



Interim Report 2023

*Chuang's
Consortium
International
Limited*

(Incorporated in Bermuda with limited liability)
Stock Code: 367



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CORPORATE INFORMATION

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

Chairman of the relevant committee

CORPORATE INFORMATION *(Continued)*

Principal Bankers	The Hongkong and Shanghai Banking Corporation Limited Hang Seng Bank Limited Bank of China (Hong Kong) Limited China Construction Bank (Asia) Corporation Ltd. Nanyang Commercial Bank, Limited Bank of Communications Co., Ltd.
Registered Office	Clarendon House, 2 Church Street Hamilton, HM 11, Bermuda
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Vietnam Office	Room 204A, 2nd Floor Capital Place Building 6 Thai Van Lung Street, District 1 Ho Chi Minh City, Vietnam
Mongolia Office	Suite 1202A, Sunroad Office No. 91 Narnii zam Street 1st Khoroo, Sukhbaatar District Ulaanbaatar 14210 Mongolia
Stock Code	367

MANAGEMENT DISCUSSION ON RESULTS

The board of Directors (the “Board”) of Chuang’s Consortium International Limited (the “Company”) presents the interim report including the condensed consolidated interim financial information of the Company and its subsidiaries (collectively as the “Group”) for the six months ended 30 September 2022. 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 2022, and the condensed consolidated balance sheet as at 30 September 2022 along with the notes thereon, are set out on pages 33 to 58 of this report.

HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Business

1. On 5 August 2022, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the property in Changan, Dongguan, the People’s Republic of China for a consideration of approximately RMB132.1 million (equivalent to approximately HK\$149.7 million). The disposal was completed on 5 September 2022. Net cash proceed, after considering tax related to the disposal, of approximately RMB127.6 million (equivalent to approximately HK\$144.6 million) was received by the Group and has strengthened the Group’s financial position.
2. As announced on 15 June 2022, the Group had entered into an agreement to dispose of the land and factory building of Sintex in Singapore for a consideration of S\$21 million (equivalent to approximately HK\$118.4 million), and it is expected that a net gain of S\$15.2 million (equivalent to approximately HK\$85.7 million) will be recorded upon completion. Both parties are now working with the government authorities to obtain the various approvals and it is expected that the completion will take place within 2023. This disposal helps to unlock the stored value in the property and is in line with the Group’s strategy to off-load investment in non-core assets.
3. On 14 October 2022, the Group entered into a sale and purchase agreement with an independent third party to dispose of the asset which is a project commissioned by the Group for a make-to-order craft to facilitate liveaboard purpose for a consideration of not more than about EUR17 million (equivalent to approximately HK\$131 million) (subject to adjustments). Details of the disposal were announced by the Company on 14 October 2022. The disposal can allow the Group with further alignment of the divestment strategy and the net proceed can increase the working capital of the Group.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 *(Continued)*

Business *(Continued)*

4. For ONE SOHO, the joint venture project at Mongkok, development is proceeding as scheduled. Concrete structure of the building had been completed. Curtain wall installation and interior works are in progress. Occupation permit is targeted to be obtained in the first quarter of 2023. Pre-sale consent of the 322 residential units was obtained in April 2021 and pre-sale has commenced accordingly. Up-to-date, a total of 191 units have been pre-sold at aggregate amount of about HK\$1.36 billion. According to the current marketing and sales plan, the targeted total sales proceeds of the residential portion of this project are estimated to be about HK\$2.3 billion.
5. For Po Shan Road joint venture project, the Group is developing the property into one vertical house with 8 storeys over the podium. The 8-storey house will include a luxury living and dining area with 6m floor-to-floor height, an entertainment floor and 6 residential suite floors with at least 3.5m floor-to-floor height. The proposed GFA for the house is about 44,531 *sq. ft.*, with an additional area of about 5,200 *sq. ft.* for garden and about 2,200 *sq. ft.* for roof. Superstructure works are proceeding as scheduled with podium level completed, and it is expected that the overall superstructure works will be completed by the end of 2023. A marketing consultant has been engaged to advise on marketing strategy on this project and prepare marketing materials for promotion.
6. For the redevelopment project at Gage Street, the Group has successfully consolidated this project with a total site area of about 3,600 *sq. ft.*. General building plans of the project to develop a 26-storey residential/commercial building comprising clubhouse facilities and retail units with GFA of about 34,739 *sq. ft.* have been approved. Foundation works are currently in progress and are expected to be completed in the second half of 2023. With the prime location at Central, the Group is optimistic about the prospect of this project.
7. For Ap Lei Chau project, general building plans of the project have been approved to develop a 27-storey residential/commercial building with clubhouse facilities and retail units at the podium levels. Foundation work has been completed. Superstructure work is currently in progress and it is built up to the fifth floor level. Preparation works for pre-sale have also been commenced, which is expected to be launched in the first quarter of 2023.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 *(Continued)*

Financial

- Total cash resources of the Group (including bond and securities investments) amounted to HK\$4.4 billion, in which cash and bank balances aggregated to approximately HK\$4.2 billion.
- Net assets attributable to equity holders of the Company amounted to HK\$9,754.1 million.
- Net debt to equity ratio of the Group is 8.8%.

FINANCIAL REVIEW

For the six months ended 30 September 2022, revenues of the Group decreased to HK\$148.7 million (2021: HK\$481.1 million) mainly due to the reduced recognition of sales from The Esplanade, Tuen Mun in Hong Kong as majority of the properties had been sold in the last corresponding period and the absence of the disposal of the property project at Vietnam. Revenues of the Group comprised revenues from sales of properties of HK\$1.4 million (2021: HK\$270.4 million), revenues from rental and other income of investment properties of HK\$74.3 million (2021: HK\$79.4 million), revenues from cemetery business of HK\$9.3 million (2021: HK\$20.8 million), revenues from sales of goods and merchandises of HK\$5.8 million (2021: HK\$7.1 million), revenues from money lending business of HK\$7.9 million (2021: HK\$0.8 million), and revenues from securities investment and trading business of HK\$50.0 million (2021: HK\$102.6 million).

As a result of the decrease in revenues, gross profit during the period decreased to HK\$110.3 million (2021: HK\$302.4 million). Gross profit margin increased to 74.2% (2021: 62.9%), which was mainly due to the decrease in proportion of revenues generated from sales of properties segment which had a relatively lower profit margin than the other revenue segments of the Group.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Other income and net loss amounted to a net loss of HK\$278.3 million (2021: HK\$567.4 million) mainly due to the net loss of bond investments recorded during the period under review. A breakdown of other income and net loss is shown in note 7A on page 47 of this report. Loss from disposal of subsidiaries of HK\$13.2 million (2021: gain of HK\$1,178.9 million for disposal of property holding subsidiaries that held the property project in Panyu, the People's Republic of China (the "PRC")) during the period represented the loss on disposal of property holding subsidiaries that held the property in Changan, the PRC. Loss from change in fair value of investment properties of the Group amounted to HK\$112.8 million (2021: gain of HK\$93.3 million) mainly due to the decrease in fair value of the investment properties in Mongolia.

On the costs side, selling and marketing expenses decreased to HK\$7.3 million (2021: HK\$22.2 million) principally due to the decrease in sales commission of The Esplanade in Tuen Mun during the period. Administrative and other operating expenses decreased to HK\$148.6 million (2021: HK\$155.3 million) mainly due to the decrease in business activities and cost saving on general overheads of the Group. Finance costs increased to HK\$65.3 million (2021: HK\$54.9 million) mainly due to the increase in interest rates during the period. Share of loss of associated companies amounted to HK\$1.1 million (2021: HK\$0.9 million). Share of loss of joint ventures amounted to HK\$7.2 million (2021: profit of HK\$1.4 million) mainly due to the increase in loss of the joint ventures caused by revaluation loss on investment properties. Taxation credit amounted to HK\$19.9 million (2021: taxation charge of HK\$150.1 million mainly for the disposal of the subsidiaries holding the Panyu project) mainly due to the reversal of deferred taxation arising from the fair value loss of investment properties during the period.

Taking into account the above, loss attributable to equity holders of the Company for the six months ended 30 September 2022 amounted to HK\$429.4 million (2021: profit of HK\$287.3 million). Loss per share was 25.67 HK cents (2021: earnings per share of 17.18 HK cents).

INTERIM DIVIDEND

After taking into account the need to maintain sufficient financial resources for the working capital of the Group's projects and businesses, in particular under the current uncertain business environment, the Board has resolved not to declare an interim dividend for the six months ended 30 September 2022 (2021: 2.0 HK cents per share).

