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信銘生命科技集團有限公司
Aceso Life Science Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00474)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Aceso Life Science Group Limited (the “**Company**”) is pleased to present the shareholders of the Company (the “**Shareholders**”) the interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended on 30 September 2024 (the “**Period**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	<i>Notes</i>	Six months ended	
		30 September	
		2024	2023
		HK\$'million	HK\$'million
		(unaudited)	(unaudited)
Revenue	4	109	113
Cost of revenue		<u>(55)</u>	<u>(56)</u>
Gross profit		54	57
Other income	5	22	24
Fair value (losses)/gains, net:		(72)	(205)
– investment properties		(30)	(55)
– financial assets at fair value through profit or loss (“FVTPL”)		(40)	(176)
– financial liabilities at FVTPL		(2)	26
Other losses, net	5	(11)	(3)
Administrative expenses		(50)	(60)
Provision of impairment loss on financial assets (expected credit losses)		(9)	(1)
Share-based payment expenses		–	(1)
Share of results of associates		(69)	–
Finance costs	6	<u>(63)</u>	<u>(72)</u>
Loss before taxation		(198)	(261)
Income tax credit	7	<u>3</u>	<u>11</u>
Loss for the period		<u>(195)</u>	<u>(250)</u>

		Six months ended	
		30 September	
		2024	2023
<i>Notes</i>		<i>HK\$'million</i>	<i>HK\$'million</i>
		(unaudited)	(unaudited)
Other comprehensive			
income/(expenses) after tax:			
<i>Items that will not be reclassified to profit or loss:</i>			
	Fair value loss on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)	(28)	(56)
<i>Items that may be reclassified to profit or loss:</i>			
	Share of associates exchange differences on translating foreign operation	(4)	(3)
	Exchange differences on translating foreign operations	<u>54</u>	<u>(34)</u>
	Other comprehensive income/(expenses) for the period, net of tax	<u>22</u>	<u>(93)</u>
Total comprehensive expenses for the period		<u>(173)</u>	<u>(343)</u>
Loss for the period attributable to:			
	Owners of the Company	(137)	(207)
	Non-controlling interests	<u>(58)</u>	<u>(43)</u>
		<u>(195)</u>	<u>(250)</u>
Total comprehensive expenses for the period attributable to:			
	Owners of the Company	(125)	(320)
	Non-controlling interests	<u>(48)</u>	<u>(23)</u>
		<u>(173)</u>	<u>(343)</u>
Loss per share			
	Basic (HK cents per share)	<u>(1.91)</u>	<u>(2.85)</u>
	Diluted (HK cents per share)	<u>(1.91)</u>	<u>(2.85)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	As at 30 September 2024	As at 31 March 2024
<i>Notes</i>	<i>HK\$'million</i> (unaudited)	<i>HK\$'million</i> (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	182	216
Right-of-use assets	25	18
Artworks	19	19
Investment properties	1,504	1,458
Intangible assets	171	171
Investments in associates	724	798
Investments in joint ventures	21	–
Financial assets at FVTOCI	420	447
Properties for development	374	326
Other financial assets	1	1
Finance lease receivables	2	–
Deferred tax assets	54	58
Other receivables and deposits	2	9
	<hr/>	<hr/>
Total non-current assets	3,499	3,521

		As at 30 September 2024	As at 31 March 2024
	<i>Notes</i>	<i>HK\$'million</i> (unaudited)	<i>HK\$'million</i> (audited)
Current assets			
Inventories		2	2
Trade receivables	10	207	208
Other receivables, deposits and prepayments		103	18
Financial assets at FVTPL		79	119
Loan receivables		37	47
Finance lease receivables		3	1
Corporate note receivables		134	501
Pledged bank deposits		13	15
Trusted and segregated bank accounts		6	4
Cash and cash equivalents		298	350
		<hr/>	<hr/>
Total current assets		882	1,265
		<hr/>	<hr/>
Total assets		4,381	4,786
		<hr/> <hr/>	<hr/> <hr/>

		As at 30 September 2024	As at 31 March 2024
	<i>Notes</i>	<i>HK\$'million</i> (unaudited)	<i>HK\$'million</i> (audited)
LIABILITIES			
Current liabilities			
Lease liabilities		10	10
Bank and other borrowings		1,399	1,633
Corporate note payables		505	420
Trade payables	<i>11</i>	4	6
Other payables, deposits received and accruals		152	129
Income tax payables		20	16
Total current liabilities		<u>2,090</u>	<u>2,214</u>
Net current liabilities		<u>(1,208)</u>	<u>(949)</u>
Total asset less current liabilities		<u>2,291</u>	<u>2,572</u>

