



CHUANG'S
CHINA
INVESTMENTS
LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 298

2024/2025
INTERIM REPORT

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CORPORATE INFORMATION

Honorary Chairman	Abraham Shek Lai Him, G.B.S., J.P.
Directors	Albert Chuang Ka Pun, J.P. (<i>Chairman</i>) Ann Li Mee Sum (<i>Deputy Chairman</i>) Edwin Chuang Ka Fung (<i>Managing Director</i>) Geoffrey Chuang Ka Kam Dominic Lai [®] Abraham Shek Lai Him, G.B.S., J.P.* Andrew Fan Chun Wah, J.P.* Ng Kit Chong, M.H., J.P.*
	[®] <i>Non-Executive Director</i> [*] <i>Independent Non-Executive Directors</i>
Audit Committee	Abraham Shek Lai Him, G.B.S., J.P. [#] Andrew Fan Chun Wah, J.P. Ng Kit Chong, M.H., J.P.
Nomination Committee	Abraham Shek Lai Him, G.B.S., J.P. [#] Andrew Fan Chun Wah, J.P. Ng Kit Chong, M.H., J.P.
Remuneration Committee	Abraham Shek Lai Him, G.B.S., J.P. [#] Andrew Fan Chun Wah, J.P. Ng Kit Chong, M.H., J.P.
Corporate Governance Committee	Albert Chuang Ka Pun, J.P. [#] Ann Li Mee Sum Edwin Chuang Ka Fung
Company Secretary	Lee Wai Ching
Independent Auditor	PricewaterhouseCoopers <i>Certified Public Accountants and Registered Public Interest Entity Auditor</i> 22nd Floor, Prince's Building 10 Chater Road Central, Hong Kong

[#] *Chairman of the relevant committee*

CORPORATE INFORMATION (Continued)

Registrars

Bermuda:

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

Hong Kong:

Tricor Progressive Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited
Bank of China (Hong Kong) Limited
Nanyang Commercial Bank, Limited
Bank of Communications Co., Ltd.

Registered Office

Clarendon House, 2 Church Street
Hamilton, HM 11, Bermuda

Principal Office in Hong Kong

25th Floor, Alexandra House
18 Chater Road, Central, Hong Kong
Telephone: (852) 2522 2013
Facsimile: (852) 2810 6213
Email address: chuangs@chuangs.com.hk
Website: www.chuangs-china.com

Regional Office in the People's Republic of China (the "PRC")

Guangdong Regional Office

2nd Floor
Chuang's New City Administration Building
No. 8 Chuang's Road, Dongguan
Guangdong, the PRC

CORPORATE INFORMATION *(Continued)*

Office in Malaysia	Suite 16.05, 16th Floor, Wisma Chuang 34 Jalan Sultan Ismail, 50250 Kuala Lumpur Malaysia
Sales Office in Hong Kong	ARUNA Sales Office Shop 5, 1/F., ARUNA No. 8 Ping Lan Street Ap Lei Chau, Hong Kong
Sales/Leasing Offices in the PRC	Chuang's Mid-town Sales/Leasing Office No. 690 Jian Guo Road Tie Dong Qu, Anshan Liaoning, the PRC Xiamen Leasing Office Xiamen Mingjia Binhai Resort Company Limited No. 382 Long Hu Shan Road Siming District, Xiamen Fujian, the PRC Fortune Wealth Sales Office Jiang Gu, Sihui Guangdong, the PRC
Stock Code	298

MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors (the “Board”) of Chuang’s China Investments 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 2024. 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 2024 and the condensed consolidated balance sheet as at 30 September 2024 along with the notes thereon, are set out on pages 20 to 40 of this report.

HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

- Loss attributable to equity holders of the Company amounted to HK\$176.2 million.
- The Group had net cash of HK\$288.0 million as at 30 September 2024. Total cash resources of the Group (including bond and securities investments of HK\$22.3 million) amounted to HK\$541.0 million, and bank borrowings amounted to HK\$253.0 million.
- Net asset value per share amounted to HK\$1.38.
- Loss per share was 7.51 HK cents.

RESULTS REVIEW

During the period under review, the Group’s revenues dropped by 70.4% to about HK\$20.9 million (2023: HK\$70.6 million) principally due to the absence of sales of properties amounting to HK\$49.8 million recorded for the last corresponding period, and comprised of the following:

- rental and management fee income amounted to about HK\$10.3 million (2023: HK\$9.9 million);
- revenues from securities investment and trading amounted to about HK\$0.3 million (2023: HK\$1.9 million) which represented interest and other income from bond investments; and
- sales of cemetery assets in the People’s Republic of China (the “PRC”) increased by 14.4% to about HK\$10.3 million (2023: HK\$9.0 million) mainly due to an increase in sales of grave plots during the period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

RESULTS REVIEW *(Continued)*

During the period, gross profit of HK\$10.9 million (2023: gross loss of HK\$47.3 million) was recorded which was mainly due to the absence of the impairment provision for properties for sale at ARUNA, Ap Lei Chau, Hong Kong recorded for the last corresponding period. Gross profit margin was 52.1% (2023: not applicable).

