

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## CHINA TANGSHANG HOLDINGS LIMITED

### 中國唐商控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 674)

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of China Tangshang Holdings Limited (the “**Company**”) presents the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2024.

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	Six months ended	
		30 September 2024	2023
		(Unaudited) HK\$	(Unaudited) HK\$
Revenue	3	328,153,060	784,202,084
Other gains or losses, net		(21,180,093)	(21,780,328)
Costs of completed properties sold		(321,294,550)	(663,672,115)
Depreciation of property, plant and equipment		(936,900)	(1,815,494)
Staff costs		(4,558,778)	(5,347,956)
Other operating expenses	4	(5,398,691)	(19,641,819)
Finance costs		(20,935,162)	(20,681,720)
<b>(Loss)/profit before income tax</b>	5	<b>(46,151,114)</b>	51,262,652
Income tax credit	6	4,310,475	49,054,615
<b>(Loss)/profit for the period</b>		<b>(41,840,639)</b>	100,317,267

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>Notes</i>	<b><i>HK\$</i></b>	<b><i>HK\$</i></b>
<b>Other comprehensive income/(loss)</b>		
<b>Item that may be reclassified subsequently to profit or loss</b>		
Exchange differences arising on translation of foreign operations	<u>3,332,195</u>	<u>(36,012,523)</u>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<u>3,332,195</u>	<u>(36,012,523)</u>
<b>Total comprehensive (loss)/income for the period</b>	<u>(38,508,444)</u>	<u>64,304,744</u>
<b>(Loss)/profit for the period attributable to:</b>		
Owners of the Company	<u>(39,387,532)</u>	57,638,448
Non-controlling interests	<u>(2,453,107)</u>	<u>42,678,819</u>
	<u>(41,840,639)</u>	100,317,267
<b>Total comprehensive (loss)/income for the period attributable to:</b>		
Owners of the Company	<u>(36,679,084)</u>	27,044,103
Non-controlling interests	<u>(1,829,360)</u>	<u>37,260,641</u>
	<u>(38,508,444)</u>	<u>64,304,744</u>
	<i>HK cents</i>	<i>HK cents</i>
<b>(Loss)/earnings per share attributable to owners of the Company for the period</b>		
		7
Basic	<u>(1.15)</u>	<u>1.68</u>
Diluted	<u>(1.15)</u>	<u>1.38</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		<b>30 September 2024 (Unaudited) HK\$</b>	31 March 2024 (Audited) HK\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	696,392	1,633,641
Investment properties	9	180,640,725	187,634,438
Finance lease receivables	10	189,494,793	208,331,382
<b>Total non-current assets</b>		<u>370,831,910</u>	<u>397,599,461</u>
<b>Current assets</b>			
Completed properties held for sale	11	1,643,432,285	1,958,703,030
Other receivables	12	599,732,839	553,855,068
Contract costs		9,112,580	11,038,525
Finance lease receivables	10	49,727,793	52,847,517
Amounts due from related parties		1,668	1,656
Prepaid tax		1,763,180	1,916,016
Cash and bank balances		116,208,900	139,113,234
<b>Total current assets</b>		<u>2,419,979,245</u>	<u>2,717,475,046</u>
<b>Total assets</b>		<u>2,790,811,155</u>	<u>3,115,074,507</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	97,999,836	103,544,097
Contract liabilities	13	1,002,435,389	1,267,819,758
Amounts due to non-controlling shareholders of subsidiaries		37,755,190	37,556,950
Lease liabilities		68,396,829	69,285,209
<b>Total current liabilities</b>		<u>1,206,587,244</u>	<u>1,478,206,014</u>
<b>Net current assets</b>		<u>1,213,392,001</u>	<u>1,239,269,032</u>
<b>Total assets less current liabilities</b>		<u>1,584,223,911</u>	<u>1,636,868,493</u>