		As at 30 September 2024	As at 31 March 2024
	<i>Notes</i>	<i>HK\$'million</i> (unaudited)	<i>HK\$'million</i> (audited)
Non-current liabilities			
Lease liabilities		16	9
Deferred tax liabilities		77	84
Bank and other borrowings		17	27
Corporate note payables		–	100
Financial liabilities at FVTPL		541	539
		<hr/>	<hr/>
Total non-current liabilities		651	759
		<hr/>	<hr/>
NET ASSETS		1,640	1,813
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>12</i>	73	73
Reserves		725	848
		<hr/>	<hr/>
		798	921
Non-controlling interests		842	892
		<hr/>	<hr/>
TOTAL EQUITY		1,640	1,813
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL INFORMATION

Aceso Life Science Group Limited (the “**Company**”) is an exempted limited liability company incorporated in the Cayman Islands. Its immediate and ultimate holding company is Asia Link Capital Investment Holdings Limited, which is incorporated in the British Virgin Islands (“**BVI**”), and the ultimate controlling shareholder is Ms. Li Shao Yu. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Hong Kong is Rooms 2501–2509, 25/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong. The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company and the principal activities of the Group include: (i) securities investment; (ii) provision of securities brokerage and other financial services; (iii) asset management; (iv) rental and trading of construction machinery; (v) provision of repair and maintenance and transportation service; (vi) property development; (vii) property leasing; and (viii) money lending.

The Group’s condensed consolidated financial statements have not been audited.

The Group’s condensed consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), and rounded to the nearest million, unless otherwise stated.

2. BASIS OF PREPARATION AND KEY EVENTS

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain of financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules (the “**Listing Rule**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements as at 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) issued by the HKICPA.

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2024. HKFRSs comprise HKFRS; 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 consolidated financial statements and amounts reported for the current period and prior period.

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 HKFRSs would have a material impact on its results of operations and financial position.

Key event during the six months ended 30 September 2024

1. Hao Tian International Construction Investment Group Limited (“**HTICI**”), an indirect non-wholly owned subsidiary of the Company, which has been selected as a constituent of the Hang Seng Composite Index by Hang Seng Indexes Company Limited, with effect from 9 September 2024. The Hang Seng Composite Index is a comprehensive Hong Kong market benchmark that covers about the top 95th percentile of the total market capitalisation of companies listed on the Main Board of The Stock Exchange of Hong Kong Limited and can be used as a basis for index funds, mutual funds as well as performance benchmarks.

The Board is of the view that the inclusion as a constituent of the Hang Seng Composite Index reflects the high recognition of the capital market on the Company’s and HTICI’s business performance and value, which is helpful to broaden the Company’s and HTICI’s shareholder base and increase trading liquidity of its shares, resulting in enhancement in investment value and reputation of the Company and HTICI in the capital market.

For further details, please refer to the relevant index notice(s) published on the website of Hang Seng Indexes Company Limited (<https://www.hsi.com.hk>).

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing this interim condensed consolidated financial information, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to annual financial statements for the year ended 31 March 2024.

4 REVENUE AND SEGMENT INFORMATION

a. Description of segments and principal activities

The Group has identified six (30 September 2023: six) reportable segments of its business:

- (i) Rental and sale of construction machinery and spare parts business: The Group offers crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment in its construction machinery rental fleet in Hong Kong. The Group also sells construction machinery and spare parts in Hong Kong and Macau.
- (ii) Provision of repair and maintenance and transportation service business: The Group provides repair and maintenance service for construction machinery, in particular the crawler cranes, in Hong Kong. The Group also provides transportation services which include local container delivery, construction site delivery and heavy machinery transport in Hong Kong.
- (iii) Money lending business: The Group holds money lending licenses and offers mortgaged loan and personal loan businesses in Hong Kong.
- (iv) Provision of asset management, securities brokerage and other financial service business: The Group holds Securities and Future Commission licenses for conducting type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance and provides a wide range of financial services in Hong Kong.
- (v) Property leasing business: The Group holds a commercial property in London, the United Kingdom, for leasing.
- (vi) Property development business: The Group holds properties for development in Malaysia through a subsidiary.