Other income and net gain amounted to a net income of about HK\$14.4 million (2023: net loss of HK\$55.2 million) which included bank interest income of HK\$11.8 million (2023: HK\$20.0 million) and net loss of bond and other investments of HK\$0.8 million (2023: HK\$66.4 million) as a result of mark to market valuation at the balance sheet date. A breakdown of other income and net gain/(loss) is shown in note 7 on page 34 hereof.

The Group recorded a loss on change in fair value of investment properties of HK\$154.2 million (2023: HK\$74.1 million) mainly arising from the investment properties in Anshan, Liaoning, the PRC (2023: same).

On the costs side, selling and marketing expenses increased by about 11.1% to about HK\$12.0 million (2023: HK\$10.8 million) mainly due to the increase in selling and marketing expenses for ARUNA at Ap Lei Chau during the period under review. Administrative and other operating expenses amounted to about HK\$65.7 million (2023: HK\$38.8 million), which included an impairment provision of about HK\$35.7 million (2023: nil) for a development site at Anshan, the PRC. Excluding this provision, the administrative and other operating expenses would amount to about HK\$30.0 million (2023: HK\$38.8 million), which represented a decrease of about 22.7% comparing to that of the last corresponding period. Finance costs increased to about HK\$5.8 million (2023: HK\$4.0 million) mainly due to the decrease in interest capitalization upon completion of ARUNA during the period under review. Share of profit of a joint venture was about HK\$7.6 million (2023: HK\$7.3 million). Taxation credit amounted to about HK\$27.4 million (2023: HK\$13.4 million) mainly due to the reversal of deferred taxation arising from the fair value loss of investment properties recorded during the period (2023: same).

Taking into account the above, loss attributable to equity holders of the Company for the six months ended 30 September 2024 amounted to HK\$176.2 million (2023: HK\$209.0 million), representing a reduction of loss of about 15.7%. Loss per share was 7.51 HK cents (2023: 8.91 HK cents).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

INTERIM DIVIDEND

In order to maintain a stronger cash position under the current uncertain business environment, the Board has resolved not to declare an interim dividend for the six months ended 30 September 2024 (2023: nil).

BUSINESS REVIEW

A. Investment Properties

The 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)*

The Esplanade Place has gross floor area (“GFA”) of about 24,375 *sq. ft.* comprising a two-storey commercial podium with 16 commercial units and 12 commercial carparking spaces, of which 12 commercial units and certain carparking spaces are leased to independent third parties with an aggregate annual rental income of about HK\$3.0 million. The Group will continue to market the remaining units and carparking spaces in order to generate rental income. As at 30 September 2024, the property was recorded at valuation of about HK\$170.5 million.

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

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 economy in Anshan remained weak, in which the business and leasing activities are progressing slowly. During the period under review, the Group had leased certain residential units to multi tenants with aggregate rental income of about RMB0.5 million (equivalent to approximately HK\$0.6 million). The Group will explore more marketing ideas on promotion and leasing of the commercial podium as well as the residential units of the twin tower. In view of the continued weak economy and property market in Anshan, the valuation of the property had further dropped to RMB380.0 million (equivalent to approximately HK\$423.3 million) as at 30 September 2024, comprising RMB129.0 million for the commercial podium and RMB251.0 million for the twin tower. In light of the weak economy and property market of Anshan, the Group will identify opportunities to dispose of this project.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

A. Investment Properties *(Continued)*

3. *Hotel and resort villas in Xiamen, Fujian (59.5% owned)*

This hotel complex is developed by the 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 2024, 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 Group was about RMB228.0 million (equivalent to approximately HK\$254.0 million), whereas the total investment costs of the Group were about RMB132.6 million (equivalent to approximately HK\$147.7 million).

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). As at the date of this report, another 5 villas are leased to independent third parties and the Group is actively marketing the remaining 2 villas which are currently vacant for further rental income. The aggregate annual rental income of this hotel complex amounted to about RMB18.5 million (equivalent to approximately HK\$20.6 million).

4. *One villa, Chuang’s Le Papillon, Guangzhou, Guangdong (100% owned before disposal)*

On 30 March 2024, the Group entered into a sale and purchase agreement with an independent third party for the disposal of this villa for a consideration of RMB10.0 million (equivalent to approximately HK\$10.8 million). The disposal was completed in May 2024. Net cash proceed of approximately RMB8.8 million (equivalent to approximately HK\$9.5 million) was received by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

A. Investment Properties *(Continued)*

5. *Commercial property in Shatian, Dongguan, Guangdong (100% owned)*

The 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 2024, valuation of the property was RMB34.2 million (equivalent to approximately HK\$38.1 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 up to the expiration of its tenancy on 30 June 2024. Another storey and the ground floor were leased to independent third parties for gymnasium and retail use respectively. The aggregate annual rental income was about RMB0.7 million (equivalent to approximately HK\$0.8 million). The Group will continue to carry out marketing to lease out the vacant units of the property.

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

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 2024, the valuation of this property was MYR158.8 million (equivalent to approximately HK\$300.0 million), which represents an average value of approximately MYR814 (equivalent to approximately HK\$1,538) per *sq. ft.* of net lettable retail and office area.

Wisma Chuang is leased to multi tenants with an occupancy rate of approximately 57%, and annual rental income was approximately MYR5.4 million (equivalent to approximately HK\$10.2 million). The Group will seek appropriate strategies to accelerate return from this investment.