	<b>30 September 2024 (Unaudited) <i>Notes</i>                      <i>HK\$</i></b>	31 March 2024 (Audited) <i>HK\$</i>
<b>Non-current liabilities</b>		
Convertible bonds	<b>191,169,208</b>	183,937,146
Deferred tax liabilities	<b>177,087,947</b>	183,490,395
Lease liabilities	<b>350,843,659</b>	365,809,411
	<u><b>719,100,814</b></u>	<u>733,236,952</u>
<b>Total non-current liabilities</b>		
	<u><b>719,100,814</b></u>	<u>733,236,952</u>
<b>Total liabilities</b>	<b>1,925,688,058</b>	2,211,442,966
	<u><b>1,925,688,058</b></u>	<u>2,211,442,966</u>
<b>NET ASSETS</b>	<b>865,123,097</b>	903,631,541
	<u><b>865,123,097</b></u>	<u>903,631,541</u>
<b>Capital and reserves attributable to owners of the Company</b>		
Share capital	<b>171,423,328</b>	171,423,328
Reserves	<b>457,417,158</b>	494,096,242
	<u><b>628,840,486</b></u>	<u>665,519,570</u>
<b>Non-controlling interests</b>	<b>236,282,611</b>	238,111,971
	<u><b>236,282,611</b></u>	<u>238,111,971</u>
<b>TOTAL EQUITY</b>	<b>865,123,097</b>	903,631,541
	<u><b>865,123,097</b></u>	<u>903,631,541</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

## 1. BASIS OF PREPARATION

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

The unaudited interim condensed consolidated financial statements have been prepared under historical cost basis, except for the investment properties which measured at fair value.

These unaudited interim condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated. These unaudited interim condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group’s annual financial statements for the year ended 31 March 2024.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosure required in the Group’s annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024.

These unaudited interim condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2024 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 April 2024.

The following new or amended HKFRSs, potentially relevant to the Company’s financial statements have been issued, but are not yet effective for the financial year beginning on 1 April 2024 and have not yet been early adopted by the Company.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments <sup>3</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>4</sup>
Amendments to HKFRS Accounting Standards	Annual improvements to HKFRS Accounting Standards – Volume II <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

The Group has already commenced an assessment of the potential impact of the new or amended standards but is not yet in a position to state whether these new or amended standards would have a significant impact on the Group's result of operations and financial position.

## 2. CHANGE IN HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The new or revised HKFRSs that are effective from 1 April 2024 did not have any material impact on the Company's accounting policies.

## 3. REVENUE AND SEGMENT INFORMATION

### Revenues

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$</b>	HK\$
<b>Revenue from contract with customers</b>		
Revenue from sale of completed properties	<b>308,035,307</b>	763,538,181
<b>Revenue from other sources</b>		
Gross rental income from property sub-leasing business	<b>14,445,977</b>	15,196,885
Interest income from finance lease receivables	<b>5,671,776</b>	5,467,018
	<b>20,117,753</b>	20,663,903
Total revenues	<b>328,153,060</b>	784,202,084
<b>Revenue from contracts with customers</b>		
Disaggregated revenue information for the six months ended 30 September 2024 and 2023		
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<b>308,035,307</b>	763,538,181
Services transferred overtime	—	—
	<b>308,035,307</b>	763,538,181

## Segment Information

Management determines operating segments based on the reports regularly reviewed by the chief operating decision maker (“**CODM**”), which is the Board of Directors (the “**Board**”), in assessing performance and allocating resources. The CODM considers the business primarily on the basis of the type of services supplied by the Group.

Principal activities are as follows:

Property sub-leasing and investment business — sub-leasing and leasing of investment properties

Property development business — development of real estates

Money lending business — provision of loans to customers, including individual and corporations under the provisions of Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) in Hong Kong

Segment information is presented below:

**(a) Information about reportable segment revenue, profit or loss and other information**

	Six months ended 30 September 2024 (Unaudited)				
	Property sub-leasing and investment business <i>HK\$</i>	Property development business <i>HK\$</i>	Money lending business <i>HK\$</i>	Inter- segment elimination <i>HK\$</i>	Total <i>HK\$</i>
Reportable segment revenue					
External revenue	20,117,753	308,035,307	–	–	328,153,060
Reportable segment loss before income tax expense	(15,501,781)	(18,852,417)	(8,105)	–	(34,362,303)
Other segment information					
Interest income	4,884	72,271	1,045	–	78,200
Interest expenses	13,698,145	–	–	–	13,698,145
Depreciation of property, plant and equipment	–	727,928	–	–	727,928
Fair value loss on investment properties	21,680,498	–	–	–	21,680,498
Reversal of impairment loss on finance lease receivables	78,571	–	–	–	78,571
Reportable segment assets (As at 30 September 2024) (Unaudited)	496,505,386	2,278,577,895	456,701	–	2,775,539,982
Reportable segment liabilities (As at 30 September 2024) (Unaudited)	484,220,253	1,245,477,136	3,546	–	1,729,700,935



