

金石資本集團有限公司 GOLDSTONE CAPITAL GROUP LIMITED

(incorporated in Bermuda with limited liability)

Stock Code: 1160



2024 Interim Report



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Corporate Information

BOARD OF DIRECTORS

Executive Director

Ms. Li Li

(appointed with effect from 25 April 2024)

Non-Executive Directors

Mr. Choi Chit Sze Jackson *(Chairman)*

(appointed with effect from 16 October 2024)

Mr. Chen Huaiyuan

Mr. Lam King

Mr. Wang Guozhen

(appointed with effect from 16 October 2024)

Mr. Huang Bin *(Chairman)*

(resigned with effect from 16 October 2024)

Mr. Xu Lin

(resigned with effect from 16 October 2024)

Independent Non-Executive Directors

Mr. Hung Hoi Ming Raymond

Ms. Wan Yuk Ling

Mr. Lu Zhicheng

(appointed with effect from 16 October 2024)

Mr. Ning Fong

(resigned with effect from 16 October 2024)

COMPANY SECRETARY

Mr. Leung Chung Man

AUDIT COMMITTEE

Ms. Wan Yuk Ling *(Chairman)*

Mr. Hung Hoi Ming Raymond

Mr. Lu Zhicheng

(appointed with effect from 16 October 2024)

Mr. Ning Fong

(resigned with effect from 16 October 2024)

REMUNERATION COMMITTEE

Mr. Lu Zhicheng *(Chairman)*

(appointed with effect from 16 October 2024)

Mr. Hung Hoi Ming Raymond

Ms. Wan Yuk Ling

(appointed with effect from 16 October 2024)

Mr. Ning Fong *(Chairman)*

(resigned with effect from 16 October 2024)

Mr. Huang Bin

(resigned with effect from 16 October 2024)

NOMINATION COMMITTEE

Mr. Hung Hoi Ming Raymond *(Chairman)*

(appointed as Chairman with effect from 16 October 2024)

Ms. Wan Yuk Ling

(appointed with effect from 16 October 2024)

Mr. Lu Zhicheng

(appointed with effect from 16 October 2024)

Mr. Huang Bin *(Chairman)*

(resigned with effect from 16 October 2024)

Mr. Ning Fong

(resigned with effect from 16 October 2024)

CUSTODIAN

DBS Bank Ltd., Hong Kong Branch

18/F, The Center

99 Queen's Road Central

Hong Kong

AUDITORS

Crowe (HK) CPA Limited

9/F., Leighton Centre

77 Leighton Road

Causeway Bay, Hong Kong

Corporate Information

PRINCIPAL BANKER

OCBC Bank (Hong Kong) Limited
161 Queen's Road Central
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1801A, 18/F
Bank of America Tower
12 Harcourt Road, Admiralty
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law:

Li & Partners
22/F World-Wide House
19 Des Voeux Road Central
Central, Hong Kong

As to Bermuda law:

Conyers Dill & Pearman
29/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

WEBSITE

<https://www.irasia.com/listco/hk/goldstone>

Unaudited Condensed Interim Financial Statements

RESULTS

The board (the “Board”) of directors (the “Directors”) of Goldstone Capital Group Limited (the “Company”) is pleased to announce the unaudited condensed interim results of the Company for the six months ended 30 September 2024 (the “Period”) together with the comparative figures for the corresponding period in 2023. These condensed interim financial statements have not been audited, but have been reviewed by the audit committee of the Company (the “Audit Committee”).

On behalf of the Board

Goldstone Capital Group Limited

Choi Chit Sze Jackson

Chairman

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024

		For the six months ended 30 September	
	<i>NOTE</i>	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net investment gain	4	39	32
Other income	5	3	24
General and administrative expenses		(3,124)	(4,799)
Loss from operations		(3,082)	(4,743)
Finance costs		(6)	(6)
Loss before taxation	6	(3,088)	(4,749)
Income tax	7	–	–
Loss and total comprehensive expense for the period		(3,088)	(4,749)
Loss and total comprehensive expense for the period attributable to: Equity shareholders of the Company		(3,088)	(4,749)
Loss per share (HK Cents)			
– Basic	8	(1.30)	(2.00)
– Diluted	8	(1.30)	(2.00)

The notes on pages 9 to 19 form an integral part of these unaudited condensed interim financial statements.

