Group will explore more marketing ideas on promotion and leasing of the commercial podium as well as the units of the twin tower. The valuation of the property has dropped to approximately RMB541.7 million (equivalent to approximately HK\$581.4 million) as at 30 September 2023, comprising RMB216.3 million for the commercial podium and RMB325.4 million for the twin tower.

3. *Hotel and resort villas in Xiamen, Fujian (59.5% owned by Chuang's China)*

This hotel complex is developed by the Chuang's China Group, comprising a 6-storey hotel building with 100 guest-rooms (GFA of 8,838 *sq. m.*) and 30 villas (aggregate GFA of about 9,376 *sq. m.*) in Siming District, Xiamen. As at 30 September 2023, the properties were recorded at valuation of RMB383.2 million (comprising RMB171.2 million for the hotel and RMB212.0 million for the 30 villas). The valuation attributable to the Chuang's China Group was about RMB228.0 million (equivalent to approximately HK\$244.7 million), whereas the total investment costs of the Chuang's China Group were about RMB155.2 million (equivalent to approximately HK\$166.6 million).

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) **Chuang's China** *(Continued)*

##### (i) **Investment Properties** *(Continued)*

#### 3. *Hotel and resort villas in Xiamen, Fujian (59.5% owned by Chuang's China) (Continued)*

During the period under review, the hotel building together with 23 villas were leased to 廈門侂家鷺江酒店 (Xiamen Mega Lujiang Hotel) and is operated as “鷺江•侂家酒店” (Mega Lujiang Hotel). The remaining 7 villas are leased to independent third parties. The aggregate annual rental income of this hotel complex amounted to about RMB19.4 million (equivalent to approximately HK\$20.8 million). From the last quarter of 2022, the main road (龍虎山路) where the hotel complex is located was closed to facilitate the construction of underground metro train of Siming District. This adversely affected not only accessibility to the hotel complex but also business demands of our tenants. In view of this, the Chuang's China Group has provided certain concession to tenants of the hotel complex for a reasonable period of time until the road access is expected to be resumed. As announced on 26 June 2023, the Chuang's China Group entered into the second amendment agreement with Xiamen Mega Lujiang Hotel for the reduction of rent for the hotel building and 3 villas for the period from December 2023 to the month when the road access is resumed by the relevant authority, which is currently expected to be in February 2025.

#### 4. *One villa, Chuang's Le Papillon, Guangzhou, Guangdong (100% owned by Chuang's China)*

The Chuang's China Group holds one villa and 4 carparks in Guangzhou, with a GFA of about 318 *sq. m.* for investment purpose. The villa was recorded at valuation of RMB7.9 million (equivalent to approximately HK\$8.5 million) as at 30 September 2023. The Chuang's China Group will hold this villa for future appreciation.



## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) **Chuang's China** *(Continued)*

##### (i) **Investment Properties** *(Continued)*

5. *Commercial Property in Shatian, Dongguan, Guangdong (100% owned by Chuang's China)*

The Chuang's China Group holds a 4-storey commercial building in Shatian, Dongguan, providing a total GFA of about 4,167 *sq. m.* for commercial, retail and office usage. As at 30 September 2023, valuation of the property was RMB36.3 million (equivalent to approximately HK\$39.0 million). During the period under review, one storey was leased to 中國人壽東莞分公司 (China Life Dongguan branch) for office use, and the ground floor was leased to an independent third party for retail use. The aggregate annual rental income is about RMB0.8 million (equivalent to approximately HK\$0.9 million). Marketing is in progress for leasing of the remaining units of the property.

6. *Wisma Chuang, Jalan Sultan Ismail, Kuala Lumpur, Malaysia (100% owned by Chuang's China)*

Wisma Chuang is located within the prime city centre, situated right next to the landmark shopping complex, Pavilion KL, the heart of central business district and prestigious shopping area of Kuala Lumpur. It is built on a freehold land and is a 29-storey high rise office building having retail and office spaces of approximately 254,000 *sq. ft.* (on total net lettable area basis is approximately 195,000 *sq. ft.*) and 298 carparking spaces. As at 30 September 2023, the valuation of this property has dropped to MYR159.5 million (equivalent to approximately HK\$265.9 million), which represents an average value of approximately MYR818 (equivalent to approximately HK\$1,363) per *sq. ft.* of net lettable retail and office area.

Wisma Chuang is leased to multi tenants with an occupancy rate of approximately 54%, and annual rental income was approximately MYR5.2 million (equivalent to approximately HK\$8.7 million). The Chuang's China Group will seek appropriate opportunities to dispose of the property to accelerate return from this investment.

Apart from the above investment properties, the Chuang's China Group will identify suitable opportunities to expand on its investment properties portfolio to enhance the Chuang's China Group's recurring and steady income.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) **Chuang's China** *(Continued)*

##### *(ii) Property Development*

1. *ARUNA, No. 8 Ping Lan Street, Ap Lei Chau, Hong Kong (100% owned by Chuang's China)*

The property has a site area of about 4,320 *sq. ft.* and has a developable GFA of about 40,000 *sq. ft.* It will be developed into a 27-storey residential/commercial building comprising 105 residential units with clubhouse facilities and retail units at the podium levels.

Superstructure work has been completed. Internal and external finishing works are in progress. It is expected that the project will obtain the occupation permit in the first half of the year 2024. As affected by the fall in property market and high interest rate, a further provision of impairment of about HK\$74.7 million (2022: nil) was recorded for this project during the period under review. The Chuang's China Group will closely monitor the property market in Hong Kong for the launch of pre-sales.

2. *Chuang's Plaza, Anshan, Liaoning (100% owned by Chuang's China)*

Adjacent to Chuang's Mid-town, the Chuang's China Group acquired through government tender the second site located in the prime city centre of Tie Dong Qu (鐵東區) with a site area of about 39,449 *sq. m.* As about 1,300 *sq. m.* of the land title has not yet been rectified by the government authorities with the local railway corporation, the Chuang's China Group suffered a reduction in land area that was occupied by the local railway corporation. The Chuang's China Group is holding discussions with the local authorities and will identify opportunities to dispose of this project.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) **Chuang's China** *(Continued)*

##### (ii) **Property Development** *(Continued)*

###### 3. *Changsha, Hunan (69% owned by Chuang's China)*

The Chuang's China Group owns an effective 69% interests in a property development project in Changsha, and the total historical investment cost incurred by the Chuang's China Group in the PRC project company was about HK\$23.1 million. The voluntary liquidation of the PRC project company is currently in progress. Based on the preliminary assessment by the liquidation team regarding the assets and liabilities of the PRC project company and as adversely affected by the weak market condition in Changsha, there may not be much distribution available to shareholders of the PRC project company, however, the actual outcome will still be subject to finalization of the liquidation process. Taking into account the estimated net liabilities of the PRC project company, its consolidated net value is nil in the consolidated financial statements of the Chuang's China Group.