## Six months ended 30 September 2023 (Unaudited)

	Property sub-leasing and investment business <i>HK\$</i>	Property development business <i>HK\$</i>	Money lending business <i>HK\$</i>	Inter- segment elimination <i>HK\$</i>	Total <i>HK\$</i>
Reportable segment revenue					
External revenue	20,663,903	763,538,181	—	—	784,202,084
Reportable segment (loss)/profit before income tax expense	(24,438,894)	87,568,447	(9,942)	—	63,119,611
Other segment information					
Interest income	14,568	135,369	1,118	—	151,055
Interest expenses	13,971,095	—	—	—	13,971,095
Depreciation of property, plant and equipment	—	1,606,515	—	—	1,606,515
Fair value loss on investment properties	29,530,473	—	—	—	29,530,473
Reversal of impairment loss on finance lease receivables	28,312	—	—	—	28,312
Reportable segment assets (As at 31 March 2024) (Audited)	522,718,979	2,575,000,458	456,006	—	3,098,175,443
Reportable segment liabilities (As at 31 March 2024) (Audited)	495,511,290	1,526,357,637	3,546	—	2,021,872,473

(b) Reconciliation of reportable segment profit or loss, assets and liabilities

(Loss)/profit before income tax

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Reportable segment (loss)/profit before income tax	(34,362,303)	63,119,611
Unallocated interest income and other gains	173,385	347,780
Unallocated finance costs	(7,237,017)	(6,710,625)
Unallocated staff costs	(2,985,891)	(3,225,065)
Unallocated depreciation of property, plant and equipment	(208,972)	(208,979)
Unallocated head office and corporate expenses (note)	(1,530,316)	(2,060,070)
	<u>(46,151,114)</u>	<u>51,262,652</u>

Note:

Unallocated head office and corporate expenses mainly include professional and consultancy fees, administrative expenses and business development expenses.

Assets

	30 September	31 March
	2024	2024
	(Unaudited)	(Audited)
	HK\$	HK\$
Reportable segment assets	2,775,539,982	3,098,175,443
Property, plant and equipment	70,192	279,165
Other receivables	6,099,744	5,650,124
Cash and bank balances	9,099,569	10,968,119
Unallocated head office and corporate assets	<u>1,668</u>	<u>1,656</u>
Total assets	<u>2,790,811,155</u>	<u>3,115,074,507</u>

## Liabilities

	<b>30 September 2024 (Unaudited) HK\$</b>	31 March 2024 (Audited) HK\$
Reportable segment liabilities	<b>1,729,700,935</b>	2,021,872,473
Convertible bonds	<b>191,169,208</b>	183,937,146
Lease liabilities	<b>72,466</b>	286,511
Unallocated head office and corporate liabilities	<b>4,745,449</b>	5,346,836
	<u><b>1,925,688,058</b></u>	<u>2,211,442,966</u>
Total liabilities	<u><b>1,925,688,058</b></u>	<u>2,211,442,966</u>

### (c) Geographical information

The Group's operations are mainly located in Hong Kong and the People's Republic of China (the "PRC").

An analysis of the Group's geographical segments is set out as follows:

	<b>Revenue</b>		<b>Non-current assets other than financial instruments</b>	
	<b>Six months ended 30 September 2024 (Unaudited) HK\$</b>	Six months ended 30 September 2023 (Unaudited) HK\$	<b>As at 30 September 2024 (Unaudited) HK\$</b>	As at 31 March 2024 (Audited) HK\$
Hong Kong	–	–	<b>69,324</b>	277,295
The PRC	<b>328,153,060</b>	784,202,084	<b>181,267,793</b>	188,990,784
	<u><b>328,153,060</b></u>	<u>784,202,084</u>	<u><b>181,337,117</b></u>	<u>189,268,079</u>
Total	<u><b>328,153,060</b></u>	<u>784,202,084</u>	<u><b>181,337,117</b></u>	<u>189,268,079</u>

*Note:*

Revenue is attributed to regions on the basis of the customers' location.

#### 4. OTHER OPERATING EXPENSES

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>HK\$</i>	<i>HK\$</i>
Property sub-leasing and investment business expenses	225,843	1,734,676
Property development business expenses	3,630,151	15,811,057
Legal and professional fees	429,883	1,165,402
Travelling expenses	38,422	25,649
Others	1,074,392	905,035
	<u>5,398,691</u>	<u>19,641,819</u>

#### 5. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax has been arrived at after charging/(crediting):

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>HK\$</i>	<i>HK\$</i>
<b>Crediting</b>		
Bank interest income <sup>#</sup>	124,516	190,637
Gain on disposal of subsidiaries <sup>#</sup>	–	83,753
Reversal of impairment loss on finance lease receivables <sup>#</sup>	78,571	28,312
<b>Charging</b>		
Fair value loss on investment properties <sup>#</sup>	21,680,498	29,530,473
Staff costs	4,558,778	5,347,956
	<u>21,680,498</u>	<u>29,530,473</u>

<sup>#</sup> The amounts are included under the “other gains or losses, net” in the unaudited interim condensed consolidated statement of comprehensive income.

