



中國置業投資控股有限公司*

CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 736

2024

INTERIM REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Han Wei (*Chairman*)

Au Tat On

Wang Linbo

Independent Non-Executive Directors

Tang Yiu Kay

Cao Jie Min

Liang Kuo-Chieh

COMPANY SECRETARY

Hui San Wing

AUTHORISED REPRESENTATIVES

Au Tat On

Hui San Wing

AUDITOR

Jon Gepsom CPA Limited (formerly known
as McM (HK) CPA Limited)

LEGAL ADVISER

H.Y. Leung & Co. LLP Solicitors

REGISTERED OFFICE

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2 Church Street

Hamilton HM11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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26 Harbour Road, Wanchai,
Hong Kong

HONG KONG SHARE REGISTRAR

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17/F, Far East Finance Centre,
16 Harcourt Road,
Hong Kong

WEBSITE

736.com.hk

STOCK CODE

736

PRINCIPAL BANKERS

ICBC (Asia)

CMB Wing Lung Bank

INDEPENDENT REVIEW REPORT



Jon Gepsom CPA Limited

1003-1005, 10/F., Siu On Centre
188 Lockhart Road, Wan Chai, Hong Kong

中職信

(香港)會計師事務所有限公司
香港灣仔駱克道 188 號
兆安中心 10 樓 1003-1005 室

To the shareholders of China Properties Investment Holdings Limited
(incorporated in the Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 4 to 27 which comprises the condensed consolidated statement of financial position of China Properties Investment Holdings Limited (“the Company”) and its subsidiaries (together, the “Group”) as at 30 September 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report, and to report our conclusion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with HKAS 34.

Jon Gepsom CPA Limited

Certified Public Accountants
10/F., Siu On Centre,
188 Lockhart Road, Wanchai,
Hong Kong

29 November, 2024

Wong Ka Bo, Jimmy

Practising Certificate No.: P07560

The board (the “Board”) of directors (the “Directors”) of China Properties Investment Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 September 2024, together with the comparative figures of the corresponding period last year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue	6	49,221	42,718
Cost of sales		<u>(4,655)</u>	<u>–</u>
Gross profit		44,566	42,718
Valuation (loss)/gain on investment properties		(3,624)	1,959
Other income	7	21	–
Other gains and losses	8(e)	8,915	(106,599)
Administrative expenses		(8,798)	(8,976)
Other expenses	8(d)	<u>(74,682)</u>	<u>(61,574)</u>
Loss from operations		(33,602)	(132,472)
Finance costs	8(a)	<u>(3,712)</u>	<u>(3,693)</u>
Loss before taxation	8	(37,314)	(136,165)
Income tax expenses	9	<u>(3,771)</u>	<u>(2,330)</u>
Loss for the period		<u>(41,085)</u>	<u>(138,495)</u>
Attributable to:			
Owners of the Company		<u>(41,085)</u>	<u>(138,495)</u>
Loss per share	11		
– Basic		<u>(HK15.38 cents)</u>	<u>(HK51.84 cents)</u>
– Diluted		<u>(HK15.38 cents)</u>	<u>(HK51.84 cents)</u>

The notes on pages 10 to 27 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	(41,085)	(138,495)
Other comprehensive loss for the period		
Items that may reclassified subsequently to profit or loss:		
Exchange differences arising on translation of:		
– financial statements of group entities	<u>6,434</u>	<u>(16,273)</u>
Total comprehensive expense for the period	<u>(34,651)</u>	<u>(154,768)</u>
Attributable to:		
Owners of the Company	<u>(34,651)</u>	<u>(154,768)</u>

The notes on pages 10 to 27 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	30/9/2024 (Unaudited) HK\$'000	31/3/2024 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment		1,895	1,954
Right-of-use assets		1,222	2,389
Investment properties	12	177,159	177,063
Loan receivables	15	319,762	108,527
		500,038	289,933
Current assets			
Trade and other receivables	14	112,101	73,227
Loan receivables	15	51,556	326,926
Financial assets at fair value through profit or loss	13	25,514	23,206
Cash and bank balances		1,560	651
		190,731	424,010
Current liabilities			
Trade and other payables		91,405	92,276
Interest-bearing bank borrowings		5,203	4,227
Other borrowing		11,611	9,520
Unconvertible bonds	16	–	420
Lease liabilities		2,682	3,841
Tax payable		12,006	8,234
		122,907	118,518