The Group will identify suitable opportunities to dispose of its investment properties in order to strengthen the Group's cash resources and financial position.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

B. Property Development

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

The property has a site area of about 4,320 *sq. ft.* and has a developable GFA of about 40,000 *sq. ft.*. It is developed into a 27-storey residential/commercial building comprising 105 residential units with clubhouse facilities and retail units at the podium levels. Construction works had been completed and occupation permit had been obtained on 13 June 2024. Pre-sale had commenced in April 2024 and a total of 33 residential units have been launched to the market for sale. Up to the date of this report, 10 units have been sold with an aggregate sale amount of about HK\$43.7 million, in which 4 units have been handed-over to the end buyers after the period ended 30 September 2024. The Group will closely monitor the property market in Hong Kong for marketing and selling the remaining residential units. In parallel, the Group is in preparation to lease certain residential units in the near future in order to generate rental income and enhance footprint in ARUNA.

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

Adjacent to Chuang's Mid-town, the 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 Group is holding discussions with the local authorities regarding such reduction in land area. The Group also continues to identify opportunities to dispose of this project. In view of the weak economy of Anshan and the uncertainties in policies and execution by the local government authorities, an impairment provision of about HK\$35.7 million (2023: nil) was made for this development site during the period under review.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

B. Property Development *(Continued)*

3. *Changsha, Hunan (69% owned)*

The Group owns an effective 69% interests in a property development project in Changsha, and the total historical investment cost incurred by the Group in the PRC project company was about HK\$24.0 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 position of the PRC project company, its consolidated net value is not material in the consolidated financial statements of the Group.

4. *Chengdu, Sichuan (51% owned)*

The Group holds a 51% development interest in a project in Wuhou District, Chengdu. The Group's book cost in this project was about RMB123.8 million (equivalent to approximately HK\$137.9 million) after taking into account a portion of judgement payments amounting to about RMB12.9 million (equivalent to approximately HK\$14.4 million) received by the Group in August 2021 through court enforcement. The Group will continue to explore ways in order to recover its investment.

5. *Others*

As previously reported, the 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 Group. The transfer of one courtyard house was completed in prior years, whereas procedure for the transfer of another courtyard house is in progress.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

C. Fortune Wealth, Sihui, Guangdong (86% owned)

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. During the period under review, the construction works of roads for Phase II and Phase III are being carried out. Site formation and construction works on other parts of the land are in progress.

As at 30 September 2024, the cemetery assets (including non-controlling interests) were recorded based on the book cost of about RMB919.2 million (equivalent to approximately HK\$1,023.9 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 2024, about 2,582 grave plots and 524 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 AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

D. Securities Investments

1. *Investments in CNT Group Limited (“CNT”) and CPM Group Limited (“CPM”)*

As at 30 September 2024, 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 2024 of HK\$0.295 (31 March 2024: HK\$0.33) and HK\$0.245 (31 March 2024: HK\$0.26), the aggregate book value of the Group’s investments in CNT and CPM is about HK\$110.2 million (31 March 2024: HK\$123.2 million). The change in book value is accounted for as “Reserve” in the financial statements.

2. *Investments in listed corporate bonds and other investments*

As at 30 September 2024, investments of the Group amounted to HK\$164.2 million, comprised as to HK\$21.6 million for investments in listed corporate bonds, HK\$0.7 million for investments in securities listed on the Stock Exchange and the balance of HK\$141.9 million for other investments.

The Group has redeemed/disposed and accepted restructuring exchange of certain listed corporate bond investments since the last financial year. During the period under review, the Group recorded net loss before tax of HK\$0.5 million for investments, comprising interest and other income from bond investments of HK\$0.3 million, and unrealized fair value loss on investments of HK\$0.8 million mainly as a result of mark to market valuation of 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.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

D. Securities Investments *(Continued)*

2. *Investments in listed corporate bonds and other investments (Continued)*

The other investments of the Group (of which about HK\$57.9 million are denominated in Renminbi, and about HK\$84.0 million are denominated in United States dollar) comprised of 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 continued to redeem an investment with original principal amount of RMB30 million, and on top of the amount of RMB6 million received in prior year, a further amount of RMB2 million had been received in the current period. The Group will continue to monitor the performance of its respective investment portfolios from time to time.

FINANCIAL REVIEW

Net asset value

As at 30 September 2024, the net asset value attributable to equity holders of the Company amounted to HK\$3,235.8 million. Net asset value per share amounted to HK\$1.38.

Financial Resources

As at 30 September 2024, the Group had cash and bank balances of HK\$518.7 million (31 March 2024: HK\$920.1 million) and held bond and securities investments amounting to HK\$22.3 million (31 March 2024: HK\$18.7 million), totaling HK\$541.0 million (31 March 2024: HK\$938.8 million). As at the same date, bank borrowings of the Group amounted to HK\$253.0 million (31 March 2024: HK\$652.3 million). On this basis, the Group had net cash of HK\$288.0 million (31 March 2024: HK\$286.5 million) and the calculation of net debt to equity ratio was therefore not applicable (31 March 2024: same).

