



中國置業投資控股有限公司*

CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 736

2023

INTERIM REPORT

* For identification purposes only

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Han Wei (*Chairman*)

Au Tat On

Wang Linbo

Independent Non-Executive Directors

Tang Yiu Kay

Cao Jie Min

Liang Kuo-Chieh

COMPANY SECRETARY

Hui San Wing

AUTHORISED REPRESENTATIVES

Au Tat On

Hui San Wing

AUDITOR

McM (HK) CPA Limited

LEGAL ADVISER

H.Y. Leung & Co. LLP Solicitors

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Hamilton HM11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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26 Harbour Road, Wanchai,

Hong Kong

HONG KONG SHARE REGISTRAR

Tricor Secretaries Limited

17/F, Far East Finance Centre,

16 Harcourt Road,

Hong Kong

WEBSITE

736.com.hk

STOCK CODE

736

PRINCIPAL BANKERS

ICBC (Asia)

CMB Wing Lung Bank

INDEPENDENT REVIEW REPORT



McM (HK) CPA Limited

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

INTRODUCTION

We have reviewed the interim financial report set out on pages 4 to 29 which comprises the condensed consolidated statement of financial position of China Properties Investment Holdings Limited (“the Company”) and its subsidiaries (together, the “Group”) as at 30 September 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

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

SCOPE OF REVIEW

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

CONCLUSION

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

McM (HK) CPA Limited

Certified Public Accountants

24/F., Siu On Centre,
188 Lockhart Road, Wanchai,
Hong Kong

30 November 2023

Wong Ka Bo, Jimmy

Practising Certificate No.: P07560

The board (the "Board") of directors (the "Directors") of China Properties Investment Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (together the "Group") for the six months ended 30 September 2023, together with the comparative figures of the corresponding period last year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2023

	Notes	Six months ended 30 September 2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Revenue	6	<u>42,718</u>	<u>42,947</u>
Valuation gain/(loss) on investment properties		1,959	(38,341)
Other income	7(a)	–	3
Other gains and losses	8(e)	(106,599)	(16,697)
Administrative expenses		(8,976)	(9,871)
Other expenses	8(d)	<u>(61,574)</u>	<u>(72,008)</u>
Loss from operations		(132,472)	(93,967)
Finance costs	8(a)	<u>(3,693)</u>	<u>(4,843)</u>
Loss before taxation	8	(136,165)	(98,810)
Income tax (expenses)/credit	9	<u>(2,330)</u>	<u>7,382</u>
Loss for the period		<u>(138,495)</u>	<u>(91,428)</u>
Attributable to:			
Owners of the Company		<u>(138,495)</u>	<u>(91,428)</u>
Loss per share	11		
From continuing and discontinued operations			
– Basic		<u>(HK51.84 cents)</u>	(HK34.22 cents)
– Diluted		<u>(HK51.84 cents)</u>	<u>(HK34.22 cents)</u>
From continuing operations			
– Basic		<u>(HK51.84 cents)</u>	(HK34.22 cents)
– Diluted		<u>(HK51.84 cents)</u>	<u>(HK34.22 cents)</u>

The notes on pages 10 to 29 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	(138,495)	(91,428)
Other comprehensive loss for the period		
Items that may reclassified subsequently to profit or loss:		
Exchange differences arising on translation of:		
– financial statements of group entities	<u>(16,273)</u>	<u>(21,449)</u>
Total comprehensive expense for the period	<u>(154,768)</u>	<u>(112,877)</u>
Attributable to:		
Owners of the Company	<u>(154,768)</u>	<u>(112,877)</u>