## 6. INCOME TAX CREDIT

The income tax credit in the unaudited interim condensed consolidated statement of comprehensive income represents:

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Current tax:		
— PRC Enterprise Income Tax	(817,587)	(18,314,956)
— Land Appreciation Tax (“LAT”)	(1,137,790)	(2,110,730)
Under-provision in prior years:		
— PRC Enterprise Income Tax	(136,596)	(143,986)
— LAT	—	(1,042,340)
Deferred tax credit	6,402,448	70,666,627
	<u>4,310,475</u>	<u>49,054,615</u>

No Hong Kong profits tax has been provided within the Group as there is no estimated assessable profits for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

The PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (six months ended 30 September 2023: 25%).

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

## 7. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owner of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$</b>	HK\$
<b>(Loss)/earnings for the purpose of basic (loss)/earnings per share</b>		
(Loss)/profit for the period attributable to owners of the Company	<b>(39,387,532)</b>	57,638,448
Effect of diluted potential ordinary shares:		
Effective interest on the liability components of convertible bonds	<u>N/A*</u>	<u>6,695,224</u>
(Loss)/earnings for the purpose of diluted (loss)/earnings per share	<u><b>(39,387,532)</b></u>	<u>64,333,672</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue for the purpose of basic (loss)/earnings per share	<b>3,428,466,570</b>	3,428,466,570
Effect of diluted potential ordinary shares:		
Convertible bonds	<u>N/A*</u>	<u>1,245,750,000</u>
Weighted average number of ordinary shares in issue for the purpose of diluted (loss)/earnings per share <i>(note)</i>	<u><b>3,428,466,570</b></u>	<u>4,674,216,570</u>

\* *The computation of diluted loss per share for the six months ended 30 September 2024 does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share for the six months ended 30 September 2024.*

*Note:*

The computation of diluted earnings per share for the six months ended 30 September 2023 does not assume the exercise of the Company's share options granted because the exercise price of these share options was higher than the average market price for shares for the six months ended 30 September 2023.

## 8. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 September 2024, nor has any dividend been proposed as at the date of this announcement (six months ended 30 September 2023: Nil).

## 9. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six months ended 30 September 2024, the Group had not purchased and disposed property, plant and equipment (six months ended 30 September 2023: Nil) respectively.

Investment properties comprise office buildings that are leased to third parties under operating leases. The investment properties include properties that are held as right-of-use assets. During the six months ended 30 September 2024, the Group had not acquired investment properties (six months ended 30 September 2023: Nil). The Group's investment properties were valued at 30 September 2024 on a market comparison basis by an independent profession valuer, APAC Assets Valuation and Consulting Limited ("APAC"). A fair value loss on investment properties of HK\$21,680,498 was recognised in the profit or loss for the six months ended 30 September 2024 (six months ended 30 September 2023: fair value loss of HK\$29,530,473).

## 10. FINANCE LEASE RECEIVABLES

	<b>30 September 2024 (Unaudited) HK\$</b>	31 March 2024 (Audited) HK\$
Gross finance lease receivables	<b>376,273,572</b>	410,302,336
Less: unearned finance income	<b>(136,237,208)</b>	(148,234,969)
Net finance lease receivables	<b>240,036,364</b>	262,067,367
Less: loss allowance	<b>(813,778)</b>	(888,468)
Finance lease receivables	<b>239,222,586</b>	261,178,899
Finance lease receivables analysed as:		
Receivable within one year	<b>49,727,793</b>	52,847,517
Receivable after one year	<b>189,494,793</b>	208,331,382
	<b>239,222,586</b>	261,178,899

The finance lease receivables are arising from the property sub-leasing business. For finance lease receivables, the customers are obligated to settle the amounts according to the terms set out in the relevant lease contracts.

#### 11. COMPLETED PROPERTIES HELD FOR SALE

	<b>30 September 2024 (Unaudited) HK\$</b>	31 March 2024 (Audited) HK\$
Completed properties in the PRC held for sale, at cost	<b><u>1,643,432,285</u></b>	<b><u>1,958,703,030</u></b>

The directors of the Company conducted impairment assessment of the completed properties with reference to the contract prices for the sale of the properties to customers and concluded that no impairment of completed properties is required to be made as the net realisable value of the properties is not less than their carrying amount.