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW

(A) Investment Properties

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

The property is a commercial/office building and is strategically located at the heart of Central District and close to the exits of both the Central Station of the Mass Transit Railway and the Hong Kong Station of the Airport Express Line. The property has a site area of about 3,692 *sq. ft.* and a total gross floor area (“GFA”) of about 55,367 *sq. ft.*. During the period, rental and other income from this property amounted to about HK\$22.8 million. With the prime and central location of the property linked with convenient public transportation nearby, the Group is optimistic about the market in this district.

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

Strategically located at the heart of shopping centres in Tsim Sha Tsui, Kowloon, and near the exits of the Mass Transit Railway and the Guangzhou-Shenzhen-Hong Kong Express Rail Link Hong Kong Section, the property is a shopping and entertainment complex. The property has a site area of about 9,145 *sq. ft.* and a total GFA of about 103,070 *sq. ft.*. During the period, rental and other income from this property amounted to about HK\$22.1 million. The Group continues to carry out lease restructuring with tenants and reshuffle the tenant mix of the property to mitigate the impact of Covid-19. The entries of fitness and leisure centres have helped to increase the customer flow to the plaza, and the occupancy rate has increased. The Group would continue to be flexible on tenant selection and would explore more marketing ideas on leasing.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(A) Investment Properties *(Continued)*

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

The property is a commercial/industrial building located in between the Cheung Sha Wan (approximately 0.4 kilometre) and the Sham Shui Po (approximately 0.5 kilometre) Mass Transit Railway Stations, enjoying the convenience of good transportation network. The property has a site area of about 3,920 *sq. ft.* and a total GFA of about 47,258 *sq. ft.*. During the period, rental and other income from this property amounted to about HK\$4.9 million. Currently, the property is for commercial (G/F to 3/F and 12/F) and industrial (4/F to 11/F) use. Building plans to redevelop the property into a commercial/residential property with a total GFA of about 35,280 *sq. ft.* have been approved by the Buildings Department, and taking into account the current mass residential property market, the Group will evaluate the best timing to carry out such redevelopment (if any).

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

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

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

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

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(A) Investment Properties *(Continued)*

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

The project has a site area of about 3,269 *sq. m.* and is located within the central business district. It is planned that a 26-storey retail/office building with GFA of about 40,000 *sq. m.*, comprising office units and carparking spaces with shopping units at the podium levels will be developed. Upon completion, the property will become one of the highest office buildings in Mongolia. Superstructure works have been topped off. However, as Mongolia had imposed strict quarantine measures for inbound workers/travelers since the beginning of year 2020 due to Covid-19, internal structural works and external cladding works of the property have been halted. Currently the Group is assessing the latest market condition in view of the recent relaxation of the quarantine measures in Mongolia, and is evaluating the best timing either to commence the finishing works with reference to the work schedule with contractors, or seek appropriate opportunity to dispose of the property to realize this investment. Marketing works for the property have commenced.

(B) Hotels and Serviced Apartments

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

The property is close to the Jordan Station of the Mass Transit Railway and had been developed by the Group into a 25-storey commercial/residential building comprising 114 fully furnished studio units with clubhouse facilities and shopping units at the podium levels (G/F to 2/F). The Group still owns 18 residential units of this property (recorded as properties for sale) and they are operating as serviced apartments to generate income. Rental income from the serviced apartments during the period amounted to approximately HK\$1.2 million. The Group will closely monitor the market opportunities and adopt a flexible approach to sell these 18 units in order to cash out from this investment.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

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

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

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

The project is located in the city centre within the embassy district and is a 19-storey building comprises 142 units and ground floor shops with a total GFA of about 19,000 *sq. m.* and 48 carparking spaces. Internal and external finishing works have been completed. Occupation permit of the project has been obtained in October 2022. Application for the immovable property certificate is in progress. Marketing works for leasing have commenced.

(iv) Pacific Cebu Resort, Cebu, Philippines (40% owned)

Pacific Cebu Resort, which is 40% owned by the Group, is a resort established in 1992 with 134 rooms (comprising 114 hotel rooms and 20 villas) and abundant diving facilities. It is located at Lapu-Lapu City, Mactan Island in Cebu of Philippines occupying a site area of about 64,987 *sq. m.*.

Although the local government has recently relaxed the Covid-19 international traveling policy and the mandated regulation on hotel occupancy as well as social distancing policy for food and beverage outlets, the business of the resort is just slowly resuming. The resort is currently operating with minimal manpower to reduce cost.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

- (v) The Group entered into contract at the end of 2018 for a project commissioned by the Group for a make-to-order craft to facilitate liveaboard purpose in order to have further expansion of our hospitality business overseas. The project was completed in August 2022. Since the tourism industry has suffered severe blow as a result of the Covid-19 pandemic and global economic uncertainty, on 14 October 2022, the Group entered into a sale and purchase agreement with an independent third party to dispose of the asset for a consideration of not more than about EUR17 million (equivalent to approximately HK\$131 million) (subject to adjustments). Details of the disposal were announced by the Company on 14 October 2022. The disposal can allow the Group with further alignment of the divestment strategy and the net proceed can increase the working capital of the Group.

(C) Development Properties

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

The Group has successfully consolidated this project with a total site area of about 3,600 *sq. ft.*. General building plans of the project to develop a 26-storey residential/commercial building comprising clubhouse facilities and retail units with total GFA of about 34,739 *sq. ft.* have been approved. Foundation works are currently in progress and are expected to be completed in the second half of 2023. The Group targets to achieve BEAM Plus Silver Rating for the property development from the green building perspective. With the prime location at Central, the Group is optimistic about the prospect of this project.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) Development Properties *(Continued)*

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

This project is owned as to 50% by the Group and 50% by a wholly-owned subsidiary of K. Wah International Holdings Limited (stock code: 173), and the Group is the project manager of the development. The property, with a site area of about 10,000 *sq. ft.*, is located in a prestigious mid-level area that enjoys a glamorous sea-view. The Group is developing the property into one vertical house with 8 storeys over the podium, and targets to achieve LEED Silver Rating for the property development from the green building perspective. The 8-storey house will include a luxury living and dining area with 6m floor-to-floor height, an entertainment floor and 6 residential suite floors with at least 3.5m floor-to-floor height. The proposed GFA for the house is about 44,531 *sq. ft.*, with an additional area of about 5,200 *sq. ft.* for garden and about 2,200 *sq. ft.* for roof.

Superstructure works are proceeding as scheduled with podium level completed, and it is expected that the overall superstructure works will be completed by the end of 2023. In the meantime, both joint venture partners are also exploring other options (including disposal) to accelerate return on this investment. A marketing consultant has been engaged to advise on marketing strategy on this project and prepare marketing materials for promotion.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) Development Properties *(Continued)*

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

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

General building plans of the project were approved by the relevant authorities. Concrete structure of the building had been completed. Curtain wall installation and interior works are in progress. The project has already obtained “Provisional Gold” Green Building Certificate and “WELL Precertification” under the Well Building Standard respectively for project development. Occupation permit is targeted to be obtained in the first quarter of 2023. Pre-sale consent of the 322 residential units of ONE SOHO was obtained in April 2021 and pre-sale has commenced accordingly. Up-to-date, a total of 191 units have been pre-sold at aggregate amount of about HK\$1.36 billion, and aggregate deposits amounted to about HK\$618.1 million have been received. According to the current marketing and sales plan, the targeted total sales proceeds of the residential portion of this project are estimated to be about HK\$2.3 billion, and the Group’s share of the 40% portion will be about HK\$900 million.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

Chuang’s China and its subsidiaries (the “Chuang’s China Group”) are principally engaged in, inter alia, property development, investment and trading. For the six months ended 30 September 2022, the Chuang’s China Group recorded loss attributable to equity holders of HK\$187.3 million (2021: profit of HK\$767.9 million) and revenues of HK\$38.8 million (2021: HK\$145.6 million) (which comprised revenues from sales of properties of HK\$1.4 million (2021: HK\$71.5 million), revenues from rental and management fee of HK\$13.5 million (2021: HK\$12.7 million), revenues from cemetery assets of HK\$9.3 million (2021: HK\$20.8 million) and revenues from securities investment and trading of HK\$14.6 million (2021: HK\$40.6 million)).

(i) Investment Properties

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

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

The project was completed with GFA of about 117,089 *sq. ft.* for residential purpose, named as The Esplanade, and GFA of about 25,813 *sq. ft.* for commercial purpose, named as The Esplanade Place, respectively. The Esplanade comprises 371 residential flats and 30 residential carparking spaces, and all the residential flats were sold in prior years. During the period under review, one carparking space with sales value of about HK\$1.3 million had also been completed. The Chuang’s China Group will continue to market the remaining 22 unsold carparking spaces.