The notes on pages 10 to 29 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	<i>Notes</i>	30/9/2023 (Unaudited) HK\$'000	31/3/2023 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment		2,040	2,238
Right-of-use assets		3,531	2,965
Investment properties	12	185,494	277,160
Deferred tax assets		128	–
Loan receivables	15	107,576	142,301
		298,769	424,664
Current assets			
Trade and other receivables	14	99,950	62,805
Loan receivables	15	260,535	333,002
Financial assets at fair value through profit or loss	13	28,700	47,092
Cash and bank balances		1,264	971
		390,449	443,870
Current liabilities			
Trade and other payables		70,997	75,694
Interest-bearing bank borrowings		4,000	4,000
Other borrowing		5,380	1,820
Unconvertible bonds	16	1,960	2,800
Lease liabilities		6,432	6,432
Tax payable		10,718	8,263
		99,487	99,009

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*(continued)*

AS AT 30 SEPTEMBER 2023

	<i>Notes</i>	30/9/2023 (Unaudited) HK\$'000	31/3/2023 (Audited) HK\$'000
Net current assets		290,962	344,861
Total assets less current liabilities		589,731	769,525
Non-current liabilities			
Interest-bearing bank borrowings		79,367	82,739
Lease liabilities		9,037	30,691
		88,404	113,430
NET ASSETS		501,327	656,095
Equity			
Equity attributable to owners of the Company			
Share capital	17	106,867	106,867
Reserves		394,460	549,228
TOTAL EQUITY		501,327	656,095

The notes on pages 10 to 29 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Attributable to owners of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Contributed surplus HK\$'000	Employee share-based compensation reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2022 (Audited)	106,867	2,093,405	(11,153)	136,012	27,392	16,099	(1,631,596)	737,026
Total comprehensive loss for the period	-	-	-	-	-	(21,449)	(91,428)	(112,877)
Share option expired during the period	-	-	-	-	(4,435)	-	4,435	-
At 30 September 2022 (Unaudited)	106,867	2,093,405	(11,153)	136,012	22,957	(5,350)	(1,718,589)	624,149
At 1 April 2023 (Audited)	106,867	2,093,405	(11,153)	136,012	-	(7,652)	(1,661,384)	656,095
Total comprehensive loss for the period	-	-	-	-	-	(16,273)	(138,495)	(154,768)
Share option expired during the period	-	-	-	-	-	-	-	-
At 30 September 2023 (Unaudited)	106,867	2,093,405	(11,153)	136,012	-	(23,880)	(1,801,967)	501,327

The notes on pages 10 to 29 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	3,300	18,547
Net cash from/(used in) investing activities	1,343	(2,496)
Net cash used in financing activities	(4,275)	(17,442)
Net increase/(decrease) in cash and cash equivalents	368	(1,391)
Cash and cash equivalents at beginning of period	971	16,466
Effect of foreign exchange rate changes, net	(75)	(5,974)
Cash and cash equivalents at end of period	<u>1,264</u>	<u>9,101</u>

The notes on pages 10 to 29 form part of this condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION OF FINANCIAL INFORMATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2023 have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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

3. CHANGE IN ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2023, except for the additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standard (“HKFRSs”). The unaudited condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 31 March 2023.

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

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

The unaudited condensed consolidated interim financial information for the period ended 30 September 2023 comprise the Company and its subsidiaries.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior year.

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

4. SEGMENT REPORTING

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

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

i) **Properties investment**

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

ii) **Money lending business**

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

4. SEGMENT REPORTING (continued)

a) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resources allocation and assessment of segment performance for the period ended 30 September 2023 and 2022 is set out below.