#### 12. OTHER RECEIVABLES

	<b>30 September 2024 (Unaudited) HK\$</b>	31 March 2024 (Audited) HK\$
Deposits <i>(note (a))</i>	<b>13,612,971</b>	13,544,541
Prepayments and other receivables <i>(note (a))</i>	<b><u>586,119,868</u></b>	<u>540,310,527</u>
	<b><u>599,732,839</u></b>	<b><u>553,855,068</u></b>



Notes:

- (a) Deposits mainly represent deposits paid for the lease of properties. An analysis of the prepayments and other receivables are as follows:

	<b>30 September 2024 (Unaudited) HK\$</b>	31 March 2024 (Audited) HK\$
<b>Prepayment</b>		
Prepayment to contractors	850,488	1,070,211
Prepayment of property management fee	311,065	347,442
Others	34,756	21,610
	<u>1,196,309</u>	<u>1,439,263</u>
<b>Value-added tax receivables</b>	<u>23,942,789</u>	<u>24,053,735</u>
<b>Other receivables</b>		
Refundable payment for a potential urban renewal project	401,014,987	341,639,203
Refundable payment for cooperation of potential property development projects	95,365,883	119,132,977
Other receivables from landlord	58,427,601	46,353,067
Other receivables from projects promotion	1,745,417	1,736,253
Others	4,426,882	5,956,029
	<u>560,980,770</u>	<u>514,817,529</u>
<b>Total prepayments and other receivables</b>	<u>586,119,868</u>	<u>540,310,527</u>

#### **Refundable payment for a potential urban renewal project**

During the year ended 31 March 2024, Puning Huachuangwen Industrial Development Co., Ltd. (“**Puning Huachuangwen**”), a non-wholly owned subsidiary of the Company, entered into a letter of intent with an independent third party for the potential cooperation of an urban renewal project in the PRC. As at 30 September 2024, the refundable payment was paid by Puning Huachuangwen for a potential urban renewal project amounted to HK\$401,014,987 (31 March 2024: HK\$341,639,203).

#### **Refundable payment for cooperation of potential property development projects**

Puning Huachuangwen was acquired by the Company in the year ended 31 March 2023. As disclosed in the Company’s circular dated 20 January 2023, Puning Huachuangwen is principally engaged in the property development in the PRC and had the other receivables amounted to RMB371,916,000 as at 30 September 2022, which mainly represented the refundable payment for cooperation of potential property development projects.

As at 30 September 2024, certain other receivables were settled due to the termination of cooperation of potential property development projects. The carrying amount of other receivables relating to the cooperation of potential property development projects as at 30 September 2024 amounted to HK\$95,365,883 (31 March 2024: HK\$119,132,977) was remained outstanding.

#### Other receivables from landlord

The balance mainly represents as the rental receivable from the Group's landlord, which received the rental payment of the Company's lessees from the Company on behalf.

#### Other receivables from projects promotion

The balance mainly represents as the receivable relating to the promotion of potential projects in property development and urban renewal.

### 13. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	<b>30 September 2024 (Unaudited) HK\$</b>	31 March 2024 (Audited) HK\$
Trade payables ( <i>note a</i> )	25,325,460	34,445,473
Accruals	2,354,892	2,999,511
Other payables	52,154,350	38,568,354
Other deposits received	18,165,134	27,530,759
	<u>97,999,836</u>	<u>103,544,097</u>

(a) Included in trade and other payables are trade payables with the following ageing analysis based on invoice date as of the end of each reporting period:

	<b>30 September 2024 (Unaudited) HK\$</b>	31 March 2024 (Audited) HK\$
Current or within 30 days	–	–
31-60 days	–	1,544,316
61-90 days	–	625,416
Over 90 days	25,325,460	32,275,741
	<u>25,325,460</u>	<u>34,445,473</u>

(b) Contract liabilities relate to advances from customers for sales of development properties before the criteria for revenue recognition have been met.

#### 14. CONTINGENT LIABILITIES

At the respective reporting dates, the contingent liabilities of the Group were as follows:

	<b>30 September</b> <b>2024</b> <b>(Unaudited)</b> <b>HK\$</b>	31 March 2024 (Audited) HK\$
Guarantees granted to financial institutions on behalf of purchasers of property units	<u><b>746,479,430</b></u>	<u>735,275,915</u>

The Group arranges with various domestic banks in the PRC to provide loan and mortgage facilities to purchasers of its properties prior to the transfer of building ownership certificate. In line with the consumer banking practices in the PRC, these banks require the Group to provide guarantees in respect of these loans including the principal, interest and other incidental costs. If a purchaser defaults on a loan repayment, the relevant mortgagee bank is entitled to deduct the amount repayable from the restricted cash account. These guarantees would be released by the banks upon the receipt of the building ownership certificates of the respective properties when the certificate have been issued by the relevant authorities.