Condensed Statement of Financial Position

As at 30 September 2024

	NOTE	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Current assets			
Financial assets at fair value through profit or loss	10	5,013	–
Deposits and prepayments	11	777	784
Cash and cash equivalents	12	9,926	18,057
Total current assets		15,716	18,841
Current liabilities			
Accruals and other payables		1,870	1,913
Loans from a shareholder		4,036	4,030
Total current liabilities		5,906	5,943
Net current assets		9,810	12,898
Net assets		9,810	12,898
Capital and reserves			
Share capital	13	23,727	23,727
Reserves		(13,917)	(10,829)
Total equity		9,810	12,898
Net asset value per share		HK\$0.04	HK\$0.05

The notes on pages 9 to 19 form an integral part of these unaudited condensed interim financial statements.

Condensed Statement of Changes in Equity

For the six months ended 30 September 2024

	Share capital HK\$'000	Share premium HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 April 2023 (Audited)	23,727	73,025	(74,496)	22,256
Loss and total comprehensive expense for the period	–	–	(4,749)	(4,749)
Balance at 30 September 2023 (Unaudited)	23,727	73,025	(79,245)	17,507
Balance at 1 April 2024 (Audited)	23,727	73,025	(83,854)	12,898
Loss and total comprehensive expense for the period	–	–	(3,088)	(3,088)
Balance at 30 September 2024 (Unaudited)	23,727	73,025	(86,942)	9,810

The notes on pages 9 to 19 form an integral part of these unaudited condensed interim financial statements.

Condensed Statement of Cash Flows

For the six months ended 30 September 2024

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net cash (used in)/generated from operating activities	(8,134)	99
Net cash generated from investing activities	3	24
Net cash used in financing activities	–	(2)
(Decrease)/increase in cash and cash equivalents during the period	(8,131)	121
Cash and cash equivalents at beginning of the period	18,057	21,566
Cash and cash equivalents at end of the period	9,926	21,687
Analysis of the balance of cash and cash equivalents		
Cash and bank balances	9,926	21,687

The notes on pages 9 to 19 form an integral part of these unaudited condensed interim financial statements.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

1. BASIS OF PREPARATION

These unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 28 November 2024.

The unaudited condensed interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2023/24 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024/25 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of unaudited condensed interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These unaudited condensed interim financial statements contain condensed financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the 2023/24 annual financial statements. The condensed interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The condensed interim financial statements are unaudited, but have been reviewed by the Audit Committee.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Company:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* and related amendments to Hong Kong Interpretation 5 and *Non-current Liabilities with Covenants*
- Amendments to HKAS 7 and HKFRS 7, *Supplier Finance Arrangements*
- Amendments to HKFRS 16, *Lease Liability in a Sale and Leaseback*

None of these developments have had a material effect on how the Company's results and financial position for the current or prior periods have been prepared or presented in these condensed interim financial statements. The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

No segment information is presented in respect of the Company's business and geographical segments as all of the income, contribution to operating results, assets and liabilities of the Company are attributable to investment activities, which are carried out or originated principally in Hong Kong.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

4. NET INVESTMENT GAIN

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Fair value change of financial assets at fair value through profit or loss	39	32

5. OTHER INCOME

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Bank interest income	3	24

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Investment management fee	–	270
Legal and professional fees	337	373
Depreciation charge		
– owned plant and equipment	–	500
Expenses relating to short-term leases	450	600
Directors' emoluments	868	1,172
Staff costs (excluding Directors' emoluments)		
– salaries, bonuses and other benefits	821	1,245
– mandatory provident fund contributions (see <i>Note below</i>)	28	21
Interest on loans from a shareholder	6	6

Note: The Company operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Company to reduce the existing level of contribution.

7. INCOME TAX

No Hong Kong Profits Tax has been provided for in the unaudited condensed financial statements for the six months ended 30 September 2024 and 2023 as the Company has no estimated assessable profits for both periods.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

8. LOSS PER SHARE

The calculation of basic loss per ordinary share is based on the unaudited loss attributable to ordinary equity shareholders of the Company of approximately HK\$3,088,000 for the Period (six months ended 30 September 2023: loss of approximately HK\$4,749,000) and the weighted average of 237,271,250 ordinary shares (six months ended 30 September 2023: 237,271,250 ordinary shares) in issue during the Period.