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*(continued)*

AS AT 30 SEPTEMBER 2024

	Notes	30/9/2024 (Unaudited) HK\$'000	31/3/2024 (Audited) HK\$'000
Net current assets		<u>67,824</u>	<u>305,492</u>
Total assets less current liabilities		<u>567,862</u>	<u>595,425</u>
Non-current liabilities			
Interest-bearing bank borrowings		80,952	74,245
Lease liabilities		<u>9,500</u>	<u>9,119</u>
		<u>90,452</u>	<u>83,364</u>
NET ASSETS		<u><u>477,410</u></u>	<u><u>512,061</u></u>
Equity			
Equity attributable to owners of the Company			
Share capital	17	106,867	106,867
Reserves		<u>370,543</u>	<u>405,194</u>
TOTAL EQUITY		<u><u>477,410</u></u>	<u><u>512,061</u></u>

The notes on pages 10 to 27 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Contributed surplus HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023 (Audited)	106,867	2,093,405	(11,153)	136,012	(7,652)	(1,661,384)	656,095
Total comprehensive loss for the period	-	-	-	-	(13,219)	(130,815)	(144,034)
Exchange difference arising on translation of:							
– Financial statements of group entities	-	-	-	-	-	-	-
At 31 March 2024 (Unaudited)	106,867	2,093,405	(11,153)	136,012	(20,871)	(1,792,199)	512,061
At 1 April 2024 (Audited)	106,867	2,093,405	(11,153)	136,012	(20,871)	(1,792,199)	512,061
Total comprehensive loss for the period	-	-	-	-	6,434	(41,085)	(34,651)
Share option expired during the period	-	-	-	-	-	-	-
At 30 September 2024 (Unaudited)	106,867	2,093,405	(11,153)	136,012	(14,437)	(1,833,282)	477,410

The notes on pages 10 to 27 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash (used in)/generated from operating activities	(3,522)	3,300
Net cash from investing activities	–	1,343
Net cash generated from/(used in) financing activities	4,434	(4,275)
Net increase in cash and cash equivalents	912	368
Cash and cash equivalents at beginning of period	651	971
Effect of foreign exchange rate changes, net	(3)	(75)
Cash and cash equivalents at end of period	1,560	1,264

The notes on pages 10 to 27 form part of this condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda with limited liability under the Companies Act (1981) of Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its subsidiaries are investment holding, property investment, money lending and general trading business.

2. BASIS OF PREPARATION OF FINANCIAL INFORMATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2024 have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The preparation of the unaudited condensed consolidated financial statements is in conformity with HKAS 34 requiring 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.

3. CHANGE IN ACCOUNTING POLICIES

Except for the paragraphs of “inventory” and “revenue recognition” stated below, the unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2024, except for the additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standard (“HKFRSs”). The unaudited condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 31 March 2024.

Inventory

Inventories are stated at cost or net realisable value, whichever is lower. Cost comprises direct purchase costs (including transportation), and associated costs incurred in bringing inventories to their present condition and location, and is determined using the first-in, first-out (FIFO) method.

Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

Sale of goods

Revenue is recognised when goods are delivered at the customers’ premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added or other sales taxes and is after deduction of any trade discounts.

The measurement basis used in the preparation of the financial statement is the historical cost basis except that the following assets are stated at their fair value:

- investment properties
- financial assets at fair value through profit or loss

The unaudited condensed consolidated interim financial information for the period ended 30 September 2024 comprise the Company and its subsidiaries.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior year.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRS would have a material impact on its results of operations and financial position.

4. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by the Board of Directors, chief operating decision maker (“CODM”) for the purposes of resource allocation and performance assessment.

The CODM considers the business from both geographic and each service type perspectives. Geographically, management considers the performance of the segments in Hong Kong and mainland China. The Group has presented the following three reportable segments. These segments are managed separately. The properties investment segment, money lending business segment and general trading business segment offer very different products and services.

i) Properties investment

The properties investment reportable operating segment derives its revenue primarily from leasing of investment properties.

ii) Money lending business

The money lending business reportable segment derives its revenue primarily from lending out loans and receive interest.

iii) General trading business

The general trading business reportable segment derives its revenue sell of goods including but not limited to electronic components and consumer goods.

4. SEGMENT REPORTING (continued)

a) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resources allocation and assessment of segment performance for the period ended 30 September 2024 and 2023 is set out below.