The Esplanade Place comprises a two-storey commercial podium with about 16 commercial units and 12 commercial carparking spaces, of which 12 commercial units are leased to independent third parties with an aggregate annual rental income of about HK\$3.8 million. The Chuang’s China Group will continue to market the remaining units and carparking spaces in order to generate rental income. As at 30 September 2022, the property was recorded at valuation of about HK\$176.4 million.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

(i) *Investment Properties (Continued)*

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

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

The weak economy in Anshan is adversely affected by Covid-19, thus business activities and leasing are progressing slowly. During the period under review, the Chuang's China Group has leased certain residential units to multi tenants with aggregate rental income of about RMB0.4 million (equivalent to approximately HK\$0.5 million). The Chuang's China Group will explore more marketing ideas on promotion and leasing of the commercial podium as well as the units of the twin tower. The valuation of the property was approximately RMB666.6 million (equivalent to approximately HK\$735.7 million) as at 30 September 2022, comprising RMB261.3 million for the commercial podium and RMB405.3 million for the twin tower.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

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

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

This hotel complex is developed by the Chuang's China Group, comprising a 6-storey hotel building with 100 guest-rooms (GFA of 9,780 *sq. m.*) and 30 villas (aggregate GFA of about 9,376 *sq. m.*) in Siming District, Xiamen. As at 30 September 2022, the properties were recorded at valuation of RMB381.0 million (comprising RMB169.0 million for the hotel and RMB212.0 million for the 30 villas). The valuation attributable to the Chuang's China Group was about RMB226.7 million (equivalent to approximately HK\$250.2 million), whereas the total investment costs of the Chuang's China Group were about RMB155.2 million (equivalent to approximately HK\$171.3 million).

During the period under review, the hotel building together with 23 villas are leased to 廈門侂家鷺江酒店 (Xiamen Mega Lujiang Hotel) and is operated as “鷺江·侂家酒店” (Mega Lujiang Hotel). The remaining 7 villas are leased to independent third parties. The aggregate annual rental income of this hotel complex amounted to about RMB18.9 million (equivalent to approximately HK\$20.9 million).

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

The Chuang's China Group holds one villa and 4 carparks in Guangzhou, with a GFA of about 318 *sq. m.* for investment purpose. The villa was recorded at valuation of RMB8.1 million (equivalent to approximately HK\$8.9 million) as at 30 September 2022. The Chuang's China Group will adopt a flexible approach to lease/sell this villa.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

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

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

The Chuang's China Group holds a 4-storey commercial building in Shatian, Dongguan, providing a total GFA of about 4,167 *sq. m.* for commercial, retail and office usage. As at 30 September 2022, valuation of the property was RMB36.4 million (equivalent to approximately HK\$40.2 million). During the period under review, one storey was leased to 中國人壽東莞分公司 (China Life Dongguan branch) for office use, and the ground floor was leased to an independent third party in June 2022 for retail use. The aggregate annual rental income is about RMB0.8 million (equivalent to approximately HK\$0.9 million). Marketing is in progress for leasing of the remaining units of the property.

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

Wisma Chuang is located within the prime city centre, situated right next to the landmark shopping complex, Pavilion KL, the heart of central business district and prestigious shopping area of Kuala Lumpur. It is built on a freehold land and is a 29-storey high rise office building having retail and office spaces of approximately 254,000 *sq. ft.* (on total net lettable area basis is approximately 195,000 *sq. ft.*) and 298 carparking spaces. As at 30 September 2022, the valuation of this property was MYR167.7 million (equivalent to approximately HK\$284.1 million), which represents an average value of approximately MYR860 (equivalent to approximately HK\$1,457) per *sq. ft.* of net lettable retail and office area.

Wisma Chuang is leased to multi tenants with an occupancy rate of approximately 60%, and annual rental income was approximately MYR6.0 million (equivalent to approximately HK\$10.2 million). The Chuang's China Group will seek appropriate opportunities to dispose of the property to accelerate return from this investment.

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

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

(ii) Property Development

1. *Nos. 6–8 Ping Lan Street and Nos. 26–32 Main Street, Ap Lei Chau, Hong Kong (100% owned by Chuang's China)*

The property has a site area of about 4,320 *sq. ft.* and has a developable GFA of about 40,000 *sq. ft.*. General building plans of the project have been approved to develop a 27-storey residential/commercial building with clubhouse facilities and retail units at the podium levels.

Foundation works have been completed. Superstructure work is currently in progress and it is built up to the fifth floor level. Preparation works for pre-sale have also commenced, which is expected to be launched in the first quarter of 2023.

2. *Changan, Dongguan, Guangdong (100% owned by Chuang's China before disposal)*

The Chuang's China Group owns a site area of about 20,000 *sq. m.* in the city centre of Changan (長安), Dongguan, on which an industrial building with GFA of about 39,081 *sq. m.* was erected. During the period under review, the property was leased to an independent third party with aggregate rental income of about RMB3.0 million (equivalent to approximately HK\$3.4 million).

On 5 August 2022, the Chuang's China Group entered into a sale and purchase agreement with an independent third party for the disposal of subsidiaries that hold this property for a consideration of approximately RMB132.1 million (equivalent to approximately HK\$149.7 million). The disposal was completed on 5 September 2022. Net cash proceed, after considering tax related to the disposal, of approximately RMB127.6 million (equivalent to approximately HK\$144.6 million) was received and has strengthened the Chuang's China Group's financial position.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

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

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

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

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

The Chuang's China Group owns an effective 69% interests in a property development project in Changsha, and the total historical investment cost incurred by the Chuang's China Group in the PRC project company was about HK\$23.8 million. The Chuang's China Group has obtained conclusive court ruling for winding up of the PRC project company. The voluntary liquidation is currently in progress. Based on the preliminary assessment by the liquidation team regarding the assets and liabilities of the PRC project company and as adversely affected by the weak market condition in Changsha, there may not be much distribution available to shareholders of the PRC project company, however, the actual outcome will still be subject to finalization of the liquidation process. Taking into account the estimated net liabilities of the PRC project company, its consolidated net value is nil in the consolidated financial statements of the Chuang's China Group.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

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

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

The Chuang's China Group holds a 51% development interest in a project in Wuhou District, Chengdu. The Chuang's China Group's total historical investment costs in this project was about RMB146.8 million (equivalent to approximately HK\$162.0 million). As announced on 10 February 2021, the Chuang's China Group had received the final judgment from the court which had made a revision of the judgement payments in favour of the Chuang's China Group. The Chuang's China Group has made application to the court to enforce the final judgement. In August 2021, the Chuang's China Group had received a portion of judgement payments amounting to about RMB12.9 million (equivalent to approximately HK\$14.2 million). The Chuang's China Group will continue to explore ways in order to recover its investment.

6. *Others*

As previously reported, the Chuang's China Group obtained a judgement from court in Beijing for the registered owners of the courtyard house to transfer the title to the designated nominee of the Chuang's China Group. The transfer of one courtyard house with original investment cost of about HK\$0.7 million was completed during the year ended 31 March 2022, whereas procedure for the transfer of another courtyard house with original investment cost of about HK\$7.8 million implemented by court is in progress.

Besides, a handling agent had previously instituted a legal proceeding against the designated nominee of the Chuang's China Group regarding the appointment of the handling agent for the aforesaid courtyard house. Based on the legal advice obtained by the Chuang's China Group, this claim is not supported by sufficient facts and/or legal basis, and the Chuang's China Group has sufficient grounds to contest this claim.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

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

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

Development of the remaining 418 mu will be divided into Phase II to Phase V. Based on the existing master layout plan of Phase II to Phase V, about 41,815 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 22,569 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 19,246 grave plots. As for the 150 mu of road access and greenbelts, Fortune Wealth will ascertain the arrangement required by the local authorities. Site formation and construction works are in progress on parts of the land.

As at 30 September 2022, the cemetery assets (including non-controlling interests) were recorded based on the book cost of about RMB625.4 million (equivalent to approximately HK\$690.3 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 2022, about 2,902 grave plots and 530 niches were available for sale. Fortune Wealth will review its sales and marketing strategy and will take more proactive steps in its brand building and customer services.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

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

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

As at 30 September 2022, the Chuang's China 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 2022 of HK\$0.38 (31 March 2022: HK\$0.39) and HK\$0.35 (31 March 2022: HK\$0.4), the aggregate book value of the Chuang's China Group's investments in CNT and CPM is about HK\$142.2 million (31 March 2022: HK\$146.2 million). The change in book value is accounted for as “Reserve” in the financial statements.