There were no dilutive potential ordinary shares during the six months ended 30 September 2024 and 2023, and therefore diluted loss per share is the same as the basic loss per share.

9. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (six months ended 30 September 2023: Nil).

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Debt securities	5,013	–

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Particulars of the investments as at 30 September 2024 were as follows:

Type of investments	Name of issuer	Place of incorporation	Cost HK\$'000	Market value HK\$'000	Change in fair value of financial assets at fair value through profit or loss HK\$'000	Yield per annum %	Maturity date	Interest received/ accrued during the Period HK\$'000	Approximate percentage of gross assets of the Company %
(a) Debt securities	The Department of the Treasury of the U.S. ("U.S. Department of the Treasury")	U.S.	1,865	1,877	12	0	29 November 2024	-	11.9
(b) Debt securities	CSSC Capital 2015 Limited	British Virgin Islands	1,583	1,562	(21)	2.5	13 February 2025	19.7	9.9
(c) Debt securities	CNAC (HK) Finbridge Company Limited	Hong Kong	1,614	1,574	(40)	4.875	14 March 2025	38.4	10.0

At 31 March 2024, the Company did not have any investments.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

11. DEPOSITS AND PREPAYMENTS

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Deposits	200	200
Prepayments	577	584
	777	784

12. CASH AND CASH EQUIVALENTS

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Cash at bank and on hand	9,926	18,057

13. SHARE CAPITAL

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Authorised: 1,000,000,000 ordinary shares of HK\$0.10 each	100,000	100,000
Issued and fully paid: 237,271,250 ordinary shares of HK\$0.10 each	23,727	23,727

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENT

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Company's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "*Fair Value Measurement*". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

At 30 September 2024, the financial instruments of the Company carried at fair value were debt securities of approximately HK\$5,013,000. The financial instruments were measured at fair value on a recurring basis and their fair value measurement fell into Level 2 of the fair value hierarchy described above. The fair values of the debt securities were determined with reference to the quoted prices provided by a broker. At 31 March 2024, the Company did not have any financial assets at fair value through profit or loss.

During the six months ended 30 September 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 September 2023: Nil). The Company's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Company's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 September 2024 and 31 March 2024.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

15. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these unaudited condensed interim financial statements, particulars of significant transactions between the Company and its related parties during the six months ended 30 September 2024 are as follows:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Company, including amounts paid to the Directors during the six months ended 30 September 2024 is as follows:

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term employee benefits	860	1,770
Retirement scheme contributions	8	2
	868	1,772

(b) Financing arrangements

At 30 September 2024, the Company had the following balances with related parties:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Loans from a shareholder	4,036	4,030
Rental deposit	200	200

Notes

(i)

(ii)

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

15. MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(b) Financing arrangements *(continued)*

Notes:

- (i) The loans from a shareholder are unsecured and repayable on 31 December 2024. As at 30 September 2024, included in loans from a shareholder, a principal amount of HK\$2,500,000 (31 March 2024: HK\$2,500,000) carries interest at Hong Kong Interbank Offered Rate for an interest period of 12 months, and the remaining balance is interest-free.
- (ii) Rental deposit was paid to China State Ventures Group Limited ("China State") in respect of a lease agreement entered in March 2024. The amount is included in "Deposits and prepayments" (see Note 11). Further details of the lease agreement with China State is set out in Note 15(c) below.

(c) Other transactions with related parties

		For the six months ended 30 September	
		2024	2023
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Notes			
	Interest expenses charged by a shareholder	6	6
	Investment management fee charged by INV Advisory Limited <i>(i)</i>	–	270
	Rental expense <i>(ii)</i>	450	600

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2024

15. MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(c) Other transactions with related parties *(continued)*

Notes:

(i) On 29 May 2020, the Company entered into an investment management agreement with INV Advisory Limited, of which Ms. Chan Mei Yan, a former director of the Company, is also its director. Pursuant to the investment management agreement, INV Advisory Limited has agreed to provide non-discretionary investment management services to the Company at an investment management fee of HK\$1,620,000 per annum for a period of three years commencing from 1 June 2020. The investment management agreement was expired on 31 May 2023.