	Six months ended 30 September 2024 (Unaudited)				Six months ended 30 September 2023 (Unaudited)		
	Properties investment	Money lending business	General trading business	Total	Properties investment	Money lending business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>7,154</u>	<u>37,364</u>	<u>4,703</u>	<u>49,221</u>	<u>7,971</u>	<u>34,747</u>	<u>42,718</u>
Reportable segment revenue	<u>7,154</u>	<u>37,364</u>	<u>4,703</u>	<u>49,221</u>	<u>7,971</u>	<u>34,747</u>	<u>42,718</u>
Reportable segment loss before taxation	6,249	(20,837)	31	(14,557)	(49,083)	(26,826)	(75,909)
Depreciation				(1,248)			(1,321)
Other income				21			-
Finance cost				(3,712)			(3,693)
Realised and unrealised gain/(loss) dealing of financial assets at fair value through profit or loss				2,308			(17,049)
Exchange gain/(loss)				6,607			(32,496)
Valuation (loss)/gain on investment properties				(3,624)			1,959
Unallocated corporate expenses				<u>(23,109)</u>			<u>(7,656)</u>
Loss before taxation				<u>(37,314)</u>			<u>(136,165)</u>

4. SEGMENT REPORTING (continued)

b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other items

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
(i) Assets		
Total reportable segments' assets	663,636	689,435
Financial assets at fair value through profit or loss	25,514	23,206
Unallocated corporate assets	<u>1,619</u>	<u>1,304</u>
Consolidated total assets	<u><u>690,769</u></u>	<u><u>713,945</u></u>
(ii) Liabilities		
Reportable segments' liabilities	184,616	181,960
Unconvertible bonds	–	420
Tax payables	12,006	8,234
Unallocated corporate liabilities	<u>16,737</u>	<u>11,335</u>
Consolidated total liabilities	<u><u>213,359</u></u>	<u><u>201,949</u></u>

c) Revenue from major services

The following is an analysis of the Group's revenue from its major services:

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Properties investment	7,154	7,971
Money lending business	37,364	34,747
General trading business	<u>4,703</u>	<u>–</u>
	<u><u>49,221</u></u>	<u><u>42,718</u></u>

4. SEGMENT REPORTING (continued)

d) Geographic information

The following is an analysis of geographical location of the Group's revenue from external customers. The geographical location of customers refers to the location at which the services were provided or the goods delivered.

	Revenue from external customers		Non-current assets	
	Six months ended	Six months ended	As at	As at
	30 September 2024	30 September 2023	30 September 2024	31 March 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	27,195	27,779	37,295	1,472
PRC	22,026	14,939	462,743	288,461
	<u>49,221</u>	<u>42,718</u>	<u>500,038</u>	<u>289,933</u>

5. SEASONALITY OF OPERATIONS

The Group's business in properties leasing, money lending business and general trading business had no specific seasonality factor.

6. REVENUE**Disaggregation of Revenue**

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from sources other than HKFRS15:		
Rental income from investment properties	7,154	7,971
Loan interest income	37,364	34,747
Sale of goods	4,703	–
	49,221	42,718

Disaggregates of revenue from contracts with customers by geographic markets is disclosed in note 4(d).

7. OTHER INCOME

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Other income		
Other income	21	–
	21	–

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) the followings:

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
a) Finance costs		
Interest expense on interest-bearing bank borrowings	2,797	3,078
Interest expense on lease liabilities	336	295
Interest expense on other loan	579	320
	<u>7,712</u>	<u>3,693</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u>3,712</u>	<u>3,693</u>
b) Staff costs (including Directors' remuneration)		
Salaries, wages and other benefits	3,501	3,411
Contribution to defined contribution retirement plans	287	154
	<u>3,788</u>	<u>3,565</u>
c) Other items		
Auditor's remuneration		
– other services	170	170
Minimum lease payments under operating lease		
– rented premises, including management's quarters of HK\$360,000 (2023: HK\$360,000)	360	360
Depreciation		
– owned plant and equipment	64	99
– right-of-use asset	1,184	1,222
Gross rental income from investment properties less direct outgoings of approximately HK\$643,776 (2023: HK\$1,564,490)	<u>(7,154)</u>	<u>(9,535)</u>
d) Other expenses		
Allowance of expected credit loss on loan and interest receivables	<u>74,682</u>	<u>61,574</u>
e) Other gains and losses		
Realised and unrealised gain/(loss) dealing of financial assets at fair value through profit or loss	2,308	(17,049)
Loss on disposal of an investment property	–	(57,054)
Exchange gain/(loss)	6,607	(32,496)
	<u>8,915</u>	<u>(106,599)</u>