(E) **Other Businesses**

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

Sintex is engaged in the sales of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the period, Sintex recorded revenues of HK\$5.8 million (2021: HK\$7.1 million), and incurred a loss of HK\$0.8 million (2021: HK\$1.3 million). It is expected that Covid-19 would continue to have a negative impact on Sintex's business. In June 2022, the Group had entered into an agreement to dispose of the land and factory building of Sintex for a consideration of S\$21 million (equivalent to approximately HK\$118.4 million). Details of the disposal were announced by the Group on 15 June 2022 and it is expected that a net gain of S\$15.2 million (equivalent to approximately HK\$85.7 million) will be recorded upon completion. Both parties are now working with the government authorities to obtain the various approvals and it is expected that the completion will take place within 2023. This disposal helps to unlock the stored value in the property and is in line with the Group's strategy of off-loading investment in non-core assets. The Group is strategically reviewing the development strategy and operation model of the business of Sintex following the disposal.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(E) Other Businesses *(Continued)*

(ii) Securities Investment and Trading

During the period, the performance of the bond investments of the Group was continuously adversely affected by unfavorable and high volatility of the listed corporate bond market, and certain listed corporate bonds held by the Group were in default. The Group has trimmed down the portfolio size in bond investment during the period. As a result, securities investment and trading business of the Group recorded a net loss before tax and before deducting non-controlling interests of HK\$237.2 million, comprising dividend, interest and other income from investments of HK\$49.8 million, net gain on disposals and redemptions (including the redemption of existing bonds through the exchange of the new bonds of the same issuers) of investments of HK\$299.3 million, and unrealized fair value loss on investments of HK\$586.3 million mainly as a result of mark to market valuations of the investments held as at the balance sheet date. The unrealized fair value loss is accounting loss with no immediate cash flow impact to the Group.

As at 30 September 2022, investments of the Group amounted to HK\$417.9 million (HK\$181.1 million were held by the wholly-owned subsidiaries of the Group and HK\$236.8 million were held by the Chuang's China Group), and comprised as to HK\$261.9 million for investments in listed corporate bonds, HK\$1.1 million for investments in securities listed on the Stock Exchange and the balance of HK\$154.9 million for other investments (of which about HK\$71.4 million are denominated in Renminbi, and about HK\$83.5 million are denominated in United States dollar), comprising FinTech companies, venture capital investment platforms, high technology companies and investment funds which are not listed or just listed in the markets. The Group will continue to monitor the performance of its respective investment portfolios from time to time.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(E) Other Businesses *(Continued)*

(iii) Money Lending Business

The Group had advanced loans to customers. Revenues generated from this business during the period amounted to HK\$7.9 million (2021: HK\$0.8 million). As at 30 September 2022, outstanding amount of loans due from customers amounted to about HK\$31.1 million (31 March 2022: HK\$174.8 million), which were mainly relating to mortgage loans. Previously a borrower with outstanding mortgage loan amount of approximately HK\$117.5 million (the loan is secured by a property in Hong Kong) failed to pay its monthly instalments since December 2019. The Group had taken legal action and had successfully obtained vacant possession of the secured property in the capacity of mortgagee at the end of February 2022. The Group had further entered into a provisional agreement with an independent third party in April 2022 to dispose of the secured property for a consideration of HK\$128 million. The disposal was completed in July 2022. The whole proceeds had been retained by the Group for the repayment of the whole outstanding mortgage loan principal and payment of the relevant interest. As such, interest income amounted to about HK\$7.2 million has been recognized in the current period.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

FINANCIAL POSITION

Net asset value

As at 30 September 2022, net assets attributable to equity holders of the Company was HK\$9,754.1 million (31 March 2022: HK\$10,717.5 million). Net asset value per share was HK\$5.83 (31 March 2022: HK\$6.41).

Financial resources

As at 30 September 2022, the Group's cash, bank balances and bond and securities investments amounted to HK\$4,443.6 million (31 March 2022: HK\$5,170.8 million). Bank borrowings as at the same date amounted to HK\$5,300.2 million (31 March 2022: HK\$5,404.5 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash, bank balances and bond and securities investments over net assets attributable to equity holders of the Company, was 8.8% (31 March 2022: 2.2%).

Approximately 92.0% of the Group's cash, bank balances and bond and securities investments were denominated in Hong Kong dollar and United States dollar, 7.6% were in Renminbi and the balance of 0.4% were in other currencies. Approximately 97.6% of the Group's bank borrowings were denominated in Hong Kong dollar and United States dollar, and the balance of 2.4% were in Malaysian Ringgit.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 29.4% of the Group's bank borrowings were repayable within the first year, 21.9% were repayable within the second year, 45.1% were repayable within the third to fifth years and the balance of 3.6% were repayable after the fifth year.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

FINANCIAL POSITION *(Continued)*

Foreign exchange risk

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

PROSPECTS

With the gradual relaxation of social distancing curbs and the resumption of quarantine-free travel abroad, it is expected that the property market and economy in Hong Kong will recover gradually. We will monitor the situation closely and will take appropriate steps to preserve the Group’s competitiveness and grasp opportunities ahead. The Group will continue to look for opportunities to realize investments in various investment properties and off-load investments in non-core assets in order to further enhance the financial resources and capability of the Group to replenish its land bank in Hong Kong, especially for the luxury and mass residential market, for future property development and trading. We are confident that, with the implementation of the above strategies, the Group’s profitability and financial position will be improved, and further value can be created for our shareholders.

OTHER INFORMATION

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

As at 30 September 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which had been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in the Company

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

(b) Interests in associated corporations

(i) Evergain Holdings Limited ("Evergain")

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

OTHER INFORMATION (Continued)

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

(b) Interests in associated corporations (Continued)

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

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

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

Other than as disclosed herein, as at 30 September 2022, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

OTHER INFORMATION (Continued)

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executive of the Company and save as disclosed in the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, as at 30 September 2022, 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
Evergain	903,357,332	Beneficial owner, <i>Note 1</i>	54.01
Mr. Alan Chuang Shaw Swee (“Mr. Alan Chuang”)	903,357,332	<i>Note 1</i>	54.01
Mrs. Chong Ho Pik Yu	903,357,332	<i>Note 2</i>	54.01

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

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

Save as disclosed above, as at 30 September 2022, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

OTHER INFORMATION *(Continued)*

CORPORATE GOVERNANCE

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

Except as mentioned above, the Company has complied throughout the six months ended 30 September 2022 with the code provisions set out in the CG Code.

An audit committee has been established by the Company to review and supervise the Company’s financial reporting process, risk management and internal controls and review the relationship with the auditor. The audit committee has held meetings in accordance with the relevant requirements. The Group’s condensed consolidated interim financial information for the period ended 30 September 2022 has been reviewed by the audit committee of the Company and by the Company’s independent auditor in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The current members of the audit committee are Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong and Mr. Yau Chi Ming, the Independent Non-Executive Directors of the Company.

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

OTHER INFORMATION *(Continued)*

DEALING IN THE COMPANY'S SECURITIES

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

SHARE OPTION SCHEMES

Pursuant to the ordinary resolutions passed in the annual general meeting of the Company held on 2 September 2022, a new share option scheme of the Company (the "New Share Option Scheme") had been adopted and the new share option scheme adopted by Chuang's China on 2 September 2022 (the "New Chuang's China Scheme") had been approved respectively.

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

STAFF

The Group puts emphasis on training and cultivating elite talent. We are committed to providing a dynamic and enthusiastic working atmosphere and increase hiring talents of all fields. As at 30 September 2022, the Group (excluding Chuang's China group) employed 163 staff and the Chuang's China group employed 109 staff. The Group provides its staff with other benefits including discretionary bonus, double pay, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

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

Hong Kong, 29 November 2022

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 September 2022

	<i>Note</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
Continuing operations			
Revenues	5	148,675	481,107
Cost of sales		(38,350)	(178,703)
Gross profit		110,325	302,404
Other income and net loss	7A	(278,308)	(567,433)
(Loss)/gain on disposal of subsidiaries	7B	(13,166)	1,178,948
Selling and marketing expenses		(7,285)	(22,187)
Administrative and other operating expenses		(148,570)	(155,298)
Change in fair value of investment properties		(112,787)	93,340
Operating (loss)/profit	8	(449,791)	829,774
Finance costs	9	(65,331)	(54,855)
Share of results of associated companies		(1,056)	(863)
Share of results of joint ventures	10	(7,186)	1,354
(Loss)/profit before taxation		(523,364)	775,410
Taxation credit/(charge)	11	19,863	(150,051)
(Loss)/profit for the period from continuing operations		(503,501)	625,359
Discontinued operation			
Loss for the period from discontinued operation	13	–	(35,590)
(Loss)/profit for the period		(503,501)	589,769
(Loss)/profit for the period attributable to:			
Equity holders			
Continuing operations		(429,379)	322,885
Discontinued operation		–	(35,590)
		(429,379)	287,295
Non-controlling interests			
Continuing operations		(74,122)	302,474
		(503,501)	589,769
		<i>HK cents</i>	<i>HK cents</i> (Restated)
(Loss)/earnings per share (basic and diluted)	14		
Continuing operations		(25.67)	19.31
Discontinued operation		–	(2.13)
		(25.67)	17.18