The Directors consider that it is not probable for the Group to sustain a loss under these guarantees as during the period of these guarantees, the Group can take over the ownerships of the related properties under default and sell the properties at prices which are well above the amounts paid/payable by the Group to the banks under the guarantees, accordingly no provision for the guarantees has been made in the condensed consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONSOLIDATED RESULTS

For the six months ended 30 September 2024, the Group recorded a revenue of approximately HK\$328.2 million compared to a revenue of approximately HK\$784.2 million for the corresponding period of 2023, representing an decrease of revenue of approximately 58.1%, and recorded a loss of approximately HK\$41.8 million compared to a profit of approximately HK\$100.3 million for the corresponding period of 2023. The increase in loss was primarily due to the decrease in recognition of revenue of property development business and decrease of fair value on completed properties held for sale during the period ended 30 September 2024.

### BUSINESS REVIEW

#### Property sub-leasing and investment business

For the six months ended 30 September 2024, this business segment recorded a revenue of approximately HK\$20.1 million compared to a revenue of approximately HK\$20.7 million for the corresponding period in 2023, representing a decrease of revenue of about 2.9%, and recorded a loss of approximately HK\$15.5 million as compared to a loss of approximately HK\$24.4 million for the corresponding period of 2023. The loss was mainly due to the decrease of fair value on investment properties.

#### Property development business

During the period ended 30 September 2024, the property development business in the PRC contributed revenue of approximately HK\$308.0 million compared to approximately HK\$763.5 million for the last financial period, and segment recorded loss of approximately HK\$18.9 million (2023: profit of approximately HK\$87.6 million) to the Group. The decrease in segment revenue was attributable to two development projects, namely (i) Tangshang Hanlin Mansion\* (唐商翰林居) in Dongguan land situated at Caole Village, Xiegang Town, Dongguan City, the PRC designated for urban residential use and business service use (R2 Class II residential land (R2二類居住用地)) and (ii) Puning Tangshang Zhongyang Garden\* (普寧唐商中央花園) in Beihuan Avenue, Puning, Jieyang, Guangdong Province, the PRC. The construction of the properties was completed in December 2021 and October 2022, respectively. The existing use in the properties held for sale/lease is mainly residential, car parks and commercial shops. The site area of Tangshang Hanlin Mansion is approximately 30,000 sq.m and Puning Tangshang Zhongyang Garden is approximately 45,000 sq.m, and the gross floor area (“GFA”) of Tangshang Hanlin Mansion is approximately 88,000 sq.m and Puning Tangshang Zhongyang Garden is approximately 216,000 sq.m. There were approximately 30,500 sq.m. booked GFA delivered and recognised into the revenue during the period.

The Group had indirect acquisition of the 35% equity interest of the Huachuangwen Land by the Company from Mr. Chen Weiwu in accordance with the equity sale and purchase agreement signed on 9 April 2020. It had acquired 55% equity interest of Huachuangwen Land by the Company from Shenzhen Yaoling in accordance with the equity sale and purchase agreement signed on 30 July 2021. At as 30 September 2024, the Group holds 90% of the equity interest in Huachuangwen Land. In 2023, the Group had acquired the total issued share capital of Reach Glory Holdings Limited, a company is indirectly holding 70% equity interest in the project company Puning Huachuangwen Industrial Development Co., Ltd., and completed the very substantial acquisition and connected transaction on 10 March 2023. As at 30 September 2024, the Group's completed properties held for sale/lease and investment properties amounted of HK\$1,643.4 million (58.9% of the total assets) compared to amounted of HK1,958.7 million (62.9% of the total assets) as at 31 March 2024; and HK\$180.6 million (6.5% of the total assets) compared to amounted of HK\$187.6 million (6.0% the total assets) as at 31 March 2024, respectively. The completed properties are held for sale/lease and the management expects part of the remaining GFA will recognise in future.

## **FINANCIAL SERVICES BUSINESS**

### **Money lending**

For the six months ended 30 September 2024 and 2023, no money lending business was engaged and no corresponding interest income was recognised by the Group. The management would continue to find new opportunity for this segment.

### **Securities, futures and asset management**

The Group returned Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) licenses to Securities and Futures Commission (“SFC”) by SFC in November 2020 as no suitable business opportunities have been identified. The management would like to focus more on the other business segments of the Group.