9. INCOME TAX EXPENSES

Income tax in the condensed consolidated income statement represents:

	Six months ended	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax	3,771	2,458
Deferred tax		
Origination and reversal of temporary differences	<u> -</u>	<u> (128)</u>
Income tax expenses	<u>3,771</u>	<u>2,330</u>

Note:

- i) On 21 March 2019, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2018 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the six months ended 30 September 2024, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime for the qualifying corporation and the remaining corporations are calculated at a flat rate of 16.5% (2023: 16.5%).

- ii) The PRC enterprise income tax ("EIT") for the period ended 30 September 2024 is 25% (2023: 25%). The EIT has not been provided for as the Group has incurred losses in PRC for the period.

10. DIVIDENDS

The Directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 September 2024 (2023: Nil).

11. LOSS PER SHARE**a) Basic loss per share**

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$41,085,000 (2023: loss attributable to owners of the Company of HK\$138,495,000) and the following data:

Weighted average number of ordinary shares:

	Six month ended 30	
	September	
	2024	2023
	(Unaudited)	(Unaudited)
		(restated)
	'000	'000
Weighted average number of ordinary shares at 30 September 2024	267,167	267,167

b) Diluted loss per share

No diluted loss per share has been presented as the Group had no dilutive ordinary shares outstanding for both periods.

12. INVESTMENT PROPERTIES

HK\$'000

Valuation:

At 1 April 2023 (Audited)	277,160
Gain on revaluation	1,959
Exchange alignment	(14,400)
Disposal of investment properties (<i>Note 1</i>)	(79,225)
At 30 September 2023 (Unaudited)	185,494
At 1 April 2024 (Audited)	177,063
Loss on revaluation	(3,624)
Exchange alignment	3,720
At 30 September 2024 (Unaudited)	177,159

All of the Group's investment properties are held in the PRC.

12. INVESTMENT PROPERTIES (continued)

All of the Group's investment properties were revalued on 30 September 2024 and 31 March 2024 by Castores Magi (Hong Kong) Limited, an independent firm of professional valuers, who has recognised and relevant professional qualification and recent experience in the location and category of properties being valued. The properties had been revalued based on the income capitalisation approach. The investment properties are leased to third parties under operating leases.

As at 30 September 2024, the Group's investment properties with a value of approximately HK\$153,925,000 (31 March 2024: approximately HK\$153,996,000) were pledged to secure the interest-bearing bank borrowings granted to the Group.

Note 1: During the period ended 30 September 2023, the Group became aware that the People's Government of Qingpu District, Shanghai had issued a land acquisition notice to acquire the land encompassing the area where one of the Group's investment property is situated. Please refer to the Company's announcement dated 2 July 2023.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**(a) Financial assets at fair value through profit or loss ("FVTPL")**

As at 30 September 2024, the Group's financial assets at FVTPL include trading securities with the following details:

	Trading securities (Note i) HK\$'000	Total HK\$'000
Balance at 1 April 2023 (Audited)	47,092	47,092
Sales proceeds	(1,342)	(1,342)
Loss on fair value change	(22,544)	(22,544)
Balance at 31 March 2024 (Audited)	23,206	23,206
Balance at 1 April 2024 (Audited)	23,206	23,206
Realised/Unrealised gain on fair value change	2,308	2,308
Balance at 30 September 2024 (Unaudited)	25,514	25,514
Analysed for reporting purpose as:		
Current assets	23,206	23,206
Balance at 31 March 2024 (Audited)	23,206	23,206
Current assets	25,514	25,514
Balance at 30 September 2024 (Unaudited)	25,514	25,514

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**(a) Financial assets at fair value through profit or loss** (continued)

Note i:

Details of the investments in trading securities were as follows:

Stock Name	Stock Code	Nature of business	No. of share held 31/3/2024	Approx. % shareholding as at 31/3/2024	Market value as at 31/3/2024 HK\$'000	Change in no. of share held for the period ended 30/9/2024	No. of share held 30/9/2024	Approx. % shareholding as at 30/9/2024	Market value as at 30/9/2024 HK\$'000	Unrealized gain/(loss) on fair value change for the period ended 30/9/2024 HK\$'000	Total gain/ (loss) on dealing of trading securities for the period ended 30/9/2024 HK\$'000
SEEC MEDIA	205	Advertising and sales of books and magazines; securities broking; money lending; e-commerce	4,655,000	0.76%	1,563	-	4,655,000	0.63%	1,446	(117)	(117)
QPL International	243	Manufacture and sale of integrated circuit lead frames, heatsinks, stiffeners and investment holding	1,214,250	0.54%	181	-	1,214,250	0.54%	185	4	4
AMCO United Holding Limited [¶]	630	Engaged in manufacture and sale of medical devices, products and plastic moulding products; provision of construction services; provision of money lending and investment in securities	7,394,000	1.53%	880	-	7,394,000	1.53%	488	(392)	(392)
CN CULTURE GP	745	Engaged in e-commerce, advertisement and movie production businesses	655,000	0.83%	99	-	655,000	0.83%	115	16	16
Harbour Digital (formerly known as Unity Investments Holdings Limited)	913	Investment in listed companies in Hong Kong stock markets, and also investment in unlisted companies	2,633,000	0.93%	1,738	-	2,633,000	0.93%	645	(1,093)	(1,093)
China Environmental Energy Investment Limited	986	Carrying trading of gold and diamond; money lending business; Internet service and financial service	5,374,000	0.41%	328	-	5,374,000	0.41%	387	59	59
Milan Station Holdings Limited	1150	Retailing of handbags, fashion accessories and embellishments operation	3,250,000	0.36%	344	-	3,250,000	0.36%	192	(152)	(152)
Lerado Financial Group Company Limited	1225	Providing financial services, including securities broking, margin financing and money lending etc., and manufacturing and distributing children plastic toys and medical care products	10,700,000	4.65%	1,862	-	10,700,000	4.65%	1,391	(471)	(471)
Luxou Group Limited (formerly known as "Time2U International Holding Limited")	1327	Engaged in the manufacture and sales of own-branded watches, OEM watches and third-party watches	3,000,000	0.56%	288	-	3,000,000	0.56%	138	(150)	(150)
KINGLAND GROUP	1751	Provision of concrete demolition service in Hong Kong and Macau mainly as a subcontractor	120,000	0.0014%	62	-	120,000	0.014%	58	(5)	(5)

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

(a) Financial assets at fair value through profit or loss (continued)

Note 1: (continued)

Stock Name	Stock Code	Nature of business	No. of share held 31/3/2024	Approx. % shareholding as at 31/3/2024	Market value as at 31/3/2024 HK\$'000	Change in no. of share held for the period ended 30/9/2024	No. of share held 30/9/2024	Approx. % shareholding as at 30/9/2024	Market value as at 30/9/2024 HK\$'000	Unrealised gain/(loss) on fair value change for the period ended 30/9/2024 HK\$'000	Total gain/(loss) on dealing of trading securities for the period ended 30/9/2024 HK\$'000		
Sino Splendid Holdings Limited*	8006	Engaged in travel media operations; provision of contents and advertising services in a well-known financial magazine; investment in securities and money lending business	4,750,000	3.21%	898	-	4,750,000	3.21%	779	(119)	(119)		
Hao Wei Holdings Limited	8019	Carrying money lending business, trading and manufacturing of biomass fuel and trading of electronic parts	7,500,000	2.1%	1,650	-	7,500,000	2.1%	6,150	4,500	4,500		
WLS Holdings	8021	Engaged in the position of scaffolding and fitting out services and management contracting services for construction and buildings work, money lending business and securities investment business	401,500,000	2.79%	9,636	-	401,500,000	2.79%	10,439	803	803		
KPM Holding Limited	8027	Provision of design, fabrication, installation and maintenance of signage and related products	1,920,000	0.81%	388	-	1,920,000	0.81%	326	(61)	(61)		
Luxey International (Holdings) Limited	8041	Engaged in manufacturing and trading of high-end swimwear and garment products; trading and provision of on-line shopping and media related services; and money lending business	6,124,000	2.26%	1,531	-	6,124,000	2.26%	1,298	(233)	(233)		
China 33 Media Group Limited*	8087	Provision of advertising services of printed media for railway networks; film and entertainment investment in Hong Kong and the PRC and prepaid card business in Hong Kong	3,569,500	2.07%	378	-	3,569,500	2.07%	357	(21)	(21)		
ASIAPAC FN INV*	8193	Investment holding	187,000	0.08%	14	-	187,000	0.08%	29	15	15		
Wealth Glory Holdings Limited	8269	Trading of natural resources and commodities; money lending business; investment in coal trading business; development and promotion of brands; design, manufacture and sale of trendy fashion merchandises and other consumer products; and investment in securities	6,925,000	0.77%	291	-	6,925,000	0.77%	180	(111)	(111)		
Asia Grocery	8413	Provision of food and beverage grocery distribution and provision of food catering services through restaurants in Hong Kong	7,120,000	0.612%	1,075	-	7,120,000	0.612%	911	(164)	(164)		
					<u>23,206</u>						<u>25,514</u>	<u>2,308</u>	<u>2,308</u>