Approximately 63.4% of the Group's cash, bank balances, bond and securities investments were in Hong Kong dollar and United States dollar, 32.2% were in Renminbi and the balance of 4.4% were in other currencies. Approximately 52.6% of the Group's bank borrowings were in Hong Kong dollar, and the remaining of 47.4% were in Malaysian Ringgit.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Financial Resources *(Continued)*

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 7.5% of the Group's bank borrowings were repayable within the first year, 47.4% were repayable within the second year, and the balance of 45.1% were repayable within the third to fifth years.

Foreign Exchange Risk

As disclosed in the "Business Review" section of this report, besides Hong Kong, the Group also conducts its businesses in the PRC and Malaysia, 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.

PROSPECTS

The Group continues to hold a cautious view about the global economic outlook. In the PRC, the Group considers that the liquidity crisis of the property development sector has yet to be completely resolved. In Hong Kong, with the new measures including various talent admission schemes and the relaxation of mortgage lending restrictions implemented by the Hong Kong government, as well as the interest rate reductions, it is expected that the property market will gradually recover. Against such backdrop, the Group will continue to optimize its operations and will also continue to identify opportunities to enhance its cash resources and maximize return for its shareholders.

OTHER INFORMATION

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

As at 30 September 2024, 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:

Interests in associated corporations

(i) *Evergain Holdings Limited ("Evergain")*

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Albert Chuang Ka Pun ("Mr. Albert 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

(ii) *Chuang's Consortium International Limited ("CCIL")*

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Albert Chuang	1,299,678	Beneficial owner	0.08

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 INFORMATION (Continued)

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

Other than as disclosed herein, as at 30 September 2024, 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.

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 2024, 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:

Name of Shareholder	Number of shares of the Company	Capacity	Percentage of shareholding
Profit Stability Investments Limited ("PSI")	1,435,314,923	Beneficial owner	61.15
CCIL	1,435,314,923	<i>Note 1</i>	61.15
Evergain	1,435,314,923	<i>Note 1</i>	61.15
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	1,435,314,923	<i>Note 1</i>	61.15
Mrs. Chong Ho Pik Yu	1,435,314,923	<i>Note 2</i>	61.15

OTHER INFORMATION *(Continued)*

SUBSTANTIAL SHAREHOLDERS *(Continued)*

Note 1: Interests in 1,435,314,923 shares owned by PSI. PSI is a wholly-owned subsidiary of CCIL. Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of CCIL through Evergain which is 60% beneficially owned by Mr. Alan Chuang. Mr. Albert Chuang, Mr. Edwin Chuang and Mr. Geoffrey Chuang are directors of CCIL and directors and shareholders of Evergain, and Mr. Albert Chuang is also a director of PSI. Miss Ann Li Mee Sum is also a director of CCIL.

Note 2: Such interests arose by attribution through her spouse, Mr. Alan Chuang.

Save as disclosed above, as at 30 September 2024, there was no other person who was recorded in the register of the Company as having interests and 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.

CORPORATE GOVERNANCE

The Company has complied throughout the six months ended 30 September 2024 with the code provisions set out in the Appendix C1 – Corporate Governance Code of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

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 2024 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. Andrew Fan Chun Wah and Dr. Ng Kit Chong, the Independent Non-Executive Directors of the Company.

The Company has also adopted the Model Code contained in Appendix C3 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.

OTHER INFORMATION *(Continued)*

DEALING IN THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2024 and up to the date of this report.

SHARE OPTION SCHEME

On 2 September 2022, a new share option scheme for a period of 10 years expiring 1 September 2032 (the “New Share Option Scheme”) was adopted by the Company. The purpose of the New Share Option Scheme is to recognize the contribution of the eligible persons as defined in the scheme including, inter alia, any Directors or employees of the Group (the “Eligible Persons”), to the growth of the Group and to further motivate the Eligible Persons to continue to contribute to the Group’s long-term prosperity. No options have been granted under the New Share Option Scheme since its adoption.

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 2024, the Group employed 79 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 China Investments Limited
Albert Chuang Ka Pun
Chairman

Hong Kong, 27 November 2024

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 September 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenues	5	20,940	70,601
Cost of sales		(10,025)	(117,855)
Gross profit/(loss)		10,915	(47,254)
Other income and net gain/(loss)	7	14,417	(55,249)
Selling and marketing expenses		(11,975)	(10,797)
Administrative and other operating expenses		(65,697)	(38,849)
Change in fair value of investment properties		(154,186)	(74,059)
Operating loss	8	(206,526)	(226,208)
Finance costs	9	(5,814)	(4,009)
Share of result of a joint venture	10	7,620	7,337
Loss before taxation		(204,720)	(222,880)
Taxation credit	11	27,390	13,406
Loss for the period		(177,330)	(209,474)
Attributable to:			
Equity holders		(176,184)	(209,010)
Non-controlling interests		(1,146)	(464)
		(177,330)	(209,474)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share (basic and diluted)	13	(7.51)	(8.91)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 September 2024