	Six months ended 30 September 2023 (Unaudited)			Six months ended 30 September 2022 (Unaudited)		
	Properties investment	Money lending business	Total	Properties investment	Money lending business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>7,971</u>	<u>34,747</u>	<u>42,718</u>	<u>9,942</u>	<u>33,005</u>	<u>42,947</u>
Reportable segment revenue	<u>7,971</u>	<u>34,747</u>	<u>42,718</u>	<u>9,942</u>	<u>33,005</u>	<u>42,947</u>
Reportable segment (loss)/profit before taxation	(49,083)	(26,826)	(75,909)	9,815	(39,125)	(29,310)
Depreciation			(1,321)			(1,358)
Interest income			-			3
Finance cost			(3,693)			(4,843)
Realised and unrealised (loss)/gain dealing of financial assets at fair value through profit or loss			(17,049)			21,470
Exchange loss			(32,496)			(38,167)
Valuation gain/(loss) on investment properties			1,959			(38,341)
Unallocated corporate expenses			(7,656)			(8,264)
Loss before taxation			(136,165)			(98,810)

4. SEGMENT REPORTING (continued)

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

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
(i) Assets		
Total reportable segments' assets	654,947	815,506
Financial assets at fair value through profit or loss	28,700	47,092
Unallocated corporate assets	5,571	5,936
	<u>689,218</u>	<u>868,534</u>
Consolidated total assets	<u>689,218</u>	<u>868,534</u>
(ii) Liabilities		
Reportable segments' liabilities	160,738	186,443
Unconvertible bonds	1,960	2,800
Tax payables	10,718	8,263
Unallocated corporate liabilities	14,475	14,933
	<u>187,891</u>	<u>212,439</u>
Consolidated total liabilities	<u>187,891</u>	<u>212,439</u>

c) Revenue from major services

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

	Six months ended 30 September 2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Properties investment	7,971	9,942
Money lending business	34,747	33,005
	<u>42,718</u>	<u>42,947</u>

4. SEGMENT REPORTING (continued)

d) Geographic information

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

	Revenue from external customers		Non-current assets	
	Six months ended 30 September 2023 (Unaudited) HK\$'000	Six months ended 30 September 2022 (Unaudited) HK\$'000	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Hong Kong (place of domicile)	27,779	33,005	501	501
PRC	14,939	9,942	190,564	281,862
	<u>42,718</u>	<u>42,947</u>	<u>191,065</u>	<u>282,363</u>

5. SEASONALITY OF OPERATIONS

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

6. REVENUE

Disaggregation of Revenue

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

	Six months ended 30 September 2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Revenue from sources other than HKFRS15:		
Rental income from investment properties	7,971	9,942
Loan interest income	34,747	33,005
	<u>42,718</u>	<u>42,947</u>

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

7. OTHER INCOME AND OTHER GAINS OR LOSSES

	Six months ended	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
a) Other income		
Interest income on bank deposits	-	3
	<u> </u>	<u> </u>
	-	3
	<u> </u>	<u> </u>

8. LOSS BEFORE TAXATION

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

	Six months ended	
	30 September	2022
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
a) Finance costs		
Interest expense on interest-bearing bank borrowings	3,078	3,485
Interest expense on unconvertible bonds	–	251
Interest expense on lease liabilities	295	1,099
Interest expense on other loan	320	8
	<u>3,693</u>	<u>4,843</u>
Total interest expense on financial liabilities not at fair value through profit or loss		
	<u>3,693</u>	<u>4,843</u>
b) Staff costs (including Directors' remuneration)		
Salaries, wages and other benefits	3,411	3,794
Contribution to defined contribution retirement plans	154	183
	<u>3,565</u>	<u>3,977</u>
c) Other items		
Auditor's remuneration		
– other services	170	150
Minimum lease payments under operating lease		
– rented premises, including management's quarters of HK\$360,000 (2022: HK\$360,000)	360	79
Depreciation		
– owned plant and equipment	99	107
– right-of-use asset	1,222	1,251
Gross rental income from investment properties less direct outgoings of approximately HK\$1,564,490 (2022: HK\$2,685,000)	<u>(9,535)</u>	<u>(12,627)</u>
d) Other expenses		
Allowance of expected credit loss on loan and interest receivables	<u>61,574</u>	<u>72,008</u>
e) Other gains and losses		
Realised and unrealised (loss)/gain dealing of financial assets at fair value through profit or loss	(17,049)	21,470
Loss on disposal of an investment property	(57,054)	–
Exchange loss	<u>(32,496)</u>	<u>(38,167)</u>
	<u>(106,599)</u>	<u>(16,697)</u>