###### 4. *Chengdu, Sichuan (51% owned by Chuang's China)*

The Chuang's China Group holds a 51% development interest in a project in Wuhou District, Chengdu. The Chuang's China Group's book cost in this project was about RMB132.9 million (equivalent to approximately HK\$142.6 million) after taking into account a portion of judgement payments amounting to about RMB12.9 million (equivalent to approximately HK\$13.8 million) received by the Chuang's China Group in August 2021 through court enforcement. The Chuang's China Group will continue to explore ways in order to recover its investment.

###### 5. *Others*

As previously reported, The Chuang's China Group obtained a judgement from court in Beijing for the registered owners of the courtyard house to transfer the title to the designated nominee of The Chuang's China Group. The transfer of one courtyard house was completed during the year ended 31 March 2022, whereas procedure for the transfer of another courtyard house is in progress.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) **Chuang's China** *(Continued)*

##### *(iii) Fortune Wealth, Sihui, Guangdong (86% owned by Chuang's China)*

The Fortune Wealth Memorial Park operates a cemetery in Sihui with a site area of approximately 518 mu agreed by the local government authorities. Development of the project is conducted by phases. Phase I of about 100 mu has been completed with 5,485 grave plots, one mausoleum providing 550 niches, as well as an administrative and customer service building.

Development of the remaining 418 mu will be divided into Phase II to Phase V. Based on the revised master layout plan of Phase II to Phase V, about 36,726 grave plots will be constructed covering land area of 268 mu and 150 mu of road access and greenbelts. For Phase II to Phase III, land use rights of approximately 143 mu had been obtained, which will accommodate a total of about 22,212 grave plots. For Phase IV to Phase V, land use rights of approximately 5.2 mu had been obtained and additional land quota of about 119.8 mu shall be required for the construction of a total of about 14,514 grave plots. As for the 150 mu of road access and greenbelts, Fortune Wealth will ascertain the arrangement required by the local authorities. Site formation and construction works are in progress on parts of the land.

As at 30 September 2023, the cemetery assets (including non-controlling interests) were recorded based on the book cost of about RMB634.7 million (equivalent to approximately HK\$681.2 million).

Fortune Wealth has full license for sale not only in the PRC, but also includes overseas Chinese as well as residents of Hong Kong, Macau and Taiwan. As at 30 September 2023, about 2,716 grave plots and 526 niches were available for sale. Fortune Wealth will review its sales and marketing strategy and will take more proactive steps in its brand building and customer services.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) **Chuang's China** *(Continued)*

##### (iv) **Investments in CNT Group Limited (“CNT”) and CPM Group Limited (“CPM”)**

As at 30 September 2023, the Group owned about 19.35% interests in CNT and about 0.6% interests in CPM, both of them are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). CNT and its subsidiaries are principally engaged in the property business, and through its 75% owned subsidiary, CPM, is principally engaged in the manufacture and sale of paint products under its own brand names with focus on the PRC market.

With reference to the respective closing share prices of CNT and CPM as at 30 September 2023 of HK\$0.31 (31 March 2023: HK\$0.38) and HK\$0.285 (31 March 2023: HK\$0.325), the aggregate book value of the Group's investments in CNT and CPM is about HK\$116.0 million (31 March 2023: HK\$142.0 million). The change in book value is accounted for as “Reserve” in the financial statements.

#### (E) **Other Businesses**

##### (i) **Sintex Nylon and Cotton Products (Pte.) Limited (“Sintex”)**

Sintex is engaged in the sales of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the period, Sintex recorded revenues of HK\$5.4 million (2022: HK\$5.8 million), and incurred a loss of HK\$4.7 million (2022: HK\$0.8 million). In August 2023, the Group entered into an agreement to dispose of the land and factory building of Sintex for a consideration of S\$18 million (equivalent to approximately HK\$103.7 million). Details of the disposal were announced by the Group on 29 August 2023. Both parties are now working with the government authorities to obtain the various approvals and it is expected that the completion will take place within the year of 2024. This disposal helps to unlock the stored value in the property and is in line with the Group's strategy of off-loading investment in non-core assets. The Group is strategically reviewing the development strategy and operation model of the business of Sintex following the disposal.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (E) Other Businesses *(Continued)*

##### *(ii) Securities Investment and Trading*

During the period, the performance of the bond investments of the Group was continuously adversely affected by unfavourable market condition of the PRC property bond sector, and thus certain listed corporate bonds held by the Group were in default. As a result, securities investment and trading business of the Group recorded a net loss before tax and before deducting non-controlling interests of HK\$224.3 million, comprising dividend, interest and other income from investments of HK\$14.2 million, net gain on disposals and redemptions of investments of HK\$0.8 million, and unrealized fair value loss on investments of HK\$239.3 million mainly as a result of mark to market valuations of the investments held as at the balance sheet date. The unrealized fair value loss is accounting loss with no immediate cash flow impact to the Group. Most of the listed corporate bond investments of the Group are contemplating debt restructuring exercises. The Group had considered restructuring exchange of certain listed corporate bond investments during the period. As announced on 21 November 2023, the restructuring exercise of Sunac China Holdings Limited had been successfully completed and its old bonds held by the Group that were in default are exchanged into various new bonds.

As at 30 September 2023, investments of the Group amounted to HK\$233.7 million (HK\$71.2 million were held by the wholly-owned subsidiaries of the Group and HK\$162.5 million were held by the Chuang's China Group), and comprised as to HK\$102.3 million for investments in listed corporate bonds, HK\$0.8 million for investments in securities listed on the Stock Exchange and the balance of HK\$130.6 million for other investments (of which about HK\$39.4 million are denominated in Renminbi, and about HK\$91.2 million are denominated in United States dollar), comprising FinTech companies, venture capital investment platforms, high technology companies and investment funds which are not listed or just listed in the markets. During the period under review, the Group exercised its rights to redeem one of the investments with principal amount of RMB30 million, and an aggregate amount of RMB6 million had been received up to 30 September 2023. It is expected to receive the remaining portion by the end of this financial year. The Group will continue to monitor the performance of its respective investment portfolios from time to time.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### FINANCIAL POSITION

#### Net asset value

As at 30 September 2023, net assets attributable to equity holders of the Company was HK\$8,673.3 million (31 March 2023: HK\$9,272.2 million). Net asset value per share was HK\$5.19 (31 March 2023: HK\$5.54).

#### Financial resources

As at 30 September 2023, the Group's cash, bank balances and bond and securities investments amounted to HK\$2,646.8 million (31 March 2023: HK\$3,252.5 million). Bank borrowings as at the same date amounted to HK\$3,954.1 million (31 March 2023: HK\$4,227.7 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash, bank balances and bond and securities investments over net assets attributable to equity holders of the Company, was 15.1% (31 March 2023: 10.5%).

Approximately 85.2% of the Group's cash, bank balances and bond and securities investments were denominated in Hong Kong dollar and United States dollar, 12.5% were in Renminbi and the balance of 2.3% were in other currencies. Approximately 96.7% of the Group's bank borrowings were denominated in Hong Kong dollar and United States dollar, and the balance of 3.3% were in Malaysian Ringgit and other currencies.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 30.6% of the Group's bank borrowings were repayable within the first year, 38.9% were repayable within the second year, 27.4% were repayable within the third to fifth years and the balance of 3.1% were repayable after the fifth year.