	2024 HK\$'000	2023 HK\$'000
Loss for the period	(177,330)	(209,474)
Other comprehensive income:		
Items that had been/may be reclassified subsequently to profit and loss:		
Net exchange differences	76,702	(126,959)
Share of exchange reserve of a joint venture	8,941	(14,153)
Total other comprehensive income/(loss) that had been/may be reclassified subsequently to profit and loss	85,643	(141,112)
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	(12,986)	(26,035)
Total other comprehensive income/(loss) for the period	72,657	(167,147)
Total comprehensive loss for the period	(104,673)	(376,621)
Total comprehensive loss attributable to:		
Equity holders	(108,457)	(367,131)
Non-controlling interests	3,784	(9,490)
	(104,673)	(376,621)

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30 September 2024

	30 September 2024	31 March 2024
	<i>Note</i> HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	20,580	23,337
Investment properties	935,715	1,062,744
Right-of-use assets	1,342	1,335
Properties for/under development	137,914	135,750
Cemetery assets	282,946	273,033
Joint venture	304,923	319,645
Financial assets at fair value through other comprehensive income	110,241	123,226
Loans and receivables and other deposits	162,220	219,910
	1,955,881	2,158,980
Current assets		
Properties for sale	701,458	652,354
Cemetery assets	740,916	716,846
Inventories	49,795	49,795
Debtors and prepayments	43,281	26,830
Financial assets at fair value through profit or loss	164,222	159,261
Cash and bank balances	518,693	920,141
	2,218,365	2,525,227
Investment property held for sale	–	10,780
	2,218,365	2,536,007

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) (Continued)
As at 30 September 2024

		30 September 2024	31 March 2024
	<i>Note</i>	HK\$'000	HK\$'000
Current liabilities			
Creditors and accruals	17	239,338	246,642
Sales deposits received		12,477	–
Current portion of long-term bank borrowings	18	18,947	494,473
Taxation payable		34,763	33,294
		305,525	774,409
Liability held for sale	16	–	1,860
		305,525	776,269
Net current assets		1,912,840	1,759,738
Total assets less current liabilities		3,868,721	3,918,718
Equity			
Share capital	19	117,352	117,352
Reserves		3,118,411	3,226,868
Shareholders' funds		3,235,763	3,344,220
Non-controlling interests		88,520	84,736
Total equity		3,324,283	3,428,956
Non-current liabilities			
Long-term bank borrowings	18	234,074	157,788
Deferred taxation liabilities		234,566	252,911
Loans and payables with non-controlling interests		40,756	45,141
Other non-current liabilities		35,042	33,922
		544,438	489,762
		3,868,721	3,918,718

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30 September 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net cash used in operating activities	<u>(45,695)</u>	<u>(117,557)</u>
Cash flows from investing activities		
Interest income received	15,066	19,654
Dividend income received from financial assets at fair value through other comprehensive income	–	7,366
Proceeds from disposal of an investment property	9,878	–
Increase in investment in and change in amount with a joint venture, net	28,849	–
Decrease in bank deposits maturing more than three months from date of placement	78,895	50,855
Others, net	<u>(267)</u>	<u>666</u>
Net cash from investing activities	<u>132,421</u>	<u>78,541</u>
Cash flows from financing activities		
New bank borrowings	70,000	17,316
Repayment of bank borrowings	(484,972)	(104,591)
(Decrease)/increase in loans and payables with non-controlling interests	(4,308)	65
Lease payments	<u>(21)</u>	<u>(1,826)</u>
Net cash used in financing activities	<u>(419,301)</u>	<u>(89,036)</u>
Net decrease in cash and cash equivalents	(332,575)	(128,052)
Cash and cash equivalents at the beginning of the period	801,246	1,188,639
Exchange difference on cash and cash equivalents	<u>10,022</u>	<u>(2,530)</u>
Cash and cash equivalents at the end of the period	<u>478,693</u>	<u>1,058,057</u>
Analysis of cash and cash equivalents		
Cash and bank balances	518,693	1,058,057
Bank deposits maturing more than three months from date of placement	<u>(40,000)</u>	<u>–</u>
Cash and cash equivalents	<u>478,693</u>	<u>1,058,057</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2024

	Attributable to equity holders of the Company				Non-controlling interests	Total
	Share capital	Other reserves	Retained profits	Shareholders' funds		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024	117,352	2,034,848	1,192,020	3,344,220	84,736	3,428,956
Loss for the period	-	-	(176,184)	(176,184)	(1,146)	(177,330)
Other comprehensive income:						
Net exchange differences	-	73,113	-	73,113	3,589	76,702
Share of exchange reserve of a joint venture	-	7,600	-	7,600	1,341	8,941
Change in fair value of financial assets at fair value through other comprehensive income	-	(12,986)	-	(12,986)	-	(12,986)
Total comprehensive income/(loss) for the period	-	67,727	(176,184)	(108,457)	3,784	(104,673)
At 30 September 2024	<u>117,352</u>	<u>2,102,575</u>	<u>1,015,836</u>	<u>3,235,763</u>	<u>88,520</u>	<u>3,324,283</u>
At 1 April 2023	117,352	2,179,433	1,512,758	3,809,543	95,443	3,904,986
Loss for the period	-	-	(209,010)	(209,010)	(464)	(209,474)
Other comprehensive income:						
Net exchange differences	-	(120,056)	-	(120,056)	(6,903)	(126,959)
Share of exchange reserve of a joint venture	-	(12,030)	-	(12,030)	(2,123)	(14,153)
Change in fair value of financial assets at fair value through other comprehensive income	-	(26,035)	-	(26,035)	-	(26,035)
Total comprehensive loss for the period	-	(158,121)	(209,010)	(367,131)	(9,490)	(376,621)
At 30 September 2023	<u>117,352</u>	<u>2,021,312</u>	<u>1,303,748</u>	<u>3,442,412</u>	<u>85,953</u>	<u>3,528,365</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Chuang's China Investments 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.