9. INCOME TAX (EXPENSES)/CREDIT

Income tax in the condensed consolidated income statement represents:

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax	2,458	2,203
Deferred tax		
Origination and reversal of temporary differences	(128)	(9,585)
Income tax expenses/(credit)	2,330	(7,382)

Note:

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

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

For the six months ended 30 September 2023, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime for the qualifying corporation and the remaining corporations are calculated at a flat rate of 16.5% (2022: 16.5%).

- ii) The PRC enterprise income tax ("EIT") for the period ended 30 September 2023 is 25% (2022: 25%). The EIT has not been provided for as the Group has incurred losses in PRC for the period.

10. DIVIDENDS

The Directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 September 2023 (2022: Nil).

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

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$138,495,000 (2022: loss attributable to owners of the Company of HK\$91,428,000) and the following data:

Weighted average number of ordinary shares:

	Six month ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
		(restated)
	'000	'000
Weighted average number of ordinary shares at 30 September	<u>267,167</u>	<u>267,167</u>

For the period ended 30 September 2022, the weighted average number of ordinary shares for the purpose of basic and diluted loss per shares has been adjusted to take into effect of the bonus element in the right issues with effect from 22 November 2021 as if it had been effective on 1 April 2020.

b) Diluted loss per share

Diluted loss per share equals to basic loss per share because the outstanding share options had no potential dilutive effect on the basic loss per share for the periods ended 30 September 2023 and 2022.

12. INVESTMENT PROPERTIES

HK\$'000

Valuation:

At 1 April 2022 (Audited)	326,353
Loss on revaluation	(38,341)
Exchange alignment	<u>(7,265)</u>
At 31 March 2023 (Audited)	<u>277,160</u>
At 1 April 2023 (Audited)	277,160
Gain on revaluation	1,959
Exchange alignment	(14,400)
Disposal of investment properties (Note 1)	<u>(79,225)</u>
At 30 September 2023 (Unaudited)	<u>185,494</u>

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

All of the Group's investment properties were revalued on 30 September 2023 and 31 March 2023 by Castores Magi (Hong Kong) Limited, an independent firm of professional valuers, who has recognised and relevant professional qualification and recent experience in the location and category of properties being valued. The properties had been revalued based on the income capitalisation approach. The investment properties are leased to third parties under operating leases.

As at 30 September 2023, the Group's investment properties with a value of approximately HK\$156,331,000 (31 March 2023: approximately HK\$164,093,000) were pledged to secure the interest-bearing bank borrowings granted to the Group.

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

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

As at 30 September 2023, the Group's financial assets at FVTPL include trading securities with the following details:

	Trading securities <i>(Note i)</i> HK\$'000	Total HK\$'000
Balance at 1 April 2022 (Audited)	42,554	42,554
Unrealised gain on fair value change	21,470	21,470
Balance at 31 March 2023 (Audited)	47,092	47,092
Balance at 1 April 2023 (Audited)	47,092	47,092
Additions	-	-
Realised/Unrealised loss on fair value change	(17,049)	(17,049)
Disposal	(1,343)	(1,343)
Balance at 30 September 2023 (Unaudited)	28,700	28,700
Analysed for reporting purpose as:		
Current assets	47,092	47,092
Non-current assets	-	-
Balance at 31 March 2023 (Audited)	47,092	47,092
Current assets	28,700	28,700
Non-current assets	-	-
Balance at 30 September 2023 (Unaudited)	28,700	28,700

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

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

Note i:

Details of the investments in trading securities were as follows:

Stock Name	Stock Code	Nature of business	No. of share held 31/3/2023	Approx. % shareholding as at 31/3/2023	Market value as at 31/3/2023 HK\$'000	Change in no. of share held for the period ended 30/9/2023	No. of share held 30/9/2023	Approx. % shareholding as at 30/9/2023	Market value as at 30/9/2023 HK\$'000	Unrealised gain/(loss) on fair value change for the period ended 30/9/2023 HK\$'000	Total gain/ (loss) on dealing of trading securities for the period ended 30/9/2023 HK\$'000
SEEC MEDIA	205	Advertising and sales of books and magazines; securities broking; money lending; e-commerce	4,655,000	0.76%	2,472	-	4,655,000	0.63%	1,260	(1,212)	(1,212)
QPL International	243	Manufacture and sale of integrated circuit lead frames, heatsinks, stiffeners and investment holding	1,214,250	0.54%	322	-	1,214,250	0.54%	265	(57)	(57)
AMCO United Holding Limited*	630	Engaged in manufacture and sale of medical devices products and plastic moulding products; provision of construction services; provision of money lending and investment in securities	7,394,000	1.53%	525	-	7,394,000	1.53%	348	(177)	(177)
CN CULTURE GP	745	Engaged in e-commerce, advertisement and movie production businesses	6,550,000	0.83%	393	-	655,000	0.83%	177	(216)	(216)
Harbour Digital (formerly known as Unity Investments Holdings Limited)	913	Investment in listed companies in Hong Kong stock markets, and also investment in unlisted companies	2,633,000	0.93%	1,290	-	2,633,000	0.93%	2,054	764	764
China Environmental Energy Investment Limited	986	Carrying trading of gold and diamond; money lending business; Internet service and financial service	5,374,000	0.41%	215	-	5,374,000	0.41%	210	(5)	(5)
Milan Station Holdings Limited	1150	Retailing of handbags, fashion accessories and embellishments operation	3,250,000	0.36%	491	-	3,250,000	0.36%	338	(153)	(153)
Lerado Financial Group Company Limited	1225	Providing financial services, including securities broking, margin financing and money lending etc., and manufacturing and distributing children plastic toys and medical care products	10,700,000	4.65%	2,408	-	10,700,000	4.65%	1,156	(1,252)	(1,252)
Luxuo Group Limited (formerly known as "Time2U International Holding Limited")	1327	Engaged in the manufacture and sales of own-branded watches, OEM watches and third-party watches	3,000,000	0.56%	282	-	3,000,000	0.56%	213	(69)	(69)
KINGLAND GROUP	1751	Provision of concrete demolition service in Hong Kong and Macau mainly as a subcontractor	600,000	0.07%	71	(480,000)	120,000	0.014%	101	(30)	(30)

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

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

Note i: (continued)