(ii) On 1 December 2022, the Company entered into a lease agreement (the "Lease Agreement 2022") with China State, of which Mr. Huang Bin, a former non-executive director of the Company, is also its director. The Company has obtained the right to use properties as its offices through the Lease Agreement 2022 for a term of one year commencing from 1 December 2022 at a monthly rent of HK\$100,000.

On 1 December 2023, the Company entered into a lease agreement (the "Lease Agreement 2023") with China State whereby the Company has obtained the right to use the properties as its offices through the Lease Agreement 2023 for a term of three months commencing from 1 December 2023 at a monthly rent of HK\$75,000.

On 1 March 2024, the Company entered into a lease agreement (the "Lease Agreement 2024") with China State whereby the Company has obtained the right to use the properties as its offices through the Lease Agreement 2024 for a term of one year commencing from 1 March 2024 at a monthly rent of HK\$75,000.

16. APPROVAL OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

These unaudited condensed interim financial statements were approved by the Board on 28 November 2024.

Management Discussion and Analysis

INTERIM RESULTS

During the Period, the Company recorded a loss of approximately HK\$3,088,000 (six months ended 30 September 2023: loss of approximately HK\$4,749,000), representing a decrease in loss for the Period of approximately HK\$1,661,000 as compared with the six months ended 30 September 2023 (the “Corresponding Period”) mainly due to the increase of net investment gain during the Period and the decrease in general and administrative expenses for the Period.

Net investment gain of approximately HK\$39,000 was recognised for the Period while net investment gain of approximately HK\$32,000 was recognised for the Corresponding Period. The general and administrative expenses for the Period amounted to approximately HK\$3,124,000, representing a decrease by approximately HK\$1,675,000 as compared with that for the Corresponding Period, which was mainly due to lower depreciation charge, staff costs (including directors’ emoluments) and investment management fee.

BUSINESS REVIEW AND PROSPECTS

The global economy remained challenging in 2024. Although the national elections in some countries have concluded, global uncertainties were still present.

The U.S. Federal Reserve Board (the “U.S. Federal Reserve”) started the interest rate cut cycle. The U.S. Federal Reserve announced to lower the interest rate for 0.5% in September 2024 and 0.25% in November 2024, respectively and considered to further lower the interest rate in December 2024.

In China, there was a signal of rebound in the real estate sector after the Chinese central government has implemented stimulus measures to restore the industry confidence. It is anticipated that the Chinese central government will continue to implement further measures to stimulate and support the economy.

However, the prolonged tense China-U.S. relation, attributed to new sanctions and restrictive measures imposed by the U.S. Government on various Chinese companies and businesses.

In addition, geopolitical conflicts persisted. The ongoing conflict between Russia and Ukraine has continuously caused supply chain issues for businesses worldwide. The Israeli-Palestinian conflict occurred more than 1 year, which also affects the stability of global supply chain.

The worsened external economic environment and interest rate hikes continued to pose pressure on Hong Kong’s stock market for the first half of 2024. However, after the announcement of interest rate cuts in the U.S. and stimulus measures in China, the Hang Seng Index rose to a closing point of 21,134 at the end of September 2024 which marked the 1-year high and subsequently retreated in October 2024.

Management Discussion and Analysis

Looking ahead, the Hong Kong economy is expected to show a continuation of vulnerabilities in 2024. According to the statistics published by the Government of Hong Kong, the Hong Kong economy continued to improve moderately in the third quarter of 2024. Real GDP resumed year-on-year growth of 1.8% in the third quarter of 2024, but reduced by 1.1% on a seasonally adjusted quarter-to-quarter comparison. The private consumption expenditure reduced by 1.3% year-on-year in real terms in the third quarter of 2024.

During the six months period ended 30 September 2024, the Company invested in several short term U.S. Treasury positions and other debt securities for the purpose of earning returns of lower risks for the Company.

Despite the volatility of the worldwide economy and investment market, the Board continued to adopt a relatively cautious approach for any investments and business development and has been closely monitoring the business and industry development of potential investment targets. Going forward, the Board shall continue to stay well informed of global economic and investment market trends and examine the Hong Kong market situation vigilantly in order to make necessary adjustments to the investment strategies as and when appropriate.