#### Foreign exchange risk

As disclosed in the "Business Review" section of this report, the Group also conducts its businesses in other places outside Hong Kong, with the income and the major cost items in those places being denominated in their local foreign currencies. Therefore, it is expected that any fluctuation of these foreign currencies' exchange rates would not have material effect on the operations of the Group. However, as the Group's consolidated financial statements are presented in Hong Kong dollar, and the Group has some monetary assets and liabilities denominated in foreign currencies, the Group's financial position is subject to exchange exposure to these foreign currencies. The Group would closely monitor this risk exposure from time to time.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### PROSPECTS

Given the current global economic and political situation, and the prevailing high interest rate environment in general, the global market has been very volatile. With the continuous increase in interest rates during the period, it had inevitably been affecting all business sectors, especially the property market. The decrease in both property prices and transaction volumes have led to the downward trend of the Hong Kong property market. Nevertheless, since the interest rates are expected to peak in the coming future, as well as the various new attractive measures implemented by the Hong Kong government, the Group remains positive and has confidence on the property market and the overall economy in Hong Kong. We will monitor the situation closely and will take appropriate steps to preserve the Group's competitiveness and grasp opportunities ahead. The Group will continue to look for opportunities to realize investments in various investment properties and off-load investments in non-core assets in order to further enhance the financial resources and capability of the Group to replenish its land bank in Hong Kong, especially for the luxury and mass residential market, for future property development and trading. We are confident that, with the implementation of the above strategies, the Group's profitability and financial position will be improved, and further value can be created for our shareholders.



## OTHER INFORMATION

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which had been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

#### (a) Interests in the Company

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	1,299,678	Beneficial owner	0.08

#### (b) Interests in associated corporations

##### (i) Evergain Holdings Limited ("Evergain")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Albert Chuang	1	Beneficial owner	10.00
Mrs. Candy Kotewall Chuang Ka Wai ("Ms. Candy Chuang")	1	Beneficial owner	10.00
Mr. Edwin Chuang Ka Fung ("Mr. Edwin Chuang")	1	Beneficial owner	10.00
Mr. Geoffrey Chuang Ka Kam ("Mr. Geoffrey Chuang")	1	Beneficial owner	10.00

## OTHER INFORMATION (Continued)

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

#### (b) Interests in associated corporations (Continued)

##### (ii) Chuang's China Investments Limited ("Chuang's China")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Ms. Candy Chuang	1,255,004	Beneficial owner	0.05

Save as disclosed, during the period under review, none of the Directors and chief executive of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company, its specified undertaking or any of its associated corporations.

Other than as disclosed herein, as at 30 September 2023, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## OTHER INFORMATION (Continued)

### SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executive of the Company and save as disclosed in the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, as at 30 September 2023, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

<b>Name of Shareholder</b>	<b>Number of shares of the Company</b>	<b>Capacity</b>	<b>Percentage of shareholding</b>
Evergain	949,581,644	Beneficial owner, <i>Note 1</i>	56.77
Mr. Alan Chuang Shaw Swee (“Mr. Alan Chuang”)	949,581,644	<i>Note 1</i>	56.77
Mrs. Chong Ho Pik Yu	949,581,644	<i>Note 2</i>	56.77

*Note 1: Such interests in the Company are owned by Evergain, a company which is 60% beneficially owned by Mr. Alan Chuang. Mr. Albert Chuang, Mr. Edwin Chuang, Ms. Candy Chuang and Mr. Geoffrey Chuang are directors and shareholders of Evergain.*

*Note 2: Such interests arose by attribution through her spouse, Mr. Alan Chuang, whose interests have been mentioned in Note 1 above.*

Save as disclosed above, as at 30 September 2023, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

## **OTHER INFORMATION** *(Continued)*

### **CORPORATE GOVERNANCE**

Mr. Albert Chuang took up both roles as the Chairman and the Chief Executive Officer, being the Chairman and the Managing Director of the Company. The roles of the chairman and the chief executive officer are not separated pursuant to Code C.2.1 of the code provisions set out in the Corporate Governance Code (“CG Code”). However, the Board considers that this structure has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions efficiently and consistently. Except as mentioned above, the Company has complied throughout the six months ended 30 September 2023 with the code provisions set out in the CG Code.

An audit committee has been established by the Company to review and supervise the Company’s financial reporting process, risk management and internal controls and review the relationship with the auditor. The audit committee has held meetings in accordance with the relevant requirements. The Group’s condensed consolidated interim financial information for the period ended 30 September 2023 has been reviewed by the audit committee of the Company and by the Company’s independent auditor 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. The current members of the audit committee are Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong and Mr. Yau Chi Ming, the Independent Non-Executive Directors of the Company.

The Company has also adopted the Model Code contained in Appendix 10 of the Listing Rules. Having made specific enquiries of all Directors of the Company, the Company received confirmations from all Directors that they have complied with the required standard as set out in the Model Code.

### **UPDATE ON INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES**

Changes in the information of Directors since the date of the 2023 annual report of the Company and up to the date of this report which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Mr. Abraham Shek Lai Him was the chairman and an executive director of Goldin Financial Holdings Limited (“Goldin”), the shares of Goldin had been delisted on the Stock Exchange with effect from 31 October 2023.

## **OTHER INFORMATION** *(Continued)*

### **DEALING IN THE COMPANY'S SECURITIES**

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the period.

### **SHARE OPTION SCHEMES**

A new share option scheme of the Company (the "New Share Option Scheme") had been adopted and the new share option scheme adopted by Chuang's China on 2 September 2022 (the "New Chuang's China Scheme") had been approved respectively. Both the New Share Option Scheme and the New Chuang's China Scheme are for a period of 10 years expiring on 1 September 2032.

The purposes of the New Share Option Scheme and the New Chuang's China Scheme are to recognize the contribution of the eligible persons as defined in the respective schemes including, inter alia, any directors or employees of the Company and Chuang's China and their respective subsidiaries (the "Eligible Persons") to the growth of the Group and the Chuang's China group and to further motivate the Eligible Persons to continue to contribute to the respective group's long-term prosperity. No options have been granted under the New Share Option Scheme and the New Chuang's China Scheme since their adoption or approval.