b. Segment profit or loss

The segment profit or loss for the reportable segments provided to the chief operating decision maker and reconciliation to loss before taxation for the six months ended 30 September 2024 and 2023 are as follows:

For the six months ended 30 September 2024 (unaudited)	Rental and sale of construction machinery and spare parts <i>HK\$'million</i>	Provision of repair and maintenance and transportation service <i>HK\$'million</i>	Money lending <i>HK\$'million</i>	Provision of asset management, securities brokerage, and other financial services <i>HK\$'million</i>	Property leasing <i>HK\$'million</i>	Property development <i>HK\$'million</i>	Total <i>HK\$'million</i>
Segment revenue							
External revenue	76	3	1	6	23	-	109
Segment results before the following items:	26	1	1	-	21	-	49
- Depreciation	(19)	-	-	-	-	-	(19)
- Fair value losses	-	-	-	-	(30)	-	(30)
- Reversal of impairment losses/(Impairment losses on) financial assets (expected credit losses)	7	-	(8)	(8)	-	-	(9)
- Interest income	-	-	-	2	-	-	2
- Finance costs	(2)	-	-	-	(12)	-	(14)
Segment results	12	1	(7)	(6)	(21)	-	(21)
Unallocated:							
- Other income							20
- Fair value losses							(42)
- Other losses, net							(11)
- Administrative expenses							(26)
- Share of results of associates							(69)
- Finance costs							(49)
Loss before taxation							(198)

For the six months ended 30 September 2023 (unaudited)	Rental and sale of construction machinery and spare parts <i>HK\$*million</i>	Provision of repair and maintenance and transportation service <i>HK\$*million</i>	Money lending <i>HK\$*million</i>	Provision of asset management, securities brokerage, and other financial services <i>HK\$*million</i>	Property leasing <i>HK\$*million</i>	Property development <i>HK\$*million</i>	Total <i>HK\$*million</i>
Segment revenue							
External revenue	<u>79</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>26</u>	<u>-</u>	<u>113</u>
Segment results before the following items:	48	2	2	1	(37)	-	16
- Depreciation	(34)	-	-	-	-	-	(34)
- Fair value losses	-	-	-	-	(55)	-	(55)
- (Impairment losses)/reversal of impairment losses on financial assets (expected credit losses)	(1)	-	(6)	-	1	-	(6)
- Interest income	-	-	-	2	-	-	2
- Finance costs	(2)	-	-	-	(13)	-	(15)
Segment results	<u>11</u>	<u>2</u>	<u>(4)</u>	<u>3</u>	<u>(104)</u>	<u>-</u>	<u>(92)</u>
Unallocated:							
- Other income							17
- Fair value losses							(95)
- Other losses, net							(2)
- Administrative expenses							(36)
- Reversal of impairment losses on financial assets (expected credit losses)							5
- Share-based payment expenses							(1)
- Finance costs							<u>(57)</u>
Loss before taxation							<u>(261)</u>

c. Geographical information

The information about the Group's revenue from external customers by location of operations of the relevant group's entities and the Group's non-current assets by geographical area in which the assets physically are located is detailed below:

	Revenue		Non-current assets ^(note)	
	Six months ended		As of	As of
	30 September		30 September	31 March
	2024	2023	2024	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
	(unaudited)	(unaudited)	(unaudited)	(audited)
Geographical market:				
Hong Kong	86	87	424	409
United Kingdom	23	26	1,519	1,473
Malaysia	-	-	374	326
Cambodia	-	-	724	798
	<u>109</u>	<u>113</u>	<u>3,041</u>	<u>3,006</u>

Note: Non-current assets excluded financial assets at FVTOCI, loan receivables, finance lease receivables, financial assets included in other receivables and deposits and deferred tax assets.

d. Information about major customers

There is no external customer which contributed over 10% of the total revenue of the Group for the six months ended 30 September 2024 and 2023.

e. Revenue summary

Disaggregated revenue by segment

For the six months ended 30 September 2024 (unaudited)