SIGNIFICANT INVESTMENTS HELD

Type of investments	Name of issuer	Place of incorporation	Cost HK\$'000	Market value HK\$'000	Change in fair value of financial assets at fair value through profit or loss HK\$'000	Yield per annum %	Maturity date	Interest received/ accrued during the Period HK\$'000	Approximate percentage of gross assets of the Company %
(a) Debt securities	The Department of the Treasury of the U.S. ("U.S. Department of the Treasury")	U.S.	1,865	1,877	12	0	29 November 2024	-	11.9
(b) Debt securities	CSSC Capital 2015 Limited	British Virgin Islands	1,583	1,562	(21)	2.5	13 February 2025	19.7	9.9
(c) Debt securities	CNAC (HK) Finbridge Company Limited	Hong Kong	1,614	1,574	(40)	4.875	14 March 2025	38.4	10.0

Management Discussion and Analysis

A brief description of the business and financial information of the investments is as follows:

- (a) The Directors are of the view that with the very strong financial position of the U.S. government, U.S. Treasury Bills could provide a steady interest income to investors. The Directors considered U.S. Treasury Bills as a lower-risk security. Treasury bills are debt obligations issued by the U.S. Department of the Treasury. Treasury securities are considered one of the safest investments because they are backed by the full faith and credit of the U.S. government. The Company would increase or reduce the holdings on the U.S. Treasury Bills, depending on a number of factors including the investment environment.
- (b) CSSC Capital 2015 Limited (“CSSC Capital 2015”) is a company incorporated in the British Virgin Islands with limited liability. CSSC Capital 2015 is principally engaged in bond issuing and is a wholly-owned subsidiary of CSSC (Hong Kong) Shipping Company Limited (“CSSC HK”), a shipyard-affiliated leasing company principally engaged in the provision of leasing services. The unaudited consolidated profit attributable to equity holders of CSSC HK for the six months ended 30 June 2024 was approximately HK\$1,327,318,000, and the unaudited consolidated net assets attributable to equity holders of CSSC HK as at 30 June 2024 was approximately HK\$13,536,057,000. CSSC HK will keep on monitoring the situation in the Red Sea conflict and fundamentals of maritime demand. The fair value of the investment in CSSC Capital 2015 is determined with reference to the quoted prices provided by a broker.
- (c) CNAC (HK) Finbridge Company Limited (“CNAC”) is a company incorporated in Hong Kong with limited liability. CNAC is an indirect wholly-owned subsidiary of China National Chemical Corporation Limited (“CNCC”). CNCC is a company incorporated with limited liability in the PRC and is a state-owned enterprise established by reorganising companies affiliated to the former Ministry of the Chemical Industry, PRC. CNAC and CNCC primarily conduct operations in the following five business segments: oil processing and fundamental chemical products, new chemical materials and specialty chemicals, agrochemicals, tyre and rubber products and chemical equipment. The fair value of the investment in CNAC is determined with reference to the quoted prices provided by a broker.

At 31 March 2024, the Company did not have any investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company did not have any acquisitions and disposals of subsidiaries, associates and joint ventures during the Period.

Management Discussion and Analysis

LOANS FROM A CONTROLLING SHAREHOLDER

In October and November 2020, the Company entered into two loan agreements with Everbright Goldstone International Group Limited (“Everbright Goldstone”), a controlling shareholder of the Company (the “Shareholder”), pursuant to which Everbright Goldstone agreed to provide two loans to the Company in the principal amount of up to HK\$2,500,000 and HK\$10,000,000 respectively. The loans did not bear interest and were repayable within one year. As at 31 March 2021, HK\$3,500,000 has been drawn and used as working capital of the Company and the Company has unutilised loan amount of HK\$9,000,000 under the loan agreements with Everbright Goldstone.