### **STAFF**

The Group puts emphasis on training and cultivating elite talent. We are committed to providing a dynamic and enthusiastic working atmosphere and increase hiring talents of all fields. As at 30 September 2023, the Group (excluding Chuang's China group) employed 142 staff and the Chuang's China group employed 105 staff. The Group provides its staff with other benefits including discretionary bonus, double pay, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

By order of the Board of  
**Chuang's Consortium International Limited**  
**Albert Chuang Ka Pun**  
*Chairman and Managing Director*

Hong Kong, 29 November 2023

## CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 September 2023

	<i>Note</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenues	5	<b>215,706</b>	148,675
Cost of sales		<b>(236,032)</b>	(38,350)
Gross (loss)/profit		<b>(20,326)</b>	110,325
Other income and net loss	7A	<b>(176,163)</b>	(278,308)
Loss on disposal of subsidiaries	7B	–	(13,166)
Selling and marketing expenses		<b>(12,714)</b>	(7,285)
Administrative and other operating expenses		<b>(117,300)</b>	(148,570)
Change in fair value of investment properties		<b>(206,256)</b>	(112,787)
Operating loss	8	<b>(532,759)</b>	(449,791)
Finance costs	9	<b>(78,809)</b>	(65,331)
Share of results of associated companies		<b>(1,067)</b>	(1,056)
Share of results of joint ventures	10	<b>30,559</b>	(7,186)
Loss before taxation		<b>(582,076)</b>	(523,364)
Taxation credit	11	<b>15,508</b>	19,863
Loss for the period		<b>(566,568)</b>	(503,501)
Attributable to:			
Equity holders		<b>(484,845)</b>	(429,379)
Non-controlling interests		<b>(81,723)</b>	(74,122)
		<b>(566,568)</b>	(503,501)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share (basic and diluted)	13	<b>(28.99)</b>	(25.67)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)***For the six months ended 30 September 2023*

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Loss for the period</b>	<b>(566,568)</b>	(503,501)
Other comprehensive income:		
Items that had been/may be reclassified subsequently to profit and loss:		
Net exchange differences	<b>(137,545)</b>	(287,462)
Share of exchange reserve of a joint venture	<b>(14,153)</b>	(25,653)
Realization of exchange reserve upon disposal of subsidiaries	–	6,002
Total other comprehensive loss that had been/may be reclassified subsequently to profit and loss	<b>(151,698)</b>	(307,113)
Item that may not be reclassified subsequently to profit and loss:		
Change in fair value of financial assets at fair value through other comprehensive income	<b>(26,035)</b>	(4,002)
Total other comprehensive loss for the period	<b>(177,733)</b>	(311,115)
<b>Total comprehensive loss for the period</b>	<b>(744,301)</b>	(814,616)
Total comprehensive loss attributable to:		
Equity holders	<b>(598,891)</b>	(628,911)
Non-controlling interests	<b>(145,410)</b>	(185,705)
	<b>(744,301)</b>	(814,616)

# CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30 September 2023

	<b>30 September</b>	31 March
	<b>2023</b>	2023
<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	<b>144,257</b>	172,556
Investment properties	<b>7,640,265</b>	7,934,939
Right-of-use assets	<b>33,938</b>	37,109
Properties for/under development	<b>432,752</b>	441,008
Cemetery assets	<b>256,583</b>	274,582
Associated companies	<b>45,747</b>	46,793
Joint ventures	<b>863,397</b>	839,708
Financial assets at fair value through other comprehensive income	<b>116,922</b>	143,017
Loans and receivables and other deposits	<b>227,623</b>	242,364
	<b>9,761,484</b>	10,132,076
<b>Current assets</b>		
Properties for sale	<b>1,513,334</b>	1,611,808
Cemetery assets	<b>424,661</b>	448,808
Inventories	<b>100,952</b>	102,119
Debtors and prepayments	<b>114,468</b>	114,541
Financial assets at fair value through profit or loss	<b>233,673</b>	466,279
Cash and bank balances	<b>2,543,715</b>	2,922,984
	<b>4,930,803</b>	5,666,539
Assets held for sale	<b>43,582</b>	33,800
	<b>4,974,385</b>	5,700,339



**CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)** (Continued)

As at 30 September 2023

		<b>30 September 2023</b>	31 March 2023
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Current liabilities</b>			
Creditors and accruals	17	<b>376,960</b>	424,839
Sales deposits received		<b>2,000</b>	9,161
Short-term bank borrowings	18	<b>54,526</b>	147,669
Current portion of long-term bank borrowings	18	<b>1,309,988</b>	892,909
Taxation payable		<b>32,753</b>	36,374
		<b>1,776,227</b>	1,510,952
Liabilities held for sale	16	<b>26,719</b>	–
		<b>1,802,946</b>	1,510,952
<b>Net current assets</b>		<b>3,171,439</b>	4,189,387
<b>Total assets less current liabilities</b>		<b>12,932,923</b>	14,321,463
<b>Equity</b>			
Share capital	19	<b>418,138</b>	418,138
Reserves		<b>8,255,169</b>	8,854,060
Shareholders' funds		<b>8,673,307</b>	9,272,198
Non-controlling interests		<b>1,331,830</b>	1,477,240
<b>Total equity</b>		<b>10,005,137</b>	10,749,438
<b>Non-current liabilities</b>			
Long-term bank borrowings	18	<b>2,589,537</b>	3,187,137
Deferred taxation liabilities		<b>238,834</b>	278,658
Loans and payables with non-controlling interests		<b>45,020</b>	44,912
Other non-current liabilities		<b>54,395</b>	61,318
		<b>2,927,786</b>	3,572,025
		<b>12,932,923</b>	14,321,463

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

*For the six months ended 30 September 2023*

	<i>Note</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Net cash (used in)/from operating activities		<b>(181,950)</b>	403,454
<b>Cash flows from investing activities</b>			
Interest income received		<b>49,020</b>	14,543
Proceeds from disposal of investment properties		<b>33,800</b>	39
Net proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	23	–	144,638
Change in investment in and amounts due from joint ventures, net		<b>(7,580)</b>	(33,027)
Decrease/(increase) in bank deposits maturing more than three months from date of placement		<b>50,757</b>	(50,430)
Others, net		<b>6,702</b>	4,963
Net cash from investing activities		<b>132,699</b>	80,726
<b>Cash flows from financing activities</b>			
New bank borrowings		<b>107,024</b>	488,382
Repayment of bank borrowings		<b>(372,255)</b>	(583,720)
Lease payments		<b>(11,629)</b>	(10,831)
Dividends paid to shareholders		–	(334,511)
Dividends paid to non-controlling interests		–	(91,172)
Increase in loans and payables with non-controlling interests		<b>65</b>	–
Net cash used in financing activities		<b>(276,795)</b>	(531,852)
<b>Net decrease in cash and cash equivalents</b>		<b>(326,046)</b>	(47,672)
Cash and cash equivalents at the beginning of the period		<b>2,792,535</b>	4,173,555
Exchange difference on cash and cash equivalents		<b>(2,466)</b>	(2,247)
<b>Cash and cash equivalents at the end of the period</b>		<b>2,464,023</b>	4,123,636
<b>Analysis of cash and cash equivalents</b>			
Cash and bank balances		<b>2,543,715</b>	4,180,531
Bank deposits maturing more than three months from date of placement		<b>(79,692)</b>	(56,895)
<b>Cash and cash equivalents</b>		<b>2,464,023</b>	4,123,636