* Share consolidation during the period ended 30 September 2024

Note:

- The market values of the trading securities are based on their closing bid prices at the end of the reporting period.
- None of the above trading securities is individually carrying at value more than 5% of the Group's net assets.

14. TRADE AND OTHER RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on invoice date and net of allowance for doubtful debts, is as follows:

	At 30 September 2024 (Unaudited) HK\$'000	At 31 March 2024 (Audited) HK\$'000
Within 1 month	–	–
1 to 3 months	–	–
3 to 6 months	–	–
Over 6 months	43,059	29,875
Trade receivables	43,059	29,875
Deferred rental receivables	9,100	23,414
Within 1 month	5,819	8
1 to 3 months	33,212	1,444
Interest receivables from money lending business	39,031	1,452
Other receivables	14,182	11,164
Prepayments and deposits	6,729	7,322
	112,101	73,227

Note:

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

15. LOAN RECEIVABLES

	At 30 September 2024 (Unaudited) HK\$'000	At 31 March 2024 (Audited) HK\$'000
Loan receivables arising from:		
– Money lending business	656,775	646,238
Less: Allowance for expected credit losses	<u>(285,457)</u>	<u>(210,785)</u>
	<u>371,318</u>	<u>435,453</u>
Amounts due within one year included under current assets	51,556	326,926
Amounts due after one year included under non-current assets	<u>319,762</u>	<u>108,527</u>
	<u>371,318</u>	<u>435,453</u>

Note:

During the period ended 30 September 2024, the Group lent total amount of approximately HK\$656,775,000 (31 March 2024: HK\$646,238,000) to independent third parties. These loan receivables had 12 to 24 month loan periods and bore interest - at rates ranged from 10% to 18% per annum, and the corresponding interest were expected to be repaid on a monthly, quarterly or yearly basis. Parts of these loan receivables were secured by property located in Hong Kong or private equities.

At the end of the reporting period, the maturity profile of loan receivables, based on maturity date, is as follows:

	At 30 September 2024 (Unaudited) HK\$'000	At 31 March 2024 (Audited) HK\$'000
Due after 1 month but within 3 months	31,813	131,372
Due after 3 months but within 6 months	19,743	72,929
Due after 6 months but within 12 months	–	32,357
Due after 12 months	<u>319,762</u>	<u>198,195</u>
	<u>371,318</u>	<u>435,453</u>

16. UNCONVERTIBLE BONDS

	At 30 September 2024 (Unaudited) HK\$'000	At 31 March 2024 (Audited) HK\$'000
Current portion	<u>–</u>	<u>420</u>
Unconvertible bonds	<u>–</u>	<u>420</u>

The amount represented one unconvertible bonds of total HK\$10,000,000. As at 30 September 2024, no accrued interest (31 March 2024: HK\$420,000) was included in other payables and accruals. The unconvertible bonds bear interest at 5% to 6% per annum on the outstanding aggregate principal amount. The interest is payable in arrears annually on the anniversary of issue date or redemption date. The Company may redeem principal amounts of outstanding bonds in whole or in part at any time before the maturity date.