In April and June 2021, the Company entered into loan extension agreements with Everbright Goldstone to extend the maturity dates of these loans to 31 December 2022. The drawdown period of the HK\$9,000,000 unutilised amount of the second loan was also extended to 31 December 2022. In December 2022, the Company entered into loan extension agreements with Everbright Goldstone to extend the maturity dates of these loans to 31 December 2023. The drawdown period of the HK\$8,500,000 unutilised amount of the second loan was also extended to 31 December 2023. In December 2023, the Company entered into loan extension agreements with Everbright Goldstone to further extend the maturity dates of these loans to 31 December 2024. The drawdown period of the HK\$8,500,000 unutilised amount of the second loan has also been extended to 31 December 2024. The first loan of principal amount of HK\$2,500,000 shall carry interest at Hong Kong Interbank Offered Rate for an interest period of 12 months after the extension of the loan maturity with effect from 29 April 2021. As at 30 September 2024, loans from Everbright Goldstone amounted to approximately HK\$4,036,000, which comprised principal amount of loans drawn of HK\$4,000,000 and accrued interest of approximately HK\$36,000. Save as disclosed above, the other terms and conditions of the loan agreements remained unchanged.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2024, the Company had cash and bank balances of approximately HK\$9,926,000 (31 March 2024: approximately HK\$18,057,000). The Company had loans from a controlling Shareholder of approximately HK\$4,036,000 (31 March 2024: approximately HK\$4,030,000) (comprised principal amount of loans drawn of HK\$4,000,000 (31 March 2024: HK\$4,000,000) and accrued interest of approximately HK\$36,000 (31 March 2024: approximately HK\$30,000)) as at 30 September 2024 which were repayable on 31 December 2024. Details of the loans from a controlling Shareholder are disclosed in the section headed “Loans from a Controlling Shareholder” above. The gearing ratio of the Company as at 30 September 2024 was approximately 0.3 (31 March 2024: approximately 0.2), which was calculated based on the Company’s total borrowings to total assets.

Management Discussion and Analysis

Rights Issue 2022

On 6 January 2022, the Board proposed a rights issue (the “Rights Issue 2022”) on the basis of one rights share of the Company for every two existing ordinary shares of the Company (the “Shares”, each a “Share”) held on 26 January 2022 at the subscription price (the “Subscription Price”) of HK\$0.68 each, which was completed on 28 March 2022. The closing price of the Share was HK\$1.70 per Share on 6 January 2022, being the date on which the terms of the Rights Issue 2022 were fixed.

The Company was of the view that the Rights Issue 2022 would enable the Company to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs in contrary to other fund-raising alternatives available to the Company.

On 6 January 2022, the Company also entered into a placing agreement with Gransing Securities Co., Limited (the “Placing Agent”), pursuant to which the Placing Agent has conditionally agreed to procure placee(s) (the “Placee(s)”), on a best effort basis, to subscribe for the rights Shares that are not subscribed by the qualifying Shareholders of the Company under the Rights Issue 2022 (the “Unsubscribed Rights Shares”) and the rights Share(s) which would otherwise has/have been provisionally allotted to the excluded Shareholder(s) (the Shareholder(s) with registered address(es) outside Hong Kong which was/were not offered the rights Shares) in nil-paid form that has/have not been sold by the Company.

As disclosed in the announcement of the Company dated 28 March 2022, the Company received a total of 14 valid acceptances and applications under the provisional allotment letters in respect of a total of 1,971,250 rights Shares, representing approximately 2.28% of the total number of rights Shares available for subscription under the Rights Issue 2022. As at 5:00 p.m. on Friday, 25 March 2022, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, 62,500,000 Unsubscribed Rights Shares, representing approximately 26.34% of the issued Shares immediately upon completion of the Rights Issue 2022, were successfully placed at the placing price of HK\$0.68 per Share, representing nil premium over the Subscription Price, to independent Placees.

Accordingly, the gross proceeds and the net proceeds (after deducting expenses) raised from the Rights Issue 2022 (including the Placing) are approximately HK\$43.8 million and approximately HK\$41.7 million, respectively. On this basis, the net price per rights Share is approximately HK\$0.647 per Share.

On 29 March 2022, 64,471,250 Shares with an aggregate nominal value of HK\$6,447,125 were issued pursuant to the Rights Issue 2022.

Management Discussion and Analysis

Please refer to the prospectus of the Company dated 24 February 2022 (the “Prospectus”) and the announcements of the Company dated 6 January 2022, 17 March 2022 and 28 March 2022 for the details of the Rights Issue 2022.

The intended and actual use of proceeds from the Rights Issue 2022 up to 30 September 2024 is set out as follows:

Business objectives as stated in the Prospectus	Intended use of net proceeds from the Rights Issue 2022	Actual amount utilised up to 30 September 2024	Remaining unutilised balance as at 30 September 2024	Expected timeline for the unutilised net proceeds
	(HK\$ million)	(HK\$ million)	(HK\$ million)	
Repayment in full of a loan and related interests from a licensed money lender	5.1	5.1	–	N/A
Future investments and business development pursuant to the investment objectives of the Company	27.2	23.2	4.0	by 31 March 2025
General working capital of the Company	9.4	9.4	–	N/A
	41.7	37.7	4.0	

The unutilised net proceeds from the Rights Issue 2022 as at 30 September 2024, being approximately HK\$4.0 million were deposited with the licensed banks in Hong Kong.