Stock Name	Stock Code	Nature of business	No. of share held 31/3/2023	Approx. % shareholding as at 31/3/2023	Market value as at 31/3/2023 HK\$ '000	Change in no. of share held for the period ended 30/9/2023	No. of share held 30/9/2023	Approx. % shareholding as at 30/9/2023	Market value as at 30/9/2023 HK\$ '000	Unrealised gain/(loss) on fair value change for the period ended 30/9/2023 HK\$ '000	Total gain/ (loss) on dealing of trading securities for the period ended 30/9/2023 HK\$ '000
Sino Splendid Holdings Limited [#]	8006	Engaged in travel media operations; provision of contents and advertising services in a well-known financial magazine; investment in securities and money lending business	4,750,000	3.21%	923	-	4,750,000	3.21%	755	(168)	(168)
Hao Wen Holdings Limited	8019	Carrying money lending business, trading and manufacturing of biomass fuel and trading of electronic parts	7,500,000	2.1%	1,815	-	7,500,000	2.1%	1,598	(217)	(217)
WLS Holdings	8021	Engaged in the position of scaffolding and fitting out services and management contracting services for construction and buildings work, money lending business and securities investment business	401,500,000	2.79%	26,499	-	401,500,000	2.79%	15,659	(10,840)	(10,840)
KPM Holding Limited	8027	Provision of design, fabrication, installation and maintenance of signage and related products	1,920,000	0.81%	468	-	1,920,000	0.81%	472	4	4
Luxey International (Holdings) Limited	8041	Engaged in manufacturing and trading of high-end swimwear and garment products; trading and provision of on-line shopping and media related services; and money lending business	6,124,000	2.26%	2,266	-	6,124,000	2.26%	1,745	(521)	(521)
China 33 Media Group Limited [#]	8087	Provision of advertising services of printed media for railway networks; film and entertainment investment in Hong Kong and the PRC, and prepaid card business in Hong Kong	3,560,000	2.07%	660	9,500	3,569,500	2.07%	393	(267)	(267)
ASIAPAC FIN INV [#]	8193	Investment holding	187,000	0.08%	49	-	187,000	0.08%	27	(22)	(22)
Wealth Glory Holdings Limited	8269	Trading of natural resources and commodities; money lending business; investment in coal trading business; development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; and investment in securities	6,925,000	0.77%	762	-	6,925,000	0.77%	900	138	138
Asia Grocery	8413	Provision of food and beverage grocery distribution and provision of food catering services through restaurants in Hong Kong	14,650,000	1.26%	5,201	(7,530,000)	7,120,000	0.612%	1,032	(2,749)	(4,092)
					<u>47,092</u>				<u>28,700</u>	<u>(17,049)</u>	<u>(18,392)</u>

[#] Share consolidation during the period ended 30 September 2023

Note:

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

14. TRADE AND OTHER RECEIVABLES

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

	At 30 September 2023 (Unaudited) HK\$'000	At 31 March 2023 (Audited) HK\$'000
Within 1 month	–	5,386
1 to 3 months	–	7,092
3 to 6 months	–	4,864
Over 6 months	19,350	2,636
Trade receivables	19,350	20,578
Deferred rental receivables	18,695	16,051
Within 1 month	660	561
1 to 3 months	27,523	220
Interest receivables from money lending business	28,183	781
Other receivables	26,128	17,333
Prepayments and deposits	7,595	8,062
	99,950	62,805

Note:

- i) All of the trade and other receivables are expected to be recovered or recognised as expense within one year, except for deposit for decoration.

15. LOAN RECEIVABLES

	At 30 September 2023 (Unaudited) HK\$'000	At 31 March 2023 (Audited) HK\$'000
Loan receivables arising from:		
– Money lending business	597,457	646,934
Less: Allowance for expected credit losses	<u>(229,346)</u>	<u>(171,631)</u>
	<u>368,111</u>	<u>475,303</u>
Amounts due within one year included under current assets	260,535	333,002
Amounts due after one year included under non-current assets	<u>107,576</u>	<u>142,301</u>
	<u>368,111</u>	<u>475,303</u>

Note:

During the period ended 30 September 2023, the Group lent total amount of approximately HK\$597,457,000 (31 March 2023: HK\$646,934,000) to independent third parties. These loan receivables had 12 to 24 month loan periods and bore interest - at rates ranged from 10% to 18% per annum, and the corresponding interest were expected to be repaid on a monthly, quarterly or yearly basis. Parts of these loan receivables were secured by property located in Hong Kong or private equities.

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

	At 30 September 2023 (Unaudited) HK\$'000	At 31 March 2023 (Audited) HK\$'000
Due after 1 month but within 3 months	12,247	148,815
Due after 3 months but within 6 months	22,427	17,256
Due after 6 months but within 12 months	235,861	166,931
Due after 12 months	<u>107,576</u>	<u>142,301</u>
	<u>368,111</u>	<u>475,303</u>

16. UNCONVERTIBLE BONDS

	At 30 September 2023 (Unaudited) HK\$'000	At 31 March 2023 (Audited) HK\$'000
Current portion	<u>1,960</u>	<u>2,800</u>
Unconvertible bonds	<u>1,960</u>	<u>2,800</u>

The amount represented one unconvertible bonds of total HK\$10,000,000. As at 30 September 2023, no accrued interest (31 March 2023: HK\$470,000) was included in other payables and accruals. The unconvertible bonds bear interest at 5% to 6% per annum on the outstanding aggregate principal amount. The interest is payable in arrears annually on the anniversary of issue date or redemption date. The Company may redeem principal amounts of outstanding bonds in whole or in part at any time before the maturity date.