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2023

	Attributable to equity holders of the Company					Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Shareholders' funds HK\$'000	Non-controlling interests HK\$'000	
At 1 April 2023	418,138	1,033,846	7,820,214	9,272,198	1,477,240	10,749,438
Loss for the period	-	-	(484,845)	(484,845)	(81,723)	(566,568)
Other comprehensive income:						
Net exchange differences	-	(90,770)	-	(90,770)	(46,775)	(137,545)
Share of exchange reserve of a joint venture	-	(7,356)	-	(7,356)	(6,797)	(14,153)
Change in fair value of financial assets at fair value through other comprehensive income	-	(15,920)	-	(15,920)	(10,115)	(26,035)
Total comprehensive loss for the period	-	(114,046)	(484,845)	(598,891)	(145,410)	(744,301)
At 30 September 2023	<b>418,138</b>	<b>919,800</b>	<b>7,335,369</b>	<b>8,673,307</b>	<b>1,331,830</b>	<b>10,005,137</b>
At 1 April 2022	418,138	1,208,955	9,090,410	10,717,503	1,783,342	12,500,845
Loss for the period	-	-	(429,379)	(429,379)	(74,122)	(503,501)
Other comprehensive income:						
Net exchange differences	-	(187,421)	-	(187,421)	(100,041)	(287,462)
Share of exchange reserve of a joint venture	-	(13,334)	-	(13,334)	(12,319)	(25,653)
Realization of exchange reserve upon disposal of subsidiaries (note 23)	-	3,670	-	3,670	2,332	6,002
Change in fair value of financial assets at fair value through other comprehensive income	-	(2,447)	-	(2,447)	(1,555)	(4,002)
Total comprehensive loss for the period	-	(199,532)	(429,379)	(628,911)	(185,705)	(814,616)
Realization of investment revaluation reserve upon disposal of financial assets at fair value through other comprehensive income	-	(7)	7	-	-	-
Realization of property, plant and equipment revaluation reserve and non-controlling interests upon disposal of subsidiaries	-	(30,600)	30,600	-	(4,261)	(4,261)
Transactions with owners:						
Dividends	-	-	(334,511)	(334,511)	-	(334,511)
Dividends to non-controlling interests	-	-	-	-	(91,172)	(91,172)
At 30 September 2022	<b>418,138</b>	<b>978,816</b>	<b>8,357,127</b>	<b>9,754,081</b>	<b>1,502,204</b>	<b>11,256,285</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1. GENERAL INFORMATION

Chuang's Consortium International Limited (the "Company") is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda and its principal place of business in Hong Kong is 25th Floor, Alexandra House, 18 Chater Road, Central.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales and trading of goods and merchandises, securities investment and trading and money lending business.

## 2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value, and in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial information should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 31 March 2023 which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies and methods of computation used in the preparation of the condensed consolidated interim financial information are consistent with those used in the consolidated annual financial statements of the Group for the year ended 31 March 2023, except as stated below.

### (i) Effect of adopting new standard, amendments to standards and practice statement

For the six months ended 30 September 2023, the Group adopted the following new standard, amendments to standards and practice statement that are effective for the accounting periods beginning on or after 1 April 2023 and relevant to the operations of the Group:

HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendment)	Definition of Accounting Estimates
HKAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction
HKAS 12 (Amendment)	International Tax Reform – Pillar Two Model Rules
HKFRS 17 and HKFRS 17 (Amendment)	Insurance Contracts

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

## 2. BASIS OF PREPARATION *(Continued)*

### (i) Effect of adopting new standard, amendments to standards and practice statement *(Continued)*

The Group has assessed the impact of the adoption of these new standard, amendments to standards and practice statement and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the condensed consolidated interim financial information.

### (ii) Amendments to standards and interpretation that are not yet effective

The following amendments to standards and interpretation have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1 April 2024, but have not yet been early adopted by the Group:

HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current (effective from 1 January 2024)
HKAS 1 (Amendment)	Non-current Liabilities with Covenants (effective from 1 January 2024)
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements (effective from 1 January 2024)
HKAS 21 (Amendments)	Lack of Exchangeability (effective from 1 January 2025)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (no mandatory effective date)
HKFRS 16 (Amendment)	Lease Liability in a Sale and Leaseback (effective from 1 January 2024)
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (effective from 1 January 2024)

The Group will adopt the above amendments to standards and interpretation as and when they become effective. The Group has commenced a preliminary assessment of the likely impact of adopting the above amendments to standards and interpretation and expects the adoption will have no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies and presentation of the condensed consolidated interim financial information. The Group will continue to assess in more details.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

## 3. FINANCIAL RISK MANAGEMENT

### (a) Financial risk factors

The activities of the Group expose it to a variety of financial risks including credit risk, liquidity risk, cash flow and fair value interest rate risk, foreign exchange risk and price risk. The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the consolidated annual financial statements and it should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 31 March 2023. There has been no material change in the Group's financial risk management policies since the year ended 31 March 2023.

### (b) Liquidity risk

Compared to the year ended 31 March 2023, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

### (c) Fair value estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date, whereas the fair values of other financial assets and financial liabilities are determined in accordance with the generally accepted pricing models such as market approach and discounted cash flow analysis.

The Directors considered that the carrying values of financial assets and financial liabilities recorded at amortized cost in the condensed consolidated interim financial information approximate their fair values.

During the six months ended 30 September 2023, except for the performance of the listed corporate bond investments recorded in financial assets at fair value through profit or loss which was adversely affected by high volatility of the bond market, there was no significant change in the business or economic circumstances that affect the fair values of the Group's financial assets and financial liabilities, no transfers of financial assets or financial liabilities between the levels in the hierarchy, and no reclassifications of financial assets.

For the estimates of fair value of investment properties, except for a completed investment property in Hong Kong with valuation technique changed from residual method to average of direct comparison method and income capitalization method to reflect the highest and best use of the property, the valuation processes and techniques of the Group are consistent with those used in the annual financial statements for the year ended 31 March 2023, which were based on the economic, market and other conditions as they exist on, and information available to management as of 30 September 2023.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing the condensed consolidated interim financial information are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions applied in the preparation of the condensed consolidated interim financial information are consistent with those used in the consolidated annual financial statements of the Group for the year ended 31 March 2023.

### 5. REVENUES

Revenues recognized during the period are as follows:

	2023 HK\$'000	2022 HK\$'000
Sales of properties	121,924	1,350
Rental income and management fees	64,534	74,326
Sales of cemetery assets	9,060	9,280
Sales of goods and merchandises	5,373	5,821
Interest income from money lending business	574	7,943
Interest and other income from bond investments of financial assets at fair value through profit or loss	14,241	49,800
Dividend income from securities investments for trading of financial assets at fair value through profit or loss	–	23
Net fair value gain of securities investments for trading of financial assets at fair value through profit or loss	–	132
	<u>215,706</u>	<u>148,675</u>

### 6. SEGMENT INFORMATION

#### (a) Segment information by business lines

The chief operating decision maker (the “CODM”) has been identified as the Executive Directors and senior management. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business from a business perspective, including property development, investment and trading, development and operation of cemetery, sales of goods and merchandises, securities investment and trading and money lending business. The CODM assesses the performance of the operating segments based on the measure of segment result.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

## 6. SEGMENT INFORMATION (Continued)

### (a) Segment information by business lines (Continued)

The segment information by business lines is as follows:

	Property development, investment and trading HK\$'000	Cemetery HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Money lending business HK\$'000	Others and corporate HK\$'000	Total HK\$'000
<b>2023</b>							
Revenue from contracts with customers:							
– Recognized at a point in time	121,924	9,060	5,373	–	–	–	136,357
– Recognized over time	7,628	–	–	–	–	–	7,628
Revenues from other sources	56,906	–	–	14,241	574	–	71,721
Revenues	186,458	9,060	5,373	14,241	574	–	215,706
Other income and net gain/(loss)	22,484	252	935	(238,427)	–	38,593	(176,163)
Operating (loss)/profit	(252,868)	1,480	(4,658)	(224,686)	423	(52,450)	(532,759)
Finance costs	(77,737)	–	(666)	(406)	–	–	(78,809)
Share of results of associated companies	31	–	–	–	–	(1,098)	(1,067)
Share of results of joint ventures	30,559	–	–	–	–	–	30,559
(Loss)/profit before taxation	(300,015)	1,480	(5,324)	(225,092)	423	(53,548)	(582,076)
Taxation credit/(charge)	16,366	(615)	–	(243)	–	–	15,508
(Loss)/profit for the period	(283,649)	865	(5,324)	(225,335)	423	(53,548)	(566,568)
<b>As at 30 September 2023</b>							
Segment assets	10,065,483	730,200	103,605	234,197	28,772	2,620,886	13,783,143
Associated companies	179	–	–	–	–	45,568	45,747
Joint ventures	863,397	–	–	–	–	–	863,397
Assets held for sale	–	–	43,582	–	–	–	43,582
Total assets	10,929,059	730,200	147,187	234,197	28,772	2,666,454	14,735,869
Segment liabilities	4,424,359	178,341	7,462	495	250	93,106	4,704,013
Liabilities held for sale	–	–	26,719	–	–	–	26,719
Total liabilities	4,424,359	178,341	34,181	495	250	93,106	4,730,732
<b>2023</b>							
Other segment items are as follows:							
Capital expenditure	111,080	3,932	–	–	–	37,815	152,827
Depreciation of property, plant and equipment	1,473	230	460	–	–	9,478	11,641
Depreciation of right-of-use assets	1,709	48	1,638	–	–	6,379	9,774
Provision for impairment of properties for sale	115,169	–	–	–	–	–	115,169
Provision for impairment of trade debtors	143	–	–	–	–	–	143
Fair value loss of investment properties	206,256	–	–	–	–	–	206,256



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

## 6. SEGMENT INFORMATION (Continued)

### (a) Segment information by business lines (Continued)

	Property development, investment and trading HK\$ '000	Cemetery HK\$ '000	Sales of goods and merchandises HK\$ '000	Securities investment and trading HK\$ '000	Money lending business HK\$ '000	Others and corporate HK\$ '000	Total HK\$ '000
2022							
Revenue from contracts with customers:							
– Recognized at a point in time	1,350	9,280	5,821	–	–	–	16,451
– Recognized over time	7,473	–	–	–	–	–	7,473
Revenues from other sources	66,853	–	–	49,955	7,943	–	124,751
	<u>75,676</u>	<u>9,280</u>	<u>5,821</u>	<u>49,955</u>	<u>7,943</u>	<u>–</u>	<u>148,675</u>
Revenues							
	<u>75,676</u>	<u>9,280</u>	<u>5,821</u>	<u>49,955</u>	<u>7,943</u>	<u>–</u>	<u>148,675</u>
Other income and net (loss)/gain	(1,159)	336	3,022	(287,013)	–	6,506	(278,308)
Loss on disposal of subsidiaries	(13,166)	–	–	–	–	–	(13,166)
Operating (loss)/profit	(105,296)	1,669	(272)	(237,577)	8,092	(116,407)	(449,791)
Finance costs	(61,618)	–	(641)	(3,072)	–	–	(65,331)
Share of results of associated companies	42	–	–	–	–	(1,098)	(1,056)
Share of results of joint ventures	(7,186)	–	–	–	–	–	(7,186)
(Loss)/profit before taxation	(174,058)	1,669	(913)	(240,649)	8,092	(117,505)	(523,364)
Taxation credit/(charge)	20,507	(644)	–	–	–	–	19,863
(Loss)/profit for the period	<u>(153,551)</u>	<u>1,025</u>	<u>(913)</u>	<u>(240,649)</u>	<u>8,092</u>	<u>(117,505)</u>	<u>(503,501)</u>
As at 31 March 2023							
Segment assets	10,539,966	779,195	153,489	466,962	30,544	2,941,959	14,912,115
Associated companies	148	–	–	–	–	46,644	46,792
Joint ventures	839,708	–	–	–	–	–	839,708
Assets held for sale	33,800	–	–	–	–	–	33,800
Total assets	<u>11,413,622</u>	<u>779,195</u>	<u>153,489</u>	<u>466,962</u>	<u>30,544</u>	<u>2,988,603</u>	<u>15,832,415</u>
Total liabilities	<u>4,693,115</u>	<u>191,261</u>	<u>34,626</u>	<u>86,604</u>	<u>274</u>	<u>77,097</u>	<u>5,082,977</u>
2022							
Other segment items are as follows:							
Capital expenditure	33,594	9,357	–	–	–	1,720	44,671
Depreciation of property, plant and equipment	2,002	235	265	–	–	4,438	6,940
Depreciation of right-of-use assets	1,709	46	1,392	–	–	6,764	9,911
Provision for impairment of trade debtors	1,602	–	–	–	–	–	1,602
Fair value loss of investment properties	112,787	–	–	–	–	–	112,787

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

## 6. SEGMENT INFORMATION *(Continued)*

### (b) Geographical segment information

The business of the Group operates in different geographical areas. Revenues are presented by the countries where the customers are located. Non-current assets, total assets and capital expenditure are presented by the countries where the assets are located. The segment information by geographical area is as follows:

	Revenues		Capital expenditure	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Hong Kong	141,208	116,636	148,606	34,867
The People's Republic of China (the "PRC")	13,096	17,911	3,943	9,357
France	48,463	–	–	–
Other countries	12,939	14,128	278	447
	<b>215,706</b>	<b>148,675</b>	<b>152,827</b>	<b>44,671</b>
	Non-current assets <i>(Note)</i>		Total assets	
	30 September 2023 HK\$'000	31 March 2023 HK\$'000	30 September 2023 HK\$'000	31 March 2023 HK\$'000
Hong Kong	6,923,027	6,982,301	11,261,973	12,034,124
The PRC	1,662,117	1,835,532	2,540,273	2,780,370
Other countries	831,795	928,862	933,623	1,017,921
	<b>9,416,939</b>	<b>9,746,695</b>	<b>14,735,869</b>	<b>15,832,415</b>

*Note: Non-current assets in geographical segment represent non-current assets other than financial assets at fair value through other comprehensive income, loans and receivables and other deposits.*