As at 30 September 2024, the Company was a 61.15% owned subsidiary of Profit Stability Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Chuang's Consortium International Limited ("CCIL"), a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange. The board of Directors (the "Board") regard CCIL as the ultimate holding company.

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, sales of goods and merchandises (including art pieces), and securities investment and trading.

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 2024 which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs").

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

2. BASIS OF PREPARATION (*Continued*)

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 2024, except as stated below.

(i) Effect of adopting amendments to standards and interpretation

For the six months ended 30 September 2024, the Group adopted the following amendments to standards and interpretation that are effective for the accounting periods beginning on or after 1 April 2024 and relevant to the operations of the Group:

HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendment)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKFRS 16 (Amendment)	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Group has assessed the impact of the adoption of these amendments to standards and interpretation 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.

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

2. BASIS OF PREPARATION *(Continued)*

(ii) **New standards, amendments to standards and interpretation that are not yet effective**

The following new standards, 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 2025, but have not been early adopted by the Group:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability (effective from 1 January 2025)
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments (effective from 1 January 2026)
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 18	Presentation and Disclosure in Financial Statements (effective from 1 January 2027)
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (effective from 1 January 2027)
Hong Kong Interpretation 5 (Amendment)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (effective from 1 January 2027)

The Group will adopt the above new standards, 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 new standards, 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 2024. There has been no material change in the Group's financial risk management policies since the year ended 31 March 2024.

(b) Liquidity risk

Compared to the year ended 31 March 2024, 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. The fair values of investments in unlisted investment funds that are not traded in an active market are valued based on information derived from individual fund reports, or audited reports received from respective fund managers and adjusted by other relevant factors if deemed necessary; whereas the fair values of other investments in unlisted investments are determined by using valuation techniques including the use of recent arm's length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis, making maximum use of market inputs and as little as possible on entity-specific inputs.

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 2024, 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, the valuation processes and techniques of the Group are consistent with those used in the annual financial statements for the year ended 31 March 2024, which were based on the economic, market and other conditions as they exist on, and information available to management as of 30 September 2024.

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 2024.

5. REVENUES

Revenues recognized during the period are as follows:

	2024 HK\$'000	2023 HK\$'000
Sales of properties	–	49,763
Rental income and management fees	10,388	9,902
Sales of cemetery assets	10,255	9,060
Interest and other income from financial assets at fair value through profit or loss	297	1,876
	<u>20,940</u>	<u>70,601</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, securities investment and trading and others (including hotel operation and management and sales of goods and merchandises). 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	Securities investment and trading HK\$'000	Others and corporate HK\$'000	Total HK\$'000
2024					
Revenues from contracts with customers:					
– Recognized at a point in time	–	10,255	–	–	10,255
– Recognized over time	859	–	–	–	859
Revenues from other sources	9,529	–	297	–	9,826
Revenues	<u>10,388</u>	<u>10,255</u>	<u>297</u>	<u>–</u>	<u>20,940</u>
Other income and net gain/(loss)	<u>3,686</u>	<u>215</u>	<u>(1,700)</u>	<u>12,216</u>	<u>14,417</u>
Operating (loss)/profit	(197,797)	1,160	(1,302)	(8,587)	(206,526)
Finance costs	(5,814)	–	–	–	(5,814)
Share of result of a joint venture	7,620	–	–	–	7,620
(Loss)/profit before taxation	(195,991)	1,160	(1,302)	(8,587)	(204,720)
Taxation credit/(charge)	27,737	(664)	317	–	27,390
(Loss)/profit for the period	<u>(168,254)</u>	<u>496</u>	<u>(985)</u>	<u>(8,587)</u>	<u>(177,330)</u>
As at 30 September 2024					
Segment assets	2,084,813	1,066,587	195,736	522,187	3,869,323
Joint venture	304,923	–	–	–	304,923
Total assets	<u>2,389,736</u>	<u>1,066,587</u>	<u>195,736</u>	<u>522,187</u>	<u>4,174,246</u>
Total liabilities	<u>518,657</u>	<u>262,260</u>	<u>35,721</u>	<u>33,325</u>	<u>849,963</u>
2024					
Other segment items are as follows:					
Capital expenditure	46,829	3,041	–	–	49,870
Depreciation of property, plant and equipment	274	228	–	2,756	3,258
Depreciation of right-of-use assets	–	48	–	–	48
Provision for impairment of trade debtors	352	–	–	–	352
Provision for impairment of other deposits	35,721	–	–	–	35,721
Fair value loss of investment properties	154,186	–	–	–	154,186