	Rental and sale of construction machinery and spare parts <i>HK\$'million</i>	Provision of repair and maintenance and transportation and other services <i>HK\$'million</i>	Money lending <i>HK\$'million</i>	Provision of asset management, securities brokerage and other financial services <i>HK\$'million</i>	Property leasing <i>HK\$'million</i>	Total <i>HK\$'million</i>
Type of goods or services						
Sales of construction machinery and spare parts	11	-	-	-	-	11
Repair and maintenance and transportation service income	-	3	-	-	-	3
Commission income generated from asset management, securities brokerage and other financial services	-	-	-	-	-	-
Rental of construction machinery	65	-	-	-	-	65
Leasing of investment properties	-	-	-	-	23	23
Interest income from money lending	-	-	1	-	-	1
Interest income from margin financing	-	-	-	6	-	6
	<u>76</u>	<u>3</u>	<u>1</u>	<u>6</u>	<u>23</u>	<u>109</u>
Timing of revenue recognition						
At a point in time	11	-	-	-	-	11
Over time	65	3	1	6	23	98
	<u>76</u>	<u>3</u>	<u>1</u>	<u>6</u>	<u>23</u>	<u>109</u>
Total	<u>76</u>	<u>3</u>	<u>1</u>	<u>6</u>	<u>23</u>	<u>109</u>

For the six months ended 30 September 2023 (unaudited)

	Rental and sale of construction machinery and spare parts <i>HK\$'million</i>	Provision of repair and maintenance and transportation and other services <i>HK\$'million</i>	Money lending <i>HK\$'million</i>	Provision of asset management, securities brokerage and other financial services <i>HK\$'million</i>	Property leasing <i>HK\$'million</i>	Total <i>HK\$'million</i>
Type of goods or services						
Sales of construction machinery and spare parts	11	-	-	-	-	11
Repair and maintenance and transportation service income	-	3	-	-	-	3
Commission income generated from asset management, securities brokerage and other financial services	-	-	-	1	-	1
Rental of construction machinery	68	-	-	-	-	68
Leasing of investment properties	-	-	-	-	26	26
Interest income from money lending	-	-	3	-	-	3
Interest income from margin financing	-	-	-	1	-	1
	<u>79</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>26</u>	<u>113</u>
Timing of revenue recognition						
At a point in time	11	-	-	1	-	12
Over time	<u>68</u>	<u>3</u>	<u>3</u>	<u>1</u>	<u>26</u>	<u>101</u>
Total	<u>79</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>26</u>	<u>113</u>

5. OTHER INCOME/OTHER LOSSES, NET

	Six months ended 30 September	
	2024	2023
	<i>HK\$'million</i>	<i>HK\$'million</i>
	(unaudited)	(unaudited)
Other income		
Interest earned on:		
– corporate note receivables	9	14
– bank deposits	6	3
Dividend income	–	2
Rental income from warehouses	1	1
Others	6	4
	<u>22</u>	<u>24</u>
Other losses, net		
Loss on disposal of equipment	(8)	–
Net foreign exchange loss	(3)	(3)
	<u>(11)</u>	<u>(3)</u>
Total	<u>11</u>	<u>21</u>

6. FINANCE COSTS

	Six months ended 30 September	
	2024	2023
	<i>HK\$'million</i>	<i>HK\$'million</i>
	(unaudited)	(unaudited)
Interest expenses arising from:		
– bank and other borrowings	34	48
– corporate note payables	27	26
Exchange difference on borrowings	2	(2)
	<u>63</u>	<u>72</u>

7. INCOME TAX CREDIT

	Six months ended 30 September	
	2024	2023
	<i>HK\$'million</i>	<i>HK\$'million</i>
	(unaudited)	(unaudited)
Current income tax		
– Current period		
– Hong Kong	–	3
– Overseas	2	1
	<u>2</u>	<u>4</u>
Deferred tax credit	(5)	(15)
Income tax credit	<u>(3)</u>	<u>(11)</u>

Hong Kong Profits Tax is calculated at the rate of 8.25% on the estimated assessable profit up to HK\$2,000,000 and 16.5% on any part of estimated assessable profit over HK\$2,000,000 for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

The directors of the Company do not recommend the payment of interim dividend for the six months ended 30 September 2024 and 2023.

9. LOSS PER SHARE

Basic and diluted

Basic and diluted loss per share was calculated by dividing the loss for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2024	2023
	(unaudited)	(unaudited)
Loss for the period attributable to the owners of the Company (<i>HK\$'million</i>)	(137)	(207)
Weighted average number of ordinary shares in issue (<i>million shares</i>)	<u>7,155</u>	<u>7,274</u>
Basic and diluted loss per share (<i>HK cents</i>)	<u>(1.91)</u>	<u>(2.85)</u>