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

### 7A. OTHER INCOME AND NET LOSS

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Interest income from bank deposits	<b>50,269</b>	17,019
Dividend income from financial assets at fair value through other comprehensive income	<b>7,366</b>	7,366
Net loss of bonds and other investments of financial assets at fair value through profit or loss <i>(note)</i>	<b>(238,424)</b>	(287,043)
Net loss on disposal of investment properties	<b>(676)</b>	–
Net gain on disposal of property, plant and equipment	<b>95</b>	151
Net exchange loss	<b>(16,701)</b>	(20,040)
Reversal of over-provision for construction costs payable	<b>20,908</b>	–
Others	<b>1,000</b>	4,239
	<b>(176,163)</b>	(278,308)

*Note: The amount comprises of net gain on disposal of HK\$0.8 million (2022: net gain of HK\$299.2 million) and net fair value loss of HK\$239.3 million (2022: HK\$586.3 million) for financial assets at fair value through profit or loss.*

### 7B. LOSS ON DISPOSAL OF SUBSIDIARIES

On 5 August 2022, a direct wholly-owned subsidiary of Chuang's China Investments Limited ("Chuang's China") (a listed subsidiary of the Group) entered into a sale and purchase agreement with an independent third party to dispose of the property holding subsidiaries which held a property in Changan, Dongguan, the PRC, at a consideration of approximately RMB132.1 million (equivalent to approximately HK\$149.7 million) (the "Changan Disposal"). Details of the Changan Disposal were announced by Chuang's China and the Company on 5 August 2022. The transaction was completed on 5 September 2022, and a loss on disposal of subsidiaries before non-controlling interests of approximately HK\$13.2 million was recorded in the period ended 30 September 2022, taking into account the net assets disposed of approximately HK\$156.5 million, the realization of a negative exchange reserve upon disposal of approximately HK\$6.0 million and the related transaction costs. Details of the Changan Disposal are shown in note 23.

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (Continued)**

**8. OPERATING LOSS**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Operating loss is stated after charging:		
Cost of properties sold	<b>89,963</b>	678
Cost of cemetery assets sold	<b>2,098</b>	2,142
Cost of inventories sold	<b>4,080</b>	4,416
Depreciation of property, plant and equipment	<b>11,641</b>	6,940
Depreciation of right-of-use assets	<b>9,774</b>	9,911
Provision for impairment of properties for sale (note a)	<b>115,169</b>	–
Provision for impairment of trade debtors	<b>143</b>	1,602
Staff costs, including Directors' emoluments		
Wages and salaries (note b)	<b>54,121</b>	54,677
Retirement benefit costs	<b>2,171</b>	2,414
	<b>          </b>	<b>          </b>

Notes:

- (a) The amount has been included in cost of sales for the six months ended 30 September 2023.
- (b) Government grants amounting to HK\$2,373,000 had been recognized and deducted in wages and salaries expenses for the six months ended 30 September 2022.

**9. FINANCE COSTS**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Interest expenses of		
Bank borrowings	<b>112,021</b>	69,096
Bank overdraft	<b>64</b>	46
Lease liabilities	<b>1,269</b>	814
	<b>          </b>	<b>          </b>
Amounts capitalized into properties under development	<b>113,354</b>	69,956
	<b>(34,545)</b>	(4,625)
	<b>          </b>	<b>          </b>
	<b>78,809</b>	65,331
	<b>          </b>	<b>          </b>

The capitalization rate applied to funds borrowed for the development of properties ranged from 7.13% to 7.23% (2022: 3.44% to 3.54%) per annum.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 10. SHARE OF RESULTS OF JOINT VENTURES

Share of profit of joint ventures of HK\$30,559,000 (2022: loss of HK\$7,186,000) in the condensed consolidated income statement included the share of results of joint ventures (2022: included the share of fair value loss of the investment properties (net of the related deferred taxation) of HK\$13,936,000), and the rental income recorded by a joint venture from the wholly-owned subsidiary of the joint venture partner for the period ended 30 September 2023 amounted to approximately HK\$8,954,000 (2022: HK\$9,433,000).

### 11. TAXATION CREDIT

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current taxation		
Hong Kong profits tax	3,132	–
PRC corporate income tax	730	952
PRC withholding corporate income tax ( <i>note 7B</i> )	–	3,441
Overseas profits tax	3,784	95
Deferred taxation	<u>(23,154)</u>	<u>(24,351)</u>
	<u><b>(15,508)</b></u>	<u><b>(19,863)</b></u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 September 2023 (2022: no provision for Hong Kong profits tax had been made as the Group had either sufficient tax losses brought forward to set off against the estimated assessable profits for that period or had no estimated assessable profits for that period). PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC withholding corporate income tax includes the relevant tax on disposal of subsidiaries arising from the Changan Disposal as mentioned in note 7B.

Share of taxation charge of associated companies for the six months ended 30 September 2023 of HK\$12,000 (2022: HK\$13,000) is included in the condensed consolidated income statement as “Share of results of associated companies”. Share of current taxation charge of the joint venture for the six months ended 30 September 2023 of HK\$462,000 (2022: nil, as the joint ventures either had sufficient tax losses brought forward to set off against the estimated assessable profit for that period or had no estimated assessable profit for that period, whereas there was share of deferred taxation credit arising from the fair value loss of the investment properties of HK\$4,645,000) is included in the condensed consolidated income statement as “Share of results of joint ventures”.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 12. INTERIM DIVIDEND

On 29 November 2023, the board of Directors has resolved not to declare an interim dividend for the six months ended 30 September 2023 (2022: Nil).

### 13. LOSS PER SHARE

The calculation of the loss per share is based on the loss attributable to equity holders of HK\$484,845,000 (2022: HK\$429,379,000) and the weighted average number of 1,672,553,104 (2022: 1,672,553,104) shares in issue during the period.

The diluted loss per share is equal to the basic loss per share since there are no dilutive potential shares in issue during the period.

### 14. CAPITAL EXPENDITURE

For the six months ended 30 September 2023, the Group incurred acquisition and development costs on property, plant and equipment of HK\$91,000 (2022: HK\$2,403,000), right-of-use assets of HK\$37,815,000 (2022: HK\$111,000), and property projects, investment properties and cemetery assets of HK\$114,921,000 (2022: HK\$42,157,000) respectively.

### 15. DEBTORS AND PREPAYMENTS

Receivables from sales of properties and cemetery assets are settled in accordance with the terms of respective contracts. Rental income and management fees are received in advance. The aging analysis of the trade debtors of the Group is as follows:

	<b>30 September 2023 HK\$'000</b>	31 March 2023 HK\$'000
Below 30 days	<b>2,986</b>	3,581
31 to 60 days	<b>1,407</b>	1,051
61 to 90 days	<b>1,043</b>	418
Over 90 days	<b>4,682</b>	5,407
	<b>10,118</b>	10,457

Debtors and prepayments include net deposits of HK\$7,983,000 (31 March 2023: HK\$1,523,000) for acquisition of property projects and right-of-use assets after the accumulated provision for impairment as at 30 September 2023.