17. SHARE CAPITAL

	Number of ordinary shares '000	Per share HK\$	HK\$'000
Authorised:			
At 31 March 2023 (Audited) and 30 September 2023 (Unaudited)	<u>750,000</u>	<u>0.40</u>	<u>300,000</u>
			HK\$'000
Issued and fully paid:			
At 31 March 2023 (Audited) and 30 September 2023 (Unaudited)	<u>267,167</u>	<u>0.40</u>	<u>106,867</u>

18. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the six months ended 30 September 2023.

a) Key management personnel emoluments

Emoluments for key management personnel, including amounts paid to the Company's Directors and certain of the highest paid employees during the six months ended 30 September 2023 are as follows:

	Six months ended 30 September 2023 (Unaudited) HK\$'000	Six months ended 30 September 2022 (Unaudited) HK\$'000
Short-term employee benefits	1,928	2,711
Post-employment benefits	15	44
	<u>1,943</u>	<u>2,755</u>

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

18. RELATED PARTY TRANSACTIONS *(continued)***b) Outstanding balances with related parties**

	At 30 September 2023 (Unaudited) HK\$'000	At 31 March 2023 (Audited) HK\$'000
Amounts due to a Director	1,820	1,820
Amounts due to related parties	3,560	–

The amounts due to related parties represented the advance from Directors of Company's subsidiaries. The balances with these related parties and the amounts due to Directors are unsecured, interest-free and repayable on demand.

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

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

	At 30 September 2023 (Unaudited) HK\$'000	At 31 March 2023 (Audited) HK\$'000
Within one year	15,827	26,879
In the second to fifth year, inclusive	62,286	69,013
Over five years	39,205	7,737
	117,318	103,629

20. LITIGATION

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

21. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report was approved and authorised for issue by the Board on 30 November 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

For the properties investment, as at 30 September 2023, the aggregate gross floor area of the investment properties being held by the Group was approximately 7,004 square meters, 100% of which was leased to third parties under operating leases with lease terms ranging up to ten years. For the six months ended 30 September 2023, approximately 2,819 square meters of the gross floor area of the leased property were sub-leased to third parties under operating leases with lease terms ranging up to six years.

For the six months ended 30 September 2023, the rental incomes of approximately HK\$7.97 million were recorded.

The money lending business generated steady interest income during the period. For the six months ended 30 September 2023, the Group had a gross loan portfolio amounted to approximately HK\$597 million with the average interest rate of 10.66%. The interest income generated from the money lending business was approximately HK\$34.75 million for the six months ended 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review

For the period under review, the Group's turnover from continuing operation was approximately HK\$42.72 million (2022: approximately HK\$42.95 million), which is remaining constant while compared with the corresponding period last year. The unaudited net loss for the period under review was approximately HK\$138.50 million (2022: net loss approximately HK\$91.43 million) and the basic loss per share for was HK\$51.84 cents (2022: basic loss per share HK\$34.22 cents). Increase in net loss is mainly due to government acquire a land encompassing the area where one of the Group's investment property is situated which resulted in one-off loss on disposal of an investment property of approximately HK\$57.05 million.

In addition to the above, increase loss in other gains or losses is mainly due to fluctuation of trading securities held by the Company and exchange loss arising from revaluation of loan receivables carried at Renminbi.