As at the date of this unaudited condensed interim report, the Board has no intention to change the planned use of the net proceeds as disclosed in the Prospectus and above. The expected timeline for using the unutilised net proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. Further announcement(s) and/or disclosure in the Company’s annual report(s) in respect of change in timeline, if any, will be made by the Company in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as and when appropriate to update its Shareholders and potential investors.

Management Discussion and Analysis

CHARGE ON COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2024, there was no charge on the Company's assets or any significant contingent liabilities (31 March 2024: Nil).

CAPITAL EXPENDITURES

The Company did not make any significant capital expenditure during the Period (six months ended 30 September 2023: Nil).

COMMITMENTS

The Company had no capital commitment as at 30 September 2024 (31 March 2024: Nil).

CAPITAL STRUCTURE

The capital structure of the Company is comprised of equity and debt. As at 30 September 2024, the total number of ordinary shares of HK\$0.10 each in the Company in issue was 237,271,250 (31 March 2024: 237,271,250).

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (six months ended 30 September 2023: Nil).

PURCHASE, SALE OR REDEMPTION OF OWN SHARES

During the Period, the Company did not purchase, sell or redeem any of its shares (six months ended 30 September 2023: Nil).

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

The Company had not executed any agreement in respect of material investment or capital asset during the Period and did not have any other plans relating to material investment or capital asset as at the date of this unaudited condensed interim report. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the Shareholders as a whole. The potential investment opportunities will be funded by internal resources, including the proceeds from the Rights Issue 2022.

Management Discussion and Analysis

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Company held assets and liabilities denominated in Hong Kong Dollars (“HKD”), Renminbi and US Dollars (“USD”). The Company’s cash and cash equivalents were denominated in HKD and USD. Accordingly, it is subjected to limited exposure of foreign exchange fluctuation. As it is the Company’s policy to maintain relatively minimal exposure to foreign exchange risks, the Company had not used any derivatives and other instruments for currency exchange hedging purposes.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Company had 5 employees (31 March 2024: 4). The remuneration of the employees of the Company, during the Period amounted to approximately HK\$1,118,000 (six months ended 30 September 2023: approximately HK\$1,297,000).

The Company’s remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of the individual employees. The Company carries out regular review on the performance of employees to determine any salary adjustments, bonuses and promotions.

The Company operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for those Hong Kong employees who are eligible to participate in the MPF Scheme. The Company and its employees are each required to make contributions pursuant to the MPF Scheme at 5% of the employees’ monthly relevant income and capped at HK\$1,500 per month. The contributions made by the Company for the MPF Scheme are charged to the statement of profit or loss as they become payable in accordance with the relevant rules of the MPF Scheme.

The Company’s contributions to the MPF Scheme vest fully and immediately with the employees. Accordingly, (i) during the Period, there was no forfeiture of contributions under the MPF Scheme (six months ended 30 September 2023: Nil); and (ii) there were no forfeited contributions available for the Company to reduce its existing level of contributions to the MPF Scheme as at 30 September 2024 (31 March 2024: Nil).

During the Period, the Company did not have any other defined benefit plan for its employees (six months ended 30 September 2023: Nil).

DIRECTORS’ RIGHT TO ACQUIRE SHARES AND DEBENTURES

At no time during the Period was the Company or its associated companies a party to any arrangements to enable the Directors or chief executive of the Company to acquire any interests or benefits by means of acquisition of shares, underlying shares in or debentures of the Company.