## **PROSPECTS**

During the Period, with the continuous impact of economy downturn, the overall real estate market in the PRC continued to experience a decrease in public purchasing power. The selling prices of property projects were inevitably suppressed which led to slowing down of sales and such situation was especially worsened for non-core city locations. Despite the real estate industry may still face demand and financing pressure, it is expected the Chinese government will continue to introduce policies to support the real estate market and stabilize macroeconomic growth. The Group will adopt a more prudent operation strategy, enhance the efficiency of management and control. The Group will also continue to strengthen our sales efforts in terms of operation, proactively funds especially in the cities with incentive policies, and actively grasp the window of opportunity for marketing. The Group will remain proactive in reviewing its pace of business expansion to maintain this business and achieve sustainable growth of the Group, the management may adjust its project development plans and schedules in response to changing market conditions, as and when appropriate.

The Board is expecting the management to remain cautious, meanwhile, to also maintain open-minded in identifying new property development projects in the PRC which could strengthen the financial profitability for the Group.

The management team and the Board are made up of highly qualified and competent individuals who are experienced in the real estate development industry in PRC. The team possesses significant knowledge, resources and networks in China of which the Company expects to be able to leverage these advantages for its future development in the property sub-leasing, development and investment projects in the PRC.

The Group has continued its efforts to consolidate and realign its businesses to enable the Group to achieve improvements in its financial position and to meet its performance objectives. The Group is working towards attaining a sustainable growth whilst continuously exploring and diversifying other suitable investment opportunities (if any) to enhance the overall earning potential, and ultimately maximising the shareholder value.

## FINANCIAL REVIEW

### Liquidity and financial resources

As at 30 September 2024, no bank borrowings were incurred by the Group (31 March 2024: nil).

The maturity profile of the Group's bank borrowings is set out as follows:

	<b>30 September 2024 (Unaudited) HK\$ million</b>	31 March 2024 (Audited) HK\$ million
Repayable:		
Within one year	—	—
more than one year, but not exceeding two years	—	—
more than two years, but not exceeding five years	—	—
more than five years	—	—
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>

The carrying amounts of the Group's bank borrowings were denominated in RMB. As at 30 September 2024, the Group's bank borrowings was nil in 2024 and 2023.

The gearing ratio of the Group as at 30 September 2024 and 31 March 2024 were not applicable (since the Group maintained net cash position as at 30 September 2024 and 31 March 2024). The Directors consider the Group as in a healthy financial position. Such ratio was calculated with reference to the bank borrowings deduction of cash and bank balances over the Company's equity attributable to owners of the Company. As at 30 September 2024, the Group had net current assets of approximately HK\$1,213.4 million as compared with the net current assets as at 31 March 2024 of approximately HK\$1,239.3 million. The current ratio of the Group as at 30 September 2024 was 2.0 compared with 1.8 as at 31 March 2024.

The revenue of the Group, being mostly denominated in RMB and Hong Kong dollar, matches the currency requirement of the Group's expenses while other foreign currencies were immaterial. During the six months ended 30 September 2024, no financial instrument was entered into by the Group used for hedging purpose. The Group was not exposed to any exchange rate risk or any related hedges.

## FUND RAISING ACTIVITIES

In previous years, the Group had completed the following fund raising exercise to strengthen its financial position:

In 2018, convertible bonds in the aggregate principal amount of approximately HK\$42.0 million were issued, with the net proceeds of approximately HK\$41.8 million after deduction of issuance expenses. Details of which are set out as follows:

Date of announcement	Description of fund raising activities	Intended Use of Proceeds	Amount of	Amount of		Amount utilized up to 30 September 2024	Amount of unutilized proceeds	Expected timeline/ Intended use of unutilized proceeds
			Net Proceeds Brought Forward to the year ending 31 March 2024	Net Proceeds Brought Forward to the six months ended 30 September 2024	Net Proceeds Brought Forward to the six months ended 30 September 2024			
31 August 2018	Issue of convertible bonds in an aggregate principal amount of HK\$42,031,080, which has been converted into ordinary shares of the Company on 30 July 2020	Money lending business of the Group in Hong Kong; approximately HK\$27.2 million (as per the announcement of the Company dated 25 August 2021, the use of proceeds have been reallocated to general working capital)	nil	nil	nil	nil	nil	N/A
		General working capital of the Group; approximately HK\$14.6 million	nil	nil	nil	nil	nil	N/A

In 2017, convertible bonds in the aggregate principal amount of approximately HK\$46.3 million were issued, with the net proceeds of approximately HK\$46.1 million after deduction of issuance expenses. Details of which are set out as follows.