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 September 2022

	2022	2021
	HK\$'000	HK\$'000
		(Restated)
(Loss)/profit for the period	(503,501)	589,769
Other comprehensive income:		
Items that had been/may be reclassified subsequently to profit and loss:		
Net exchange differences	(287,462)	53,123
Share of exchange reserve of a joint venture	(25,653)	4,063
Realization of exchange reserve upon disposal of subsidiaries	6,002	(27,353)
 Total other comprehensive (loss)/income that had been/may be reclassified subsequently to profit and loss	 (307,113)	 29,833
 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	(4,002)	7,213
 Total other comprehensive (loss)/income for the period	 (311,115)	 37,046
Total comprehensive (loss)/income for the period	(814,616)	626,815
 Total comprehensive (loss)/income attributable to:		
Equity holders		
Continuing operations	(628,911)	354,235
Discontinued operation	–	(35,590)
	(628,911)	318,645
 Non-controlling interests		
Continuing operations	(185,705)	308,170
	(814,616)	626,815

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30 September 2022

	30 September 2022	31 March 2022
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets		
Property, plant and equipment	165,279	186,815
Investment properties	8,315,727	8,832,092
Right-of-use assets	14,707	56,067
Properties for/under development	489,226	504,500
Cemetery assets	264,547	297,847
Associated companies	47,904	48,960
Joint ventures	795,659	795,733
Financial assets at fair value through other comprehensive income	150,284	155,258
Loans and receivables and other deposits	235,520	284,855
	10,478,853	11,162,127
Current assets		
Properties for sale	1,652,995	1,635,214
Cemetery assets	425,763	466,302
Inventories	101,515	100,782
Debtors and prepayments	127,486	370,607
Financial assets at fair value through profit or loss	417,874	1,153,158
Cash and bank balances	4,180,531	4,180,020
	6,906,164	7,906,083
Non-current assets classified as held for sale	44,220	–
	6,950,384	7,906,083

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) (Continued)*As at 30 September 2022*

		30 September 2022	31 March 2022
	<i>Note</i>	HK\$'000	HK\$'000
Current liabilities			
Creditors and accruals	18	420,326	582,141
Sale deposits received		–	381
Short-term bank borrowings	19	468,156	443,481
Current portion of long-term bank borrowings	19	1,340,581	1,429,747
Taxation payable		37,408	43,510
		<hr/>	<hr/>
		2,266,471	2,499,260
Liabilities classified as held for sale	17	26,028	–
		<hr/>	<hr/>
		2,292,499	2,499,260
		<hr/>	<hr/>
Net current assets		4,657,885	5,406,823
		<hr/>	<hr/>
Total assets less current liabilities		15,136,738	16,568,950
		<hr/>	<hr/>
Equity			
Share capital	20	418,138	418,138
Reserves		9,335,943	10,299,365
		<hr/>	<hr/>
Shareholders' funds		9,754,081	10,717,503
Non-controlling interests		1,502,204	1,783,342
		<hr/>	<hr/>
Total equity		11,256,285	12,500,845
		<hr/>	<hr/>
Non-current liabilities			
Long-term bank borrowings	19	3,491,479	3,531,277
Deferred taxation liabilities		309,833	423,748
Loans and payables with non-controlling interests		44,352	44,626
Other non-current liabilities		34,789	68,454
		<hr/>	<hr/>
		3,880,453	4,068,105
		<hr/>	<hr/>
		15,136,738	16,568,950
		<hr/>	<hr/>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30 September 2022

	<i>Note</i>	2022 HK\$'000	2021 HK\$'000
Net cash from operating activities		403,454	190,760
Cash flows from investing activities			
Interest income received		14,543	2,964
Additions to investment properties		–	(224)
Proceeds from disposal of investment properties		39	59,696
Net proceeds from disposal of subsidiaries, net of cash and bank balance disposed of	24	144,638	1,458,001
Change in investment in and amounts due from joint ventures, net		(33,027)	(3,685)
Increase in bank deposits maturing more than three months from date of placement		(50,430)	(2,790)
Others, net		4,963	7,426
Net cash from investing activities		80,726	1,521,388
Cash flows from financing activities			
New bank borrowings		488,382	457,719
Repayment of bank borrowings		(583,720)	(715,610)
Lease payments		(10,831)	(9,784)
Dividends paid to shareholders		(334,511)	–
Dividends paid to non-controlling interests		(91,172)	–
Decrease in loans and payables with non-controlling interests		–	(16)
Net cash used in financing activities		(531,852)	(267,691)
Net (decrease)/increase in cash and cash equivalents		(47,672)	1,444,457
Cash and cash equivalents at the beginning of the period		4,173,555	2,294,858
Cash and bank balance included in assets of disposal group classified as held for sale at the beginning of the period		–	134,650
Exchange difference on cash and cash equivalents		(2,247)	8,012
Cash and cash equivalents at the end of the period		4,123,636	3,881,977
Analysis of cash and cash equivalents			
Cash and bank balances		4,180,531	3,886,574
Bank deposits maturing more than three months from date of placement		(56,895)	(4,597)
Cash and cash equivalents		4,123,636	3,881,977

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2022

	Attributable to equity holders of the Company					Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Shareholders' funds HK\$'000	Non- controlling interests HK\$'000	
At 1 April 2022	418,138	1,208,955	9,090,410	10,717,503	1,783,342	12,500,845
Loss for the period	-	-	(429,379)	(429,379)	(74,122)	(503,501)
Other comprehensive income:						
Net exchange differences	-	(187,421)	-	(187,421)	(100,041)	(287,462)
Share of exchange reserve of a joint venture	-	(13,334)	-	(13,334)	(12,319)	(25,653)
Realization of exchange reserve upon disposal of subsidiaries (note 24)	-	3,670	-	3,670	2,332	6,002
Change in fair value of financial assets at fair value through other comprehensive income	-	(2,447)	-	(2,447)	(1,555)	(4,002)
Total comprehensive loss for the period	-	(199,532)	(429,379)	(628,911)	(185,705)	(814,616)
Realization of investment revaluation reserve upon disposal of financial assets at fair value through other comprehensive income	-	(7)	7	-	-	-
Realization of property, plant and equipment revaluation reserve and non-controlling interests upon disposal of subsidiaries	-	(30,600)	30,600	-	(4,261)	(4,261)
Transactions with owners:						
Dividends	-	-	(334,511)	(334,511)	-	(334,511)
Dividends to non-controlling interests	-	-	-	-	(91,172)	(91,172)
At 30 September 2022	418,138	978,816	8,357,127	9,754,081	1,502,204	11,256,285
At 1 April 2021	418,138	1,249,166	9,643,905	11,311,209	1,761,696	13,072,905
Profit for the period	-	-	287,295	287,295	302,474	589,769
Other comprehensive income:						
Net exchange differences	-	41,480	-	41,480	11,643	53,123
Share of exchange reserve of a joint venture	-	2,097	-	2,097	1,966	4,063
Realization of exchange reserve upon disposal of subsidiaries (note 24)	-	(16,606)	-	(16,606)	(10,747)	(27,353)
Change in fair value of financial assets at fair value through other comprehensive income	-	4,379	-	4,379	2,834	7,213
Total comprehensive income for the period	-	31,350	287,295	318,645	308,170	626,815
Realization of other reserves upon disposal of subsidiaries	-	(66,122)	66,122	-	-	-
Transactions with owners:						
Dividends	-	-	(25,088)	(25,088)	-	(25,088)
Dividends to non-controlling interests	-	-	-	-	(13,843)	(13,843)
At 30 September 2021	418,138	1,214,394	9,972,234	11,604,766	2,056,023	13,660,789

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

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

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales and trading of goods and merchandises, securities investment and trading and money lending business. During the year ended 31 March 2022, the Group disposed of the hotel in Hong Kong and afterwards there is no more hotel operation of the Group at the moment. Accordingly, the result of the hotel operation had been presented as discontinued operation in the consolidated income statement for the year ended 31 March 2022 in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". As such, the comparative figures in the condensed consolidated interim financial information for the six months ended 30 September 2022 have also been restated to conform to the presentation of discontinued operation (note 13).

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 2022 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 2022, except as stated below.