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (Continued)**

**16. ASSETS AND LIABILITIES HELD FOR SALE**

	<b>30 September 2023 HK\$'000</b>	31 March 2023 HK\$'000
Assets		
Property, plant and equipment ( <i>note a</i> )	<b>14,215</b>	–
Right-of-use assets ( <i>note a</i> )	<b>29,367</b>	–
Investment properties ( <i>note b</i> )	–	33,800
	<b>43,582</b>	<b>33,800</b>
Liabilities		
Creditors and accruals ( <i>note a</i> )	<b>2,331</b>	–
Other non-current liabilities ( <i>note a</i> )	<b>24,388</b>	–
	<b>26,719</b>	–

Notes:

- (a) On 29 August 2023, an indirect non-wholly-owned subsidiary of the Company entered into an agreement with an independent third party to dispose of the land and factory building in Singapore for a consideration of S\$18 million (equivalent to approximately HK\$103.7 million). Details of the disposal were announced by the Company on 29 August 2023 and it is expected that the transaction will be completed in the year of 2024. As such, the net book value of the land and factory building, which were recorded as “Property, plant and equipment” and “Right-of-use assets”, were reclassified as “Assets held for sale”, whereas the current and non-current portions of the related lease liabilities which were recorded in “Creditors and accruals” and “Other non-current liabilities”, were reclassified as “Liabilities held for sale” respectively, as at 30 September 2023.
- (b) In February 2023, the Group entered into a provisional sale and purchase agreement with an independent third party to dispose of a commercial investment property in Hong Kong at a consideration of HK\$33.8 million. The transaction was completed on 8 June 2023. As such, the investment property was reclassified as “Assets held for sale” as at 31 March 2023.

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (Continued)**

**17. CREDITORS AND ACCRUALS**

The aging analysis of the trade creditors of the Group is as follows:

	<b>30 September 2023 HK\$'000</b>	31 March 2023 HK\$'000
Below 30 days	3,724	2,720
31 to 60 days	1,000	553
Over 60 days	<u>4,181</u>	<u>4,931</u>
	<b><u>8,905</u></b>	<b><u>8,204</u></b>

Creditors and accruals include the construction cost payables and accruals of HK\$163,099,000 (31 March 2023: HK\$191,412,000) for the property and cemetery projects of the Group.

**18. BORROWINGS**

	<b>30 September 2023 HK\$'000</b>	31 March 2023 HK\$'000
Unsecured bank borrowings		
Long-term bank borrowings	<u>369,461</u>	<u>474,052</u>
Secured bank borrowings		
Short-term bank borrowings	54,526	147,669
Long-term bank borrowings	<u>3,530,064</u>	<u>3,605,994</u>
	<b><u>3,584,590</u></b>	<b><u>3,753,663</u></b>
Total bank borrowings	<b><u>3,954,051</u></b>	<b><u>4,227,715</u></b>



**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (Continued)**

**18. BORROWINGS (Continued)**

The total bank borrowings are analyzed as follows:

	<b>30 September 2023 HK\$'000</b>	31 March 2023 HK\$'000
Short-term bank borrowings	<b>54,526</b>	147,669
Long-term bank borrowings	<b>3,899,525</b>	4,080,046
Total bank borrowings	<b><u>3,954,051</u></b>	<u>4,227,715</u>

The long-term bank borrowings are analyzed as follows:

	<b>30 September 2023 HK\$'000</b>	31 March 2023 HK\$'000
Long-term bank borrowings	<b>3,899,525</b>	4,080,046
Current portion included in current liabilities		
Portion due within one year	<b>(1,154,467)</b>	(640,890)
Portion due after one year which contains a repayment on demand clause	<b>(155,521)</b>	(252,019)
	<b><u>(1,309,988)</u></b>	<u>(892,909)</u>
	<b><u>2,589,537</u></b>	<u>3,187,137</u>

The bank borrowings are repayable in the following periods based on the agreed scheduled repayment dates set out in the loan agreements:

	<b>30 September 2023 HK\$'000</b>	31 March 2023 HK\$'000
Within the first year	<b>1,208,993</b>	788,559
Within the second year	<b>1,538,690</b>	2,189,727
Within the third to fifth years	<b>1,084,052</b>	1,126,977
After the fifth year	<b>122,316</b>	122,452
	<b><u>3,954,051</u></b>	<u>4,227,715</u>

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (Continued)**

**19. SHARE CAPITAL**

	<b>30 September 2023 HK\$'000</b>	31 March 2023 HK\$'000
Authorized:		
2,500,000,000 shares of HK\$0.25 each	<b>625,000</b>	625,000
	<b>Number of shares</b>	<b>Amount HK\$'000</b>
Issued and fully paid at HK\$0.25 each:		
At 31 March 2023 and 30 September 2023	<b>1,672,553,104</b>	<b>418,138</b>

**20. FINANCIAL GUARANTEES**

As at 30 September 2023, the Company had provided guarantees of HK\$222,688,000 (31 March 2023: HK\$409,223,000) for the banking facilities granted to joint ventures, and certain subsidiaries had provided guarantees of HK\$5,386,000 (31 March 2023: HK\$6,116,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

**21. COMMITMENTS**

As at 30 September 2023, the Group had commitments contracted but not provided for in respect of property projects and property, plant and equipment of HK\$277,712,000 (31 March 2023: HK\$414,991,000) and financial assets at fair value through profit or loss of HK\$38,806,000 (31 March 2023: HK\$43,938,000) respectively.

**22. PLEDGE OF ASSETS**

As at 30 September 2023, the Group had pledged certain assets including investment properties, properties for/under development, properties for sale, and those assets in assets held for sale, with an aggregate carrying value of HK\$7,900,885,000 (31 March 2023: HK\$8,068,769,000), to secure banking facilities granted to the subsidiaries.

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION** *(Continued)*

**23. LOSS ON DISPOSAL OF SUBSIDIARIES**

	2022 <i>HK\$'000</i>
Consideration	149,700
Less: Transaction costs and related expenses	<u>(351)</u>
Net proceeds	<u>149,349</u>
Details of net assets at the date of disposal:	
Investment properties	215,119
Debtors and prepayments	167
Cash and bank balances	1,311
Creditors and accruals	(1,456)
Taxation payable	(1,064)
Deferred taxation liabilities	(53,303)
Non-controlling interests	<u>(4,261)</u>
Net assets disposed of	156,513
Realization of exchange reserve upon disposal	6,002
Loss on disposal of subsidiaries ( <i>note 7B</i> )	<u>(13,166)</u>
	<u>149,349</u>
Analysis of loss on the disposal of subsidiaries:	
Loss on disposal of subsidiaries ( <i>note 7B</i> )	(13,166)
Less: PRC withholding corporate income tax ( <i>note 11</i> )	<u>(3,441)</u>
Net loss on the disposal of subsidiaries after taxation	<u>(16,607)</u>
Analysis of net cash inflow in respect of the disposal:	
Net cash consideration received	149,349
Less: Consideration receivable in debtors and prepayments	(3,400)
Cash and bank balances disposed of	<u>(1,311)</u>
Net cash inflow from the disposal	<u>144,638</u>
Represented by:	
Net proceeds from disposal of subsidiaries included in cash flows from investing activities	<u>144,638</u>