Management Discussion and Analysis

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, none of the Directors are aware that the Directors, Chief Executive and their associates 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 the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") that was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which would have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2024, as far as the Directors are aware, the Company had been notified of the following substantial Shareholders' interests or short positions in the shares and underlying shares in the Company (representing 5% or more of the Company's issued share capital) which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO:

Name of substantial Shareholder	Capacity	Long/short position	Number of shares	Approximate percentage of existing shareholding (Note 3)
Everbright Goldstone International Group Limited	Beneficial owner	Long position	88,129,080	37.14%
Treasure Isle Global Limited	Beneficial owner	Long position	25,954,878 (Note 1)	10.94%
Li Bohan ("Mr. Li")	Interest of a controlled corporation	Long position	25,954,878 (Note 1)	10.94%
Zhang Jianming ("Mr. Zhang")	Interest of a controlled corporation	Long position	25,954,878 (Note 1)	10.94%
Gold Pond International Limited ("GPIL")	Beneficial owner	Long position	23,600,000 (Note 2)	9.95%
Sunwah Tongfang Limited	Interest of a controlled corporation	Long position	23,600,000 (Note 2)	9.95%
Luo Yan ("Ms. Luo")	Interest of a controlled corporation	Long position	23,600,000 (Note 2)	9.95%
DT Capital Limited	Beneficial owner	Long position	21,500,000	9.06%

Management Discussion and Analysis

Notes:

1. Treasure Isle Global Limited is a company incorporated in the British Virgin Islands and is beneficially owned as to 50% by Mr. Li and 50% by Mr. Zhang. Each of Mr. Li and Mr. Zhang is deemed to be interested in the 25,954,878 Shares held by Treasure Isle Global Limited under Part XV of the SFO.
2. GPIL is beneficially owned as to 100% by Sunwah Tongfang Limited. Sunwah Tongfang Limited is beneficially owned as to 100% by Ms. Luo.
3. The percentage of shareholding is calculated on the basis of 237,271,250 shares in the Company in issue as at 30 September 2024.

Save as disclosed above, as far as the Directors are aware, the Company had not been notified by any other persons, and none of the other Directors or Chief Executive (if any) of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 30 September 2024.

CORPORATE GOVERNANCE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and the Shareholders. The Company has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company’s code of corporate governance practices. During the Period, the Company has complied with the code provisions under the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all Directors, the Directors confirmed that they had complied with the required standards laid down in the Model Code throughout the Period.

EVENTS AFTER THE PERIOD

Change of non-executive Directors, change of independent non-executive Directors, change of chairman of the Board and change of composition of Board committees

With effect from 16 October 2024, (i) Mr. Huang Bin has resigned as a non-executive director, the chairman of the Board, the chairman of the nomination committee of the Company (the “Nomination Committee”) and a member of the remuneration committee of the Company (the “Remuneration Committee”); (ii) Mr. Xu Lin has resigned as a non-executive Director; and (iii) Mr. Ning Fong has resigned as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Nomination Committee and the Audit Committee.

Management Discussion and Analysis

With effect from 16 October 2024, (i) Mr. Choi Chit Sze Jackson has been appointed as a non-executive Director and the chairman of the Board; (ii) Mr. Wang Guozhen has been appointed as a non-executive Director; (iii) Mr. Lu Zhicheng has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Nomination Committee and the Audit Committee; (iv) Mr. Hung Hoi Ming Raymond, an independent non-executive Director, has been appointed as the chairman of the Nomination Committee; and (v) Ms. Wan Yuk Ling, an independent non-executive Director, has been appointed as a member of each of the Nomination Committee and the Remuneration Committee.

For details, please refer to the announcement of the Company dated 16 October 2024.

Save as disclosed, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 September 2024 and up to the date of this unaudited condensed interim report.

CHANGES IN INFORMATION OF THE DIRECTORS

The director's emoluments of Mr. Xu Lin, being a former Director who has resigned on 16 October 2024, had been reduced to HK\$10,000 per month with effect from 1 April 2024. Save as disclosed, there is no change to any information required to be disclosed in relation to any Directors pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee, comprising three independent non-executive Directors, namely Ms. Wan Yuk Ling (chairman of the Audit Committee who possesses the appropriate professional qualification or accounting or related financial management expertise), Mr. Hung Hoi Ming Raymond and Mr. Lu Zhicheng, had reviewed with the management of the Company the accounting principles and practices adopted by the Company and discussed the auditing, internal control, risk management and financial reporting matters, including a review of the Company's unaudited condensed interim financial statements for the Period.

SHARE OPTION SCHEME

The Company did not maintain any share option scheme during the Period. There are no options available for grant, outstanding, granted, exercised, cancelled or lapsed for the six months ended 30 September 2024.

By order of the Board

Choi Chit Sze Jackson

Chairman

Hong Kong, 28 November 2024