(i) **Effect of adopting amendments and improvements to standards, and revised accounting guideline**

For the six months ended 30 September 2022, the Group adopted the following amendments and improvements to standards, and revised accounting guideline that are effective for the accounting periods beginning on or after 1 April 2022 and relevant to the operations of the Group:

HKAS 16 (Amendment)	Property, Plant and Equipment: Proceeds before Intended Use
HKAS 37 (Amendment)	Onerous Contracts – Cost of Fulfilling a Contract
HKFRS 3 (Amendment)	Reference to the Conceptual Framework
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2018–2020 Cycle
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

The Group has assessed the impact of the adoption of these amendments and improvements to standards, and revised accounting guideline 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 standard, amendments to standards, practice statement and interpretation that are not yet effective**

The following new standard, amendments to standards, practice statement 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 2023, but have not yet been early adopted by the Group:

HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current (effective from 1 January 2023)
HKAS 1 (Amendment) and HKFRS Practice Statement 2	Disclosure of Accounting Policies (effective from 1 January 2023)
HKAS 8 (Amendment)	Definition of Accounting Estimates (effective from 1 January 2023)
HKAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction (effective from 1 January 2023)
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 17 and HKFRS 17 (Amendments)	Insurance Contracts (effective from 1 January 2023)
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (effective from 1 January 2023)

The Group will adopt the above new standard, amendments to standards, practice statement and interpretation as and when they become effective. The Group has commenced a preliminary assessment of the likely impact of adopting the above new standard, amendments to standards, practice statement 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 2022. There has been no material change in the Group's financial risk management policies since the year ended 31 March 2022.

(b) Liquidity risk

Compared to the year ended 31 March 2022, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

(c) Fair value estimation

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

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

During the six months ended 30 September 2022, except for the performance of the listed corporate bond investments recorded in financial assets at fair value through profit or loss which was adversely affected by high volatility of the bond market, there was no significant change in the business or economic circumstances that affect the fair values of the Group's financial assets and financial liabilities, no transfers of financial assets or financial liabilities between the levels in the hierarchy, and no reclassifications of financial assets.

For the estimates of fair value of investment properties, the valuation processes and techniques of the Group are consistent with those used in the annual financial statements for the year ended 31 March 2022, which were based on the economic, market and other conditions as they exist on, and information available to management as of 30 September 2022.

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 2022.

5. REVENUES

Revenues recognized during the period are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
Continuing operations		
Sales of properties	1,350	270,390
Rental income and management fees	74,326	79,408
Sales of cemetery assets	9,280	20,803
Sales of goods and merchandises	5,821	7,125
Interest income from money lending business	7,943	776
Interest and other income from bond investments of financial assets at fair value through profit or loss	49,800	102,671
Dividend income from securities investments for trading of financial assets at fair value through profit or loss	23	34
Net gain/(loss) of securities investments for trading of financial assets at fair value through profit or loss	132	(100)
	<u>148,675</u>	<u>481,107</u>

6. SEGMENT INFORMATION

(a) Segment information by business lines

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

The CODM considers the business from a business perspective, including property development, investment and trading, development and operation of cemetery, sales of goods and merchandises, securities investment and trading and money lending business. The CODM assesses the performance of the operating segments based on the measure of segment result. The comparative figures have been restated to conform to the presentation of discontinued operation after the hotel disposal as mentioned in note 1.

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:

	Continuing operations						Total HK\$'000
	Property development, investment and trading HK\$'000	Cemetery HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Money lending business HK\$'000	Others and corporate HK\$'000	
2022							
Revenue from contracts with customers:							
– Recognized at a point in time	1,350	9,280	5,821	–	–	–	16,451
– Recognized over time	7,473	–	–	–	–	–	7,473
Revenues from other sources	66,853	–	–	49,955	7,943	–	124,751
Revenues	<u>75,676</u>	<u>9,280</u>	<u>5,821</u>	<u>49,955</u>	<u>7,943</u>	<u>–</u>	<u>148,675</u>
Other income and net loss	(1,159)	336	3,022	(287,013)	–	6,506	(278,308)
Loss on disposal of subsidiaries	(13,166)	–	–	–	–	–	(13,166)
Operating (loss)/profit	(105,296)	1,669	(272)	(237,577)	8,092	(116,407)	(449,791)
Finance costs	(61,618)	–	(641)	(3,072)	–	–	(65,331)
Share of results of associated companies	42	–	–	–	–	(1,098)	(1,056)
Share of results of joint ventures	(7,186)	–	–	–	–	–	(7,186)
(Loss)/profit before taxation	(174,058)	1,669	(913)	(240,649)	8,092	(117,505)	(523,364)
Taxation credit/(charge)	20,507	(644)	–	–	–	–	19,863
(Loss)/profit for the period	<u>(153,551)</u>	<u>1,025</u>	<u>(913)</u>	<u>(240,649)</u>	<u>8,092</u>	<u>(117,505)</u>	<u>(503,501)</u>
As at 30 September 2022							
Segment assets	11,050,171	746,724	106,042	547,262	14,796	4,076,459	16,541,454
Associated companies	181	–	–	–	–	47,723	47,904
Joint ventures	795,659	–	–	–	–	–	795,659
Non-current assets classified as held for sale	–	–	44,220	–	–	–	44,220
Total assets	<u>11,846,011</u>	<u>746,724</u>	<u>150,262</u>	<u>547,262</u>	<u>14,796</u>	<u>4,124,182</u>	<u>17,429,237</u>
Segment liabilities	5,682,560	183,433	5,967	189,446	204	85,314	6,146,924
Liabilities classified as held for sale	–	–	26,028	–	–	–	26,028
Total liabilities	<u>5,682,560</u>	<u>183,433</u>	<u>31,995</u>	<u>189,446</u>	<u>204</u>	<u>85,314</u>	<u>6,172,952</u>
2021							
Other segment items are as follows:							
Capital expenditure	33,594	9,357	–	–	–	1,720	44,671
Depreciation of property, plant and equipment	2,002	235	265	–	–	4,438	6,940
Depreciation of right-of-use assets	1,709	46	1,392	–	–	6,764	9,911
Provision for impairment of trade debtors	1,602	–	–	–	–	–	1,602
Fair value loss of investment properties	112,787	–	–	–	–	–	112,787

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

6. SEGMENT INFORMATION (Continued)

(a) Segment information by business lines (Continued)

	Continuing operations						Discontinued operation		
	Property development, investment and trading HK\$ '000 (Restated)	Cemetery HK\$ '000 (Restated)	Sales of goods and merchandises HK\$ '000 (Restated)	Securities investment and trading HK\$ '000 (Restated)	Money lending business HK\$ '000 (Restated)	Others and corporate HK\$ '000 (Restated)	Total HK\$ '000 (Restated)	Hotel operation and management HK\$ '000 (Restated)	Total HK\$ '000 (Restated)
2021									
Revenue from contracts with customers:									
– Recognized at a point in time	270,390	20,803	7,125	–	–	–	298,318	–	298,318
– Recognized over time	5,464	–	–	–	–	–	5,464	15,506	20,970
Revenues from other sources	73,944	–	–	102,605	776	–	177,325	–	177,325
Revenues	349,798	20,803	7,125	102,605	776	–	481,107	15,506	496,613
Other income and net (loss)/gain	(10,817)	29	3,126	(576,572)	–	16,801	(567,433)	–	(567,433)
Gain on disposal of subsidiaries	1,178,948	–	–	–	–	–	1,178,948	–	1,178,948
Operating profit/(loss)	1,403,801	8,328	(577)	(474,164)	658	(108,272)	829,774	(29,805)	799,969
Finance costs	(45,025)	–	(913)	(7,113)	–	(1,804)	(54,855)	(5,785)	(60,640)
Share of results of associated companies	43	–	–	–	–	(906)	(863)	–	(863)
Share of results of joint ventures	1,354	–	–	–	–	–	1,354	–	1,354
Profit/(loss) before taxation	1,360,173	8,328	(1,490)	(481,277)	658	(110,982)	775,410	(35,590)	739,820
Taxation charge	(147,949)	(2,102)	–	–	–	–	(150,051)	–	(150,051)
Profit/(loss) for the period	1,212,224	6,226	(1,490)	(481,277)	658	(110,982)	625,359	(35,590)	589,769
As at 31 March 2022									
Segment assets	11,692,024	840,501	155,871	1,248,999	158,051	4,128,071	18,223,517	–	18,223,517
Associated companies	138	–	–	–	–	48,822	48,960	–	48,960
Joint ventures	795,733	–	–	–	–	–	795,733	–	795,733
Total assets	12,487,895	840,501	155,871	1,248,999	158,051	4,176,893	19,068,210	–	19,068,210
Total liabilities	5,763,354	236,453	35,392	320,368	160	211,638	6,567,365	–	6,567,365
2021									
Other segment items are as follows:									
Capital expenditure	26,350	–	913	–	–	–	27,263	–	27,263
Depreciation of property, plant and equipment	2,477	258	695	–	–	6,912	10,342	11,516	21,858
Depreciation of right-of-use assets	31	27	2,201	–	–	6,947	9,206	19,462	28,668
Fair value gain of investment properties	93,340	–	–	–	–	–	93,340	–	93,340