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	Securities investment and trading HK\$'000	Others and corporate HK\$'000	Total HK\$'000
2023					
Revenues from contracts with customers:					
– Recognized at a point in time	49,763	9,060	–	–	58,823
– Recognized over time	888	–	–	–	888
Revenues from other sources	9,014	–	1,876	–	10,890
Revenues	<u>59,665</u>	<u>9,060</u>	<u>1,876</u>	<u>–</u>	<u>70,601</u>
Other income and net gain/(loss)	<u>1,525</u>	<u>252</u>	<u>(66,427)</u>	<u>9,401</u>	<u>(55,249)</u>
Operating loss	(147,151)	(110)	(65,047)	(13,900)	(226,208)
Finance costs	(4,009)	–	–	–	(4,009)
Share of result of a joint venture	7,337	–	–	–	7,337
Loss before taxation	(143,823)	(110)	(65,047)	(13,900)	(222,880)
Taxation credit/(charge)	13,867	(218)	(243)	–	13,406
Loss for the period	<u>(129,956)</u>	<u>(328)</u>	<u>(65,290)</u>	<u>(13,900)</u>	<u>(209,474)</u>
As at 31 March 2024					
Segment assets	2,283,415	1,030,435	193,118	857,594	4,364,562
Joint venture	319,645	–	–	–	319,645
Investment property held for sale	10,780	–	–	–	10,780
Total assets	<u>2,613,840</u>	<u>1,030,435</u>	<u>193,118</u>	<u>857,594</u>	<u>4,694,987</u>
Segment liabilities	941,109	253,504	35,109	34,449	1,264,171
Liability held for sale	1,860	–	–	–	1,860
Total liabilities	<u>942,969</u>	<u>253,504</u>	<u>35,109</u>	<u>34,449</u>	<u>1,266,031</u>
2023					
Other segment items are as follows:					
Capital expenditure	88,747	3,932	–	–	92,679
Depreciation of property, plant and equipment	276	230	–	2,861	3,367
Depreciation of right-of-use assets	1,709	48	–	–	1,757
Provision for impairment of properties for sale	74,731	–	–	–	74,731
Provision for impairment of trade debtors	143	–	–	–	143
Fair value loss of investment properties	74,059	–	–	–	74,059

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	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Hong Kong	3,295	5,979	46,559	88,731
The People's Republic of China (the "PRC")	11,235	9,995	3,041	3,943
Malaysia	6,410	6,164	270	5
France	–	48,463	–	–
	20,940	70,601	49,870	92,679
	Non-current assets (Note)		Total assets	
	30 September 2024 HK\$'000	31 March 2024 HK\$'000	30 September 2024 HK\$'000	31 March 2024 HK\$'000
Hong Kong	181,614	187,370	1,460,611	1,935,273
The PRC	1,200,631	1,364,866	2,388,333	2,491,514
Malaysia	301,175	263,608	325,302	268,200
	1,683,420	1,815,844	4,174,246	4,694,987

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

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

7. OTHER INCOME AND NET GAIN/(LOSS)

	2024	2023
	HK\$'000	HK\$'000
Interest income from bank deposits	11,820	19,970
Dividend income from financial assets at fair value through other comprehensive income	–	7,366
Net loss of financial assets at fair value through profit or loss <i>(note)</i>	(775)	(66,425)
Net loss on disposal of an investment property <i>(note 16)</i>	(447)	–
Net gain on disposal of property, plant and equipment	3	95
Net exchange gain/(loss)	2,312	(16,598)
Others	1,504	343
	14,417	(55,249)

Note: The amount comprises of net fair value loss of HK\$0.8 million (2023: HK\$66.8 million, and net gain on disposal of HK\$0.4 million) for financial assets at fair value through profit or loss.

8. OPERATING LOSS

	2024	2023
	HK\$'000	HK\$'000
Operating loss is stated after charging:		
Cost of properties sold	–	32,136
Cost of cemetery assets sold	3,875	3,688
Depreciation of property, plant and equipment	3,258	3,367
Depreciation of right-of-use assets	48	1,757
Provision for impairment of properties for sale <i>(note)</i>	–	74,731
Provision for impairment of trade debtors	352	143
Provision for impairment of other deposits	35,721	–
Staff costs, including Directors' emoluments		
Wages and salaries	14,327	15,514
Retirement benefit costs	884	1,056

Note: The amount had been included in cost of sales for 2023.

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

9. FINANCE COSTS

	2024	2023
	HK\$'000	HK\$'000
Interest expenses of		
Bank borrowings	12,318	22,273
Lease liabilities	1	6
	<u>12,319</u>	<u>22,279</u>
Amounts capitalized into properties under development	(6,505)	(18,270)
	<u>5,814</u>	<u>4,009</u>

The capitalization rate applied to funds borrowed for the development of properties ranged from 5.17% to 5.74% (2023: 7.13% to 7.23%) per annum.

10. SHARE OF RESULT OF A JOINT VENTURE

Share of profit of a joint venture of HK\$7,620,000 (2023: HK\$7,337,000) in the condensed consolidated income statement included the rental income from the wholly-owned subsidiary of the joint venture partner for the period ended 30 September 2024 amounting to approximately HK\$7,766,000 (2023: HK\$8,954,000).