17. SHARE CAPITAL

	Number of ordinary shares '000	Per share HK\$	HK\$'000
Authorised:			
At 31 March 2024 (Audited) and 30 September 2024 (Unaudited)	<u>750,000</u>	<u>0.40</u>	<u>300,000</u>
			HK\$'000
Issued and fully paid:			
At 31 March 2024 (Audited) and 30 September 2024 (Unaudited)	<u>267,167</u>	<u>0.40</u>	<u>106,867</u>

18. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the six months ended 30 September 2024.

a) Key management personnel emoluments

Emoluments for key management personnel, including amounts paid to the Company's Directors and certain of the highest paid employees during the six months ended 30 September 2024 are as follows:

	Six months ended 30 September 2024 (Unaudited) HK\$'000	Six months ended 30 September 2023 (Unaudited) HK\$'000
Short-term employee benefits	2,070	1,928
Post-employment benefits	18	15
	<u>2,088</u>	<u>1,943</u>

Total emoluments is included in "staff costs" (see note 8(b)).

b) Outstanding balances with related parties

	At 30 September 2024 (Unaudited) HK\$'000	At 31 March 2024 (Audited) HK\$'000
Amounts due to a Director	<u>11,611</u>	<u>9,520</u>

Amounts due to Directors are unsecured, interest-free and repayable on demand.

19. COMMITMENTS**Operating lease commitments****i) The Group as lessor:**

The Group leases its investment properties under operating lease arrangements to tenants, with leases negotiated for terms ranging from four to ten years. The terms of the leases generally require the tenants to pay security deposits. At the end of the reporting period, the Group had total future minimum lease payments receivable under non-cancellable operating leases from its tenants falling due as follows:

	At 30 September 2024 (Unaudited) HK\$'000	At 31 March 2024 (Audited) HK\$'000
Within one year	2,682	3,841
In the second to fifth year, inclusive	4,331	5,777
Over five years	5,169	3,342
	<u>12,182</u>	<u>12,960</u>

20. LITIGATION

In 1998, the Company brought up legal proceedings against ASG Capital Limited and ASG Brokerage Limited (the "Defendants") for breach of the placing and underwriting agreement dated 9 December 1997 in that the Defendants failed to fulfill their underwriting obligations thereunder and for the recovery of HK\$40 million being the economic loss suffered by the Company together with interest and legal costs. The proceedings are now in pre-trial stage of discovery of documents of the parties and the date of the trial has not been fixed. The last action of the parties to the proceedings took place in middle of 2005 when solicitors acting for the Company in the legal proceedings served a notice to inspect documents to those acting for the Defendants.

21. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report was approved and authorised for issue by the Board on 29 November 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period under review, the principal business activities of the Group included the properties investment, money lending and general trading business.

For the properties investment, as at 30 September 2024, the aggregate gross floor area of the investment properties being held by the Group was approximately 7,004 square meters, 100% of which was leased to third parties under operating leases with lease terms ranging up to ten years. For the six months ended 30 September 2024, approximately 2,819 square meters of the gross floor area of the leased property were sub-leased to third parties under operating leases with lease terms ranging up to six years.

For the six months ended 30 September 2024, the rental incomes of approximately HK\$7.15 million were recorded.

The money lending business generated steady interest income during the period. For the six months ended 30 September 2024, the Group had a gross loan portfolio amounted to approximately HK\$657 million with the average interest rate of 11.18%. The interest income generated from the money lending business was approximately HK\$37.36 million for the six months ended 30 September 2024.

The Group commenced the new general trading business by means of selling of goods including but not limited to electronic components, consumer goods and others. During the period under review, the income generated from the general trading business was approximately HK\$4.70 million.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Financial Review

For the period under review, the Group's turnover from its operation was approximately HK\$49.22 million (2023: approximately HK\$42.72 million), which show an increase by the reason of commencing the new general trading business during the period under review. The unaudited net loss for the period under review was approximately HK\$41.09 million (2023: net loss approximately HK\$138.50 million) and the basic loss per share for was HK\$15.38 cents (2023: basic loss per share HK\$51.84 cents). Decrease in the net loss compared with last year is mainly due to, i) the absent of the one-off loss on disposal of an investment property amounted approximately HK\$57.05 million, ii) increase in realised and unrealised gain of dealing of financial assets at fair value through profit or loss amounted approximately HK\$2.31 million (2023: loss HK\$17.05 million) and iii) increase in exchange gain approximately HK\$6.61 million (2023: loss HK\$32.50 million) were recorded.

The administrative expenses of the Group for the period amounted to approximately HK\$8.80 million, which is remain constant compared with the corresponding period last year. The finance cost of the Group amounted to approximately HK\$3.71 million which was mainly incurred for the bank loan under the security of investment properties in Shanghai, and other borrowings.

Liquidity and Financial Resources

As at 30 September 2024, the Group's net current assets were approximately HK\$67.82 million (at 31 March 2024: approximately HK\$305.49 million), including cash and bank balance of approximately HK\$1.56 million (at 31 March 2024: approximately HK\$0.65 million).