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	
	2022 HK\$'000	2021 HK\$'000 (Restated)	2022 HK\$'000	2021 HK\$'000 (Restated)
Continuing Operations				
Hong Kong	116,636	228,640	34,867	26,097
The People's Republic of China (the "PRC")	17,911	38,224	9,357	–
Vietnam	–	198,914	–	–
Other countries	14,128	15,329	447	1,166
	<u>148,675</u>	<u>481,107</u>	<u>44,671</u>	<u>27,263</u>
Discontinued operation	–	15,506	–	–
	<u>148,675</u>	<u>496,613</u>	<u>44,671</u>	<u>27,263</u>
	Non-current assets (Note)		Total assets	
	30 September 2022 HK\$'000	31 March 2022 HK\$'000	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Continuing Operations				
Hong Kong	7,286,608	7,283,398	13,556,312	14,506,105
The PRC	1,864,257	2,311,702	2,794,605	3,325,909
Other countries	942,184	1,126,914	1,078,320	1,236,196
	<u>10,093,049</u>	<u>10,722,014</u>	<u>17,429,237</u>	<u>19,068,210</u>

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

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

7A. OTHER INCOME AND NET LOSS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
Continuing operations		
Interest income from bank deposits	17,019	2,879
Dividend income from financial assets at fair value through other comprehensive income	7,366	7,469
Net loss of bonds and other investments of financial assets at fair value through profit or loss <i>(note)</i>	(287,043)	(576,115)
Net loss on disposal of investment properties	–	(78)
Net gain/(loss) on disposal of property, plant and equipment	151	(18)
Net exchange loss	(20,040)	(6,728)
Others	4,239	5,158
	<u>(278,308)</u>	<u>(567,433)</u>

Note: The amount is comprising of net gain on disposal of HK\$299.2 million (2021: net loss of HK\$12.5 million) and net fair value loss of HK\$586.3 million (2021: HK\$563.6 million) for bonds and other investments of financial assets at fair value through profit or loss.

7B. (LOSS)/GAIN ON DISPOSAL OF SUBSIDIARIES

- (a) On 5 August 2022, a direct wholly-owned subsidiary of Chuang's China Investments Limited ("Chuang's China") (a listed subsidiary of the Group) entered into a sale and purchase agreement with an independent third party to dispose of the property holding subsidiaries which held a property in Changan, Dongguan, the PRC, at a consideration of approximately RMB132.1 million (equivalent to approximately HK\$149.7 million) (the "Changan Disposal"). Details of the Changan Disposal were announced by Chuang's China and the Company on 5 August 2022. The transaction was completed on 5 September 2022, and a loss on disposal of subsidiaries before non-controlling interests was recorded in the period ended 30 September 2022, taking into account the net assets disposed of approximately HK\$156.5 million, the realization of a negative exchange reserve upon disposal of approximately HK\$6.0 million and the related transaction costs. Details of the Changan Disposal are shown in note 24.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

7B. (LOSS)/GAIN ON DISPOSAL OF SUBSIDIARIES (Continued)

- (b) On 9 February 2021, the wholly-owned subsidiaries of Chuang's China entered into the conditional sale and purchase agreements with independent third parties for the disposal of the properties holding subsidiaries that hold the property project in Panyu, Guangzhou, the PRC, for an aggregate consideration of about RMB1,574.9 million (equivalent to approximately HK\$1,896.7 million) (the "Panyu Disposal"). The Panyu Disposal had been approved by the shareholders of Chuang's China and the Company on 13 April 2021 respectively. Details of the Panyu Disposal were announced by Chuang's China and the Company on 11 February 2021 and 14 May 2021, and published in the circulars of Chuang's China and the Company on 19 March 2021. The transaction was completed on 14 May 2021, and a gain on disposal of subsidiaries was recorded in 2021, taking into account the net assets disposed of approximately HK\$707.2 million, the realization of exchange reserve upon disposal of approximately HK\$27.4 million and related transaction costs. Details of the Panyu Disposal are shown in note 24.

8. OPERATING (LOSS)/PROFIT

	2022 HK\$'000	2021 HK\$'000 (Restated)
Continuing operations		
Operating (loss)/profit is stated after charging:		
Cost of properties sold	678	140,007
Cost of cemetery assets sold	2,142	4,149
Cost of inventories sold	4,416	4,845
Depreciation of property, plant and equipment	6,940	10,342
Depreciation of right-of-use assets	9,911	9,206
Provision for impairment of trade debtors	1,602	–
Staff costs, including Directors' emoluments		
Wages and salaries (<i>note</i>)	54,677	54,060
Retirement benefit costs	2,414	2,417
	<u>2,414</u>	<u>2,417</u>

Note: Government grants amounting to HK\$2,373,000 (2021: HK\$74,000) have been recognized and deducted in wages and salaries expenses for the six months ended 30 September 2022.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

9. FINANCE COSTS

	2022 HK\$'000	2021 HK\$'000 (Restated)
Continuing operations		
Interest expenses of		
Bank borrowings	69,096	56,640
Bank overdraft	46	44
Lease liabilities	814	1,289
	<u>69,956</u>	<u>57,973</u>
Amounts capitalized into properties under development	(4,625)	(3,118)
	<u>65,331</u>	<u>54,855</u>

The capitalization rate applied to funds borrowed for the development of properties ranged from 3.44% to 3.54% (2021: 1.24%) per annum.

10. SHARE OF RESULTS OF JOINT VENTURES

Share of loss of joint ventures of HK\$7,186,000 (2021: profit of HK\$1,354,000) in the condensed consolidated income statement included the share of fair value loss of the investment properties (net of the related deferred taxation) of a joint venture of HK\$13,936,000 (2021: Nil), and the rental income recorded by a joint venture from the wholly-owned subsidiary of the joint venture partner for the period ended 30 September 2022 amounting to approximately HK\$9,433,000 (2021: HK\$6,682,000).

11. TAXATION (CREDIT)/CHARGE

	2022 HK\$'000	2021 HK\$'000 (Restated)
Continuing operations		
Current taxation		
Hong Kong profits tax	–	2,630
PRC corporate income tax	952	4,383
PRC land appreciation tax	–	6,414
PRC withholding corporate income tax <i>(notes 7B(a) and 7B(b))</i>	3,441	142,071
Overseas profits tax	95	8,373
Deferred taxation	(24,351)	(13,820)
	<u>(19,863)</u>	<u>150,051</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

11. TAXATION (CREDIT)/CHARGE (Continued)

No Hong Kong profits tax has been provided 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 (2021: Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits for that period). PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC 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. PRC withholding corporate income tax includes the relevant tax on disposal of subsidiaries arising from the Changan Disposal and the Panyu Disposal as mentioned in notes 7B(a) and 7B(b) respectively.

Share of taxation charge of associated companies for the six months ended 30 September 2022 of HK\$13,000 (2021: HK\$14,000) is included in the condensed consolidated income statement as “Share of results of associated companies”. Share of deferred taxation credit arising from the fair value loss of the investment properties of the joint venture for the period ended 30 September 2022 of HK\$4,645,000 (2021: Nil, as it did not have deferred taxation arising from the change in fair value of the investment properties and it had sufficient tax losses brought forward to set off against the estimated assessable profits for that period) is included in the condensed consolidated income statement as “Share of results of joint ventures”.

12. INTERIM DIVIDEND

On 29 November 2022, the board of Directors has resolved not to declare an interim dividend for the six months ended 30 September 2022 (2021: 2.0 HK cents per share amounting to HK\$33,451,000).

13. DISCONTINUED OPERATION

On 20 December 2021, the Group entered into a conditional sale and purchase agreement with an independent third party for the disposal of the subsidiaries that held a hotel in Hong Kong (the “Hotel Group”) for an aggregate consideration of about HK\$1,651.2 million (the “Hotel Disposal”). The Hotel Disposal had been approved by the shareholders of the Company on 4 March 2022. Details of the Hotel Disposal were announced by the Company on 20 December 2021 and published in the circular of the Company on 21 January 2022. The Hotel Disposal was completed on 8 March 2022.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

13. DISCONTINUED OPERATION (Continued)

The Hotel Group was principally engaged in the operation of the hotel in Hong Kong. After the Hotel Disposal, there is no more hotel operation of the Group at the moment. In accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, the consolidated results of the Hotel Group had been presented as discontinued operation in the consolidated financial statements for the year ended 31 March 2022. As such, the comparative figures of the condensed consolidated income statement and condensed consolidated statement of comprehensive income and corresponding notes for the six months ended 30 September 2022 have been restated to reflect the reclassification between continuing operations and discontinued operation of the Group accordingly.