Date of announcement	Description of fund raising activities	Intended Use of Proceeds	Amount of	Amount of		Amount utilized up to 30 September 2024	Amount of unutilized proceeds	Expected timeline/ Intended use of unutilized proceeds
			Net Proceeds Brought Forward to the year ending 31 March 2024	Net Proceeds Brought Forward to the year ending 31 March 2024	Net Proceeds Brought Forward to the six months ended 30 September 2024			
26 July 2017	Issue of convertible bonds in an aggregate principal amount of HK\$46,341,960, which has been converted into ordinary shares of the Company on 30 July 2020	Potential acquisition: <i>(Note 1)</i> approximately HK\$32.1 million	nil	nil	nil	nil	nil	N/A
		General working capital of the Group: approximately HK\$14.0 million	nil	nil	nil	nil	nil	N/A

*Note 1:* The proceeds of approximately HK\$32.1 million was utilized to settle the consideration of an acquisition in July 2020.

## CHARGES AND GUARANTEES

As at 30 September 2024 and as at 31 March 2024, no bank borrowings were incurred by the Group and no charges and guarantees were secured.

## CONTINGENT LIABILITIES

Please refer to note 14 of this announcement for material contingent liabilities of the Group as at 30 September 2024.

## EMOLUMENT POLICY

As at 30 September 2024, the Group employed a total of 21 (31 March 2024: 30) employees. The remuneration of the employees of the Group amounted to approximately HK\$4.6 million for the six months ended 30 September 2024 (30 September 2023: approximately HK\$5.3 million). The Group remunerates its employees based on their performance, experience and prevailing industry practices. The emoluments of the Directors and senior management of the Company are reviewed and decided by the remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics.



The Group periodically reviews its remuneration package in order to attract, motivate and retain its employees. Discretionary bonuses are awarded to Directors and the employees of the Group based on its operating results and their performance.

Further, the Company has also adopted a share option scheme for the purpose of providing incentives or rewards to any Director, employee and other eligible participant who made significant contribution to the Group. The Group also provides external training courses to its staff to improve their skills and services on an on-going basis.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 September 2024.

## **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend of the Company for the six months ended 30 September 2024.

## **CODE OF CORPORATE GOVERNANCE PRACTICES**

Throughout the six months ended 30 September 2024, the Company has complied with all code provisions (“**Code Provisions**”) of the Corporate Governance Code (“**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), save for the following deviation:

Pursuant to code provision A.1.1 of the CG Code, Board meetings should be held at least four times a year at approximately quarterly intervals. Although only two regular Board meetings were held during the year from 31 March 2024 up to the date of this report, on 28 June 2024 and 28 November 2024 respectively, the Board considered that sufficient meetings had been held as business operations were under the management and the supervision of the executive Directors. In addition, senior management of the Group provided to the Directors the information in respect of the Group’s business development and activities from time to time. As such, significant matters concerning the business activities and operation of the Group had been either duly reported, discussed and resolved at the two Board meetings, or dealt with by the Board by way of written resolutions for expeditious commercial decisions making purposes. The Board has been, and will continue to be, prepared to hold ad hoc Board meetings as an when required.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

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

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company follows the Model Code (“**Model Code**”) in Appendix C3 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. Having made specific enquiry with the Directors, all Directors confirmed that they have fully complied with the required standards as set out in the Model Code during the six months ended 30 September 2024.

## **AUDIT COMMITTEE**

The audit committee of the Company (“**Audit Committee**”), currently consists of three independent non-executive Directors, namely Mr. Chen Youchun, Ms. Lui Mei Ka and Mr. Zhou Xin, has reviewed, together with the management, the accounting principles and practices adopted by the Group and discussed, among other things, financial report matters including a review of the unaudited interim results for the six months ended 30 September 2024 of the Group.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE STOCK EXCHANGE'S AND COMPANY'S WEBSITE**

The Company's interim report for the six months ended 30 September 2024 will be despatched to the Shareholders and available for viewing on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) under “Latest Listed Company Information” and on the website of the Company at <http://www.ts674.com> in due course.

By Order of the Board  
**China Tangshang Holdings Limited**  
**Chen Weiwu**  
*Chairman*

Hong Kong, 28 November 2024

*As at the date of this announcement, the executive Directors are Mr. Chen Weiwu (the Chairman), Mr. Zhou Houjie and Mr. Jiang Ruowenhao; and the independent non-executive Directors are Mr. Chen Youchun, Ms. Lui Mei Ka and Mr. Zhou Xin.*

\* *For identification purpose only*