The Group had bank borrowings of approximately HK\$86 million as at 30 September 2024 (at 31 March 2024: approximately HK\$78 million) of which 6% and 94%, were due within 1 year and after 1 year respectively from balance sheet date. The gearing ratio, defined as the percentage of net debts to the total equity of the Company, was approximately 18.05% (at 31 March 2024: 15.32%).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Significant Investments

Investment with fair value accounting for more than 5% of the Group's total assets shall be considered as significant investment. The Company did not have significant investment as at 30 September 2024.

Foreign Exchange Exposure

As most of the Group's assets and liabilities are denominated in Hong Kong dollar and Renminbi and the liabilities of the Group are well covered by its assets, the Group does not have any significant exposure to foreign exchange fluctuation. During the period under review, the Group did not use any financial instruments for hedging purposes.

Capital Structure and Share Capital

There was no change in the share capital and capital structure of the Company for the six months ended 30 September 2024.

Charges on the Group's Assets

As at 30 September 2024, the Group's investment properties with a value of approximately HK\$154 million were pledged to secure a borrowing from Shanghai Xiang Chen Hang Place The Industry Co. Limited, a wholly-owned subsidiary of the Company.

Contingent Liabilities

As at 30 September 2024, the Group did not have any material contingent liability (2023: Nil).

Acquisition and Disposal of Subsidiaries

There was no acquisition and disposal of subsidiaries of the Group during the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Employees

As at 30 September 2024, the Group has 26 employees. The remuneration was determined with reference to statutory minimum wages, market terms as well as the performance, qualification and experience of individual employees. The Group provides contributory provident fund and insurance scheme to the employees. Share option schemes and incentive schemes are adopted to encourage personal commitment of employees.

Outlook

Going forward, the Group will keep on identifying potential trading opportunities, suitable investment properties and approaching potential tenants so as to enhance the rental incomes of Group. In the meantime, the Group will remain focused on its money lending business which will generate steady revenue stream for the Group.

DIVIDEND

The Directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 September 2024 (2023: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

There was no purchase, redemption or sale of any of the Company's listed securities by the Company or any of the Company's subsidiaries during the six months ended 30 September 2024.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code of Securities Transactions by Directors of Listed Issuer ("Model Code") as its own code of conduct regarding securities transactions by the Directors. The Company had also made specific enquiry of the Directors and the Company was not aware of any non-compliance with the required standard as set out in the Model Code.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2024, no directors has registered an interest or short position in the share capital (the "Shares") of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants for their contribution to the Group.

The Company's existing share option scheme was adopted on 2 September 2022 and is effective for a period of ten years commencing on the adoption date.

At 30 September 2024, there is no outstanding share options under the Scheme.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 30 September 2024, so far as known to the Directors, there was no other person who had an interest or short position in the shares of the Company and underlying shares which would require disclosure to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, beneficially interested in 5% or more of the issued share capital of the Company.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2024, except for the deviation from the requirement of code provision A.2.1 and E.1.2 of the CG Code explained as follows.

The provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The chairman of the Company also acted as chief executive officer of the Company during the period under review, deviating from the requirement of the code provision A.2.1. The Board considered that this structure was conducive with strong and consistent leadership, enabling the Company to respond promptly and efficiently to business opportunities and issues.

Provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend annual general meetings. The chairman was unable to attend the Company’s annual general meeting held on 27 August 2024 due to his other work commitments.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors, namely Mr. Tang Yiu Kay, Ms. Cao Jie Min and Mr. Liang Kuo-Chieh. The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to “A Guide for The Formation of An Audit Committee” published by the Hong Kong Institute of Certified Public Accountants. The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting process and internal controls.

The Company has engaged Messrs. Jon Gepsom CPA Limited (“Auditor”) to assist the Audit Committee to review the interim results of the Group for the six months ended 30 September 2024 (“Interim Results”). The Interim Results has been reviewed by the Audit Committee.

REVIEW OF INTERIM FINANCIAL STATEMENTS BY THE AUDITOR

The interim financial statements of the Group for the Period is unaudited, but has been reviewed by Jon Gepsom CPA Limited, the auditor of the Company 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, whose unmodified review report is included in the Company’s interim report for the Period to be sent to shareholders of the Company in accordance with the Listing Rules in due course.

By order of the board
China Properties Investment Holdings Limited
Han Wei
Chairman

Hong Kong, 29 November 2024