The administrative expenses of the Group for the period amounted to approximately HK\$8.97 million, representing a decrease of approximately 9.12% compared with the corresponding period last year, which was resulted from stringent cost control of the Group. The finance cost of the Group amounted to approximately HK\$3.69 million which was mainly incurred for the bank loan under the security of investment properties in Shanghai, and other borrowings.

The other expenses of the Group for the period amounted to approximately HK\$61.57 million, representing a decrease of approximately 14.50% compared with the corresponding period last year, which was as a result of a decrease in expected credit loss on interest and principal compared with the corresponding period last year.

Liquidity and Financial Resources

As at 30 September 2023, the Group's net current assets were approximately HK\$291 million (at 31 March 2023: approximately HK\$345 million), including cash and bank balance of approximately HK\$1.26 million (at 31 March 2023: approximately HK\$1 million).

The Group had bank borrowings of approximately HK\$83 million as at 30 September 2023 (at 31 March 2023: approximately HK\$45 million) of which 4.8% and 95.2%, were due within 1 year and after 1 year respectively from balance sheet date. The gearing ratio, defined as the percentage of net debts to the total equity of the Company, was approximately 16.63% (at 31 March 2023: 13.22%).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Significant Investments

Investment with fair value accounting for more than 5% of the Group's total assets shall be considered as significant investment. The Company did not have significant investment as at 30 September 2023.

Foreign Exchange Exposure

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

Capital Structure and Share Capital

There was no change in the share capital and capital structure of the Company for the six months ended 30 September 2023.

Charges on the Group's Assets

As at 30 September 2023, the Group's investment properties with a value of approximately HK\$156.33 million were pledged to secure a borrowing from Shanghai Xiang Chen Hang Place The Industry Co. Limited, a wholly-owned subsidiary of the Company.

Contingent Liabilities

As at 30 September 2023, the Group did not have any material contingent liability (2022: Nil).

Acquisition and Disposal of Subsidiaries

There was no acquisition and disposal of subsidiaries of the Group during the six months ended 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Employees

As at 30 September 2023, the Group has 25 employees. The remuneration was determined with reference to statutory minimum wages, market terms as well as the performance, qualification and experience of individual employees. The Group provides contributory provident fund and insurance scheme to the employees. Share option schemes and incentive schemes are adopted to encourage personal commitment of employees.

Outlook

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

DIVIDEND

The Directors of the Company do not recommend payment of any interim dividend for the six months ended 30 September 2023 (2022: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

There was no purchase, redemption or sale of any of the Company's listed securities by the Company or any of the Company's subsidiaries during the six months ended 30 September 2023.

SECURITIES TRANSACTIONS BY DIRECTORS

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2023, no directors has registered an interest or short position in the share capital (the "Shares") of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

The interests of Directors in the share options of the Company are separately disclosed in the note 19 to this condensed consolidated financial statements.

SHARE OPTION SCHEME

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

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

At 30 September 2023, there is no outstanding share options under the Scheme.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 30 September 2023, so far as known to the Directors, there was no other person who had an interest or short position in the shares of the Company and underlying shares which would require disclosure to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, beneficially interested in 5% or more of the issued share capital of the Company.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2023, except for the deviation from the requirement of code provision A.2.1 and E.1.2 of the CG Code explained as follows.

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

Provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend annual general meetings. The chairman was unable to attend the Company’s annual general meeting held on 16 October 2023 due to his other work commitments.

AUDIT COMMITTEE

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

The Company has engaged Messrs. McM (HK) CPA Limited (“Auditor”) to assist the Audit Committee to review the interim results of the Group for the six months ended 30 September 2023 (“Interim Results”). The Interim Results has been reviewed by the Audit Committee.

REVIEW OF INTERIM FINANCIAL STATEMENTS BY THE AUDITOR

The interim financial statements of the Group for the Period is unaudited, but has been reviewed by McM (HK) CPA Limited, the auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the Company’s interim report for the Period to be sent to shareholders of the Company in accordance with the Listing Rules in due course.

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

Hong Kong, 30 November 2023