The results of the discontinued operation for the period ended 30 September 2021 are set out below:

	2021 HK\$'000
Revenues	15,506
Cost of sales	<u>(8,278)</u>
Gross profit	7,228
Selling and marketing expenses	(2,510)
Administrative and other operating expenses	<u>(34,523)</u>
Operating loss	(29,805)
Finance costs	<u>(5,785)</u>
Loss for the period from discontinued operation	<u><u>(35,590)</u></u>

14. (LOSS)/EARNINGS PER SHARE

The calculation of the (loss)/earnings per share is based on the following (loss)/profit attributable to equity holders and the weighted average number of 1,672,553,104 (2021: 1,672,553,104) shares in issue during the period:

	2022			2021		
	Continuing operations HK\$'000	Discontinued operation HK\$'000	Total HK\$'000	Continuing operations (Restated) HK\$'000	Discontinued operation (Restated) HK\$'000	Total (Restated) HK\$'000
(Loss)/profit attributable to equity holders	<u>(429,379)</u>	<u>-</u>	<u>(429,379)</u>	<u>322,885</u>	<u>(35,590)</u>	<u>287,295</u>

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

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

15. CAPITAL EXPENDITURE

For the six months ended 30 September 2022, the Group incurred acquisition and development costs on property, plant and equipment of HK\$2,403,000 (2021: HK\$36,000), right-of-use assets of HK\$111,000 (2021: HK\$7,747,000) and property projects, properties, investment properties and cemetery assets of HK\$42,157,000 (2021: HK\$19,480,000) respectively.

16. DEBTORS AND PREPAYMENTS

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

	30 September	31 March
	2022	2022
	HK\$'000	HK\$'000
Below 30 days	5,062	6,224
31 to 60 days	2,465	3,054
61 to 90 days	1,034	2,258
Over 90 days	5,563	11,499
	14,124	23,035

Debtors and prepayments include net deposits of HK\$2,973,000 (31 March 2022: HK\$5,973,000) for acquisition of property projects, properties and right-of-use assets after the accumulated provision for impairment as at 30 September 2022. As at 31 March 2022, the balances also included (i) the deferred consideration of about HK\$122.9 million for the Panyu Disposal as mentioned in note 7B(b), which was received in May 2022 after the expiry of 12 months from the date of completion of the Panyu Disposal; and (ii) a consideration receivable of about HK\$5,119,000 for the Hotel Disposal as mentioned in note 13 which was received in July 2022 in accordance with the sale and purchase agreement.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

17. NON-CURRENT ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Assets		
Property, plant and equipment	14,660	–
Right-of-use assets	29,560	–
	44,220	–
Liabilities		
Creditors and accruals	1,036	–
Other non-current liabilities	24,992	–
	26,028	–

On 15 June 2022, an indirect non-wholly-owned subsidiary of the Company entered into an agreement with an independent third party to dispose of the land and factory building in Singapore for a consideration of S\$21 million (equivalent to approximately HK\$118.4 million). Details of the disposal were announced by the Company on 15 June 2022 and it is expected that the transaction will be completed in next year. As such, the net book value of the land and factory building, which were recorded in “Property, plant and equipment” and “Right-of-use assets”, were reclassified as “Non-current assets classified as held for sale”, whereas the current and non-current portions of the related lease liabilities which were recorded in “Creditors and accruals” and “Other non-current liabilities”, were reclassified as “Liabilities classified as held for sale” respectively, as at 30 September 2022.

18. CREDITORS AND ACCRUALS

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

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Below 30 days	3,890	3,792
31 to 60 days	1,580	770
Over 60 days	4,521	4,853
	9,991	9,415

Creditors and accruals include the construction cost payables and accruals of HK\$183,890,000 (31 March 2022: HK\$209,853,000) for the property and cemetery projects of the Group. As at 31 March 2022, the balances also included the special dividend payable of the Company of HK\$100,353,000 which was paid on 29 April 2022.

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

19. BORROWINGS

	30 September 2022 <i>HK\$'000</i>	31 March 2022 <i>HK\$'000</i>
Unsecured bank borrowings		
Short-term bank borrowing	200,000	–
Long-term bank borrowings	1,135,517	1,204,815
	1,335,517	1,204,815
Secured bank borrowings		
Short-term bank borrowings	268,156	443,481
Long-term bank borrowings	3,696,543	3,756,209
	3,964,699	4,199,690
Total bank borrowings	5,300,216	5,404,505

The total bank borrowings are analyzed as follows:

	30 September 2022 <i>HK\$'000</i>	31 March 2022 <i>HK\$'000</i>
Short-term bank borrowings	468,156	443,481
Long-term bank borrowings	4,832,060	4,961,024
Total bank borrowings	5,300,216	5,404,505

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

19. BORROWINGS (Continued)

The long-term bank borrowings are analyzed as follows:

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Long-term bank borrowings	4,832,060	4,961,024
Current portion included in current liabilities		
Portion due within one year	(1,084,066)	(935,476)
Portion due after one year which contains a repayment on demand clause	(256,515)	(494,271)
	(1,340,581)	(1,429,747)
	3,491,479	3,531,277

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

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Within the first year	1,552,222	1,378,957
Within the second year	1,162,518	872,072
Within the third to fifth years	2,392,925	3,028,867
After the fifth year	192,551	124,609
	5,300,216	5,404,505

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

20. SHARE CAPITAL

	30 September 2022 HK\$'000	31 March 2022 HK\$'000
Authorized:		
2,500,000,000 shares of HK\$0.25 each	625,000	625,000
	Number of shares	Amount HK\$'000
Issued and fully paid at HK\$0.25 each:		
At 31 March 2022 and 30 September 2022	1,672,553,104	418,138

21. FINANCIAL GUARANTEES

As at 30 September 2022, the Company had provided guarantees of HK\$411,123,000 (31 March 2022: HK\$411,131,000) for the banking facilities granted to joint ventures, and subsidiaries had provided guarantees of HK\$6,401,000 (31 March 2022: HK\$9,409,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

22. COMMITMENTS

As at 30 September 2022, the Group had commitments contracted but not provided for in respect of property projects, properties and property, plant and equipment of HK\$557,198,000 (31 March 2022: HK\$438,116,000) and financial assets at fair value through profit or loss of HK\$46,128,000 (31 March 2022: HK\$47,569,000) respectively.

23. PLEDGE OF ASSETS

As at 30 September 2022, the Group had pledged certain assets including investment properties, properties for/under development, properties for sale, and those assets in non-current assets classified as held for sale, with an aggregate carrying value of HK\$8,350,526,000 (31 March 2022: HK\$8,488,796,000, also included financial assets at fair value through profit or loss), to secure banking facilities granted to the subsidiaries.

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

24. (LOSS)/GAIN ON DISPOSAL OF SUBSIDIARIES

	Changan Disposal 2022 HK\$'000	Panyu Disposal 2021 HK\$'000
Consideration	149,700	1,896,712
Less: Transaction costs and related expenses	(351)	(37,913)
	<hr/>	<hr/>
Net proceeds	149,349	1,858,799
Details of net assets at the date of disposal:		
Investment properties	215,119	192,315
Properties for sale	–	449,553
Debtors and prepayments	167	10,406
Cash and bank balances	1,311	132,099
Creditors and accruals	(1,456)	(2,406)
Taxation payable	(1,064)	(5,040)
Deferred taxation liabilities	(53,303)	(69,723)
Non-controlling interests	(4,261)	–
	<hr/>	<hr/>
Net assets disposed of	156,513	707,204
Realization of exchange reserve upon disposal	6,002	(27,353)
(Loss)/gain on disposal of subsidiaries (note 7B)	(13,166)	1,178,948
	<hr/>	<hr/>
	149,349	1,858,799
Analysis of (loss)/gain on the disposal of subsidiaries:		
(Loss)/gain on disposal of subsidiaries (note 7B)	(13,166)	1,178,948
Less: PRC withholding corporate income tax (note 11)	(3,441)	(142,071)
	<hr/>	<hr/>
Net (loss)/gain on the disposal of subsidiaries after taxation	(16,607)	1,036,877
	<hr/>	<hr/>
Analysis of net cash inflow in respect of the disposal:		
Net cash consideration received	149,349	1,858,799
Less: Deposit received in creditors and accruals	–	(118,320)
Consideration receivable/deferred consideration in debtors and prepayments	(3,400)	(120,271)
Deferred tax receivable in loans and receivables and other deposits	–	(30,108)
Cash and bank balances disposed of	(1,311)	(132,099)
	<hr/>	<hr/>
Net cash inflow from the disposal	144,638	1,458,001
	<hr/>	<hr/>
Represented by:		
Net proceeds from disposal of subsidiaries included in cash flows from investing activities	144,638	1,458,001
	<hr/>	<hr/>

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

25. EVENT AFTER THE REPORTING PERIOD

On 14 October 2022, an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to dispose of the asset which is a project commissioned by the Group for a make-to-order craft to facilitate liveaboard purpose for a consideration of not more than about EUR17 million (equivalent to approximately HK\$131 million) (subject to adjustments). Details of the disposal were announced by the Company on 14 October 2022.