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

11. TAXATION CREDIT

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current taxation		
PRC corporate income tax	1,304	806
PRC land appreciation tax	888	–
Overseas profits tax	–	3,784
Deferred taxation	<u>(29,582)</u>	<u>(17,996)</u>
	<u>(27,390)</u>	<u>(13,406)</u>

No provision for Hong Kong profits tax has been made as the Group has either sufficient tax losses brought forward to set off against the estimated assessable profits for the period or has no estimated assessable profits for the period (2023: same). 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 land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures.

Share of current taxation charge of the joint venture for the six months ended 30 September 2024 of HK\$442,000 (2023: HK\$462,000) is included in the condensed consolidated income statement as “Share of result of a joint venture”.

12. INTERIM DIVIDEND

On 27 November 2024, the Board has resolved not to declare an interim dividend for the six months ended 30 September 2024 (2023: nil).

13. LOSS PER SHARE

The calculation of the loss per share is based on the loss attributable to equity holders of HK\$176,184,000 (2023: HK\$209,010,000) and the weighted average number of 2,347,035,316 (2023: 2,347,035,316) 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 periods.

14. CAPITAL EXPENDITURE

For the six months ended 30 September 2024, the Group incurred acquisition and development costs on property, plant and equipment of HK\$61,000 (2023: HK\$5,000), and property projects and cemetery assets of HK\$49,809,000 (2023: HK\$92,674,000) respectively.

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

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.

Trade debtors of the Group mainly represent the receivables from sales of properties and cemetery assets as well as rental income and management fees from investment properties. The aging analysis of the trade debtors of the Group is as follows:

	30 September 2024 HK\$'000	31 March 2024 HK\$'000
Below 30 days	81	50
31 to 60 days	47	54
61 to 90 days	20	–
Over 90 days	47	4
	195	108

Pursuant to the sale and purchase agreement of the disposal of the property projects in Panyu, the PRC as announced by the Company on 11 February 2021 and 14 May 2021, there is a deferred consideration which represented a deferred tax receivable capped at RMB25 million (equivalent to approximately HK\$27.8 million) which shall be settled by the purchaser to the Group on or before 14 May 2025. As such, the receivable is reclassified from loans and receivables under non-current assets to debtors and prepayments under current assets during the period ended 30 September 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

16. INVESTMENT PROPERTY AND LIABILITY HELD FOR SALE

On 30 March 2024, an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to dispose of a residential investment property in Panyu, the PRC, at a consideration of RMB10.0 million (equivalent to approximately HK\$10.8 million). Deposit of RMB500,000 (equivalent to approximately HK\$539,000) had been received before 31 March 2024. As such, the investment property and its related deferred taxation liability were reclassified as “Investment property held for sale” and “Liability held for sale” respectively as at 31 March 2024. The transaction was completed in May 2024, and a net loss on disposal of HK\$0.4 million was recorded in the current period.

17. CREDITORS AND ACCRUALS

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

	30 September 2024 HK\$'000	31 March 2024 HK\$'000
Below 30 days	1,975	1,254
31 to 60 days	–	38
Over 60 days	69	–
	2,044	1,292

Creditors and accruals include the construction cost payables and accruals of HK\$124,831,000 (31 March 2024: HK\$131,152,000) for the property and cemetery projects of the Group.

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

18. BORROWINGS

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unsecured long-term bank borrowings	–	230,711
Secured long-term bank borrowings	253,021	421,550
	<hr/>	<hr/>
Total bank borrowings	253,021	652,261
	<hr/>	<hr/>

The long-term bank borrowings are analyzed as follows:

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Long-term bank borrowings	253,021	652,261
Current portion included in current liabilities		
Portion due within one year	(18,947)	(494,473)
	<hr/>	<hr/>
	234,074	157,788
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The bank borrowings are repayable in the following periods based on the agreed scheduled repayment dates set out in the loan agreements:

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within the first year	18,947	494,473
Within the second year	120,024	100,588
Within the third to fifth years	114,050	57,200
	<hr/>	<hr/>
	253,021	652,261
	<hr/>	<hr/>

As at 30 September 2024, the Group had pledged certain investment properties with an aggregate carrying value of HK\$470,551,000 (31 March 2024: HK\$994,995,000, including properties for sale), to secure banking facilities granted to the subsidiaries. As at 30 September 2024, bank borrowings of HK\$119,971,000 (31 March 2024: HK\$356,550,000) were guaranteed by the Company, HK\$133,050,000 (31 March 2024: HK\$215,000,000) were guaranteed by both the Company and CCIL, and HK\$80,711,000 were guaranteed by CCIL as at 31 March 2024.

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

19. SHARE CAPITAL

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Authorized:		
18,000,000,000 shares of HK\$0.05 each	900,000	900,000
	Number of Shares	Amount HK\$'000
Issued and fully paid at HK\$0.05 each:		
At 31 March 2024 and 30 September 2024	2,347,035,316	117,352

20. FINANCIAL GUARANTEES

As at 30 September 2024, certain subsidiaries had provided guarantees of HK\$4,366,000 (31 March 2024: HK\$4,396,000) 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 2024, the Group had commitments contracted but not provided for in respect of property projects and properties of HK\$7,551,000 (31 March 2024: HK\$49,122,000) and financial assets at fair value through profit or loss of HK\$32,735,000 (31 March 2024: HK\$37,091,000) respectively.