10. TRADE RECEIVABLES

	As at 30 September 2024 <i>HK\$'million</i> (unaudited)	As at 31 March 2024 <i>HK\$'million</i> (audited)
Trade receivables		
Rental income from construction machinery business	43	48
Less: Allowance for expected credit losses of trade receivables from rental income from construction machinery business	(6)	(12)
	<u>37</u>	<u>36</u>
Securities brokerage	164	150
Less: Allowance for expected credit losses of trade receivables from securities brokerage	(9)	(1)
	<u>155</u>	<u>149</u>
Rental income from leasing of investment properties	15	24
Less: Allowance for expected credit losses of trade receivables from rental income from leasing of investment properties	–	(1)
	<u>15</u>	<u>23</u>
	<u>207</u>	<u>208</u>

Notes:

- (a) The Group allows an average credit period of 0–30 days to its trade customers arising from construction machinery and sales of construction materials business. The credit period provided to customers can be longer based on a number of factors including the customer's credit profile and relationship with the customers. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. The Group has a policy for allowance for expected credit losses which is based on the evaluation of the collectability and aging analysis of accounts on every individual trade debtor basis and on the management's judgement including creditworthiness and the past collection history of each customer.

Trade receivables from cash and margin clients arising from commodities, futures and securities brokerage business are repayable on demand subsequent to settlement date. The margin clients of the securities brokerage business are required to pledge their investments to the Group for credit facilities for commodities, futures and securities trading.

- (b) The aging analysis by invoice date of trade receivables from rental income from construction machinery business other than rental income from leasing of investment properties before allowance for expected credit losses is as follows:

	As at 30 September 2024 <i>HK\$'million</i> (unaudited)	As at 31 March 2024 <i>HK\$'million</i> (audited)
0–30 days	20	13
31–60 days	1	19
61–90 days	6	1
91–180 days	10	4
181–365 days	2	4
Over 365 days	4	7
	<u>43</u>	<u>48</u>

The aging analysis by settlement date of trade receivables from securities brokerage before allowance for expected credit losses is as follows:

	As at 30 September 2024 <i>HK\$'million</i> (unaudited)	As at 31 March 2024 <i>HK\$'million</i> (audited)
0–30 days	7	11
31–60 days	2	39
61–90 days	3	30
91–180 days	58	2
181–365 days	35	23
Over 365 days	59	45
	<u>164</u>	<u>150</u>

11. TRADE PAYABLES

An ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	As at 30 September 2024 <i>HK\$'million</i> (unaudited)	As at 31 March 2024 <i>HK\$'million</i> (audited)
0–30 days	1	2
31–60 days	1	2
61–180 days	1	1
181–360 days	–	–
Over 360 days	1	1
	<u>4</u>	<u>6</u>

12. SHARE CAPITAL

	Number of shares <i>million shares</i>	Share capital <i>HK\$'million</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	<u>50,000</u>	<u>500</u>
At 1 April 2024 (audited) and 30 September 2024 (unaudited)	<u>7,382</u>	<u>73</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Impact of Geopolitical Tensions, Military Occupation and High Inflation Rate

2024 was another challenging year. The global economy was still affected by the Russia-Ukraine War, heightened geo-political tension, military occupation, high global inflation and interest rate. The global and Hong Kong economy remained vulnerable as economic recovery was uneven in different sectors. The Group remained resilient and focused on its existing businesses.

During the Period, the Group continued to pursue a long-term business strategy of diversifying into financial services business, property leasing, property development business, and construction machinery business. The Group's principal activities include: (i) securities investment; (ii) provision of securities brokerage and other financial services; (iii) asset management; (iv) rental and trading of construction machinery; (v) provision of repair and maintenance and transportation service; (vi) property development; (vii) property leasing; and (viii) money lending.

Construction machinery business

The Group offers crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment in its construction machinery rental fleet. The Group procures these construction machinery mainly through the manufacturers of construction machinery located in Western Europe, Japan and China as well as traders of used construction machinery around the world.

The Group has maintained approximately 177 units of construction machinery in the rental fleet during the Period. In order to maintain a modern fleet of construction machinery with a greater variety of models, the Group has been replacing portions of its fleet of construction machinery from time to time. The Board will continue to monitor the daily operations and review the expansion plan of the rental fleet and the capital requirements of the Group regularly. The Group may reschedule such expansion plan according to the operation and needs, the preference of the target customers and prevailing market conditions if necessary. To satisfy customers' needs, the Group also sells spare parts for maintenance purposes or upon request.

Financial services business

The Group provides an extensive range of financial services. The Group holds licenses for conducting Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the “SFO”).

The revenue of the financial services business (including provision of asset management, securities brokerage and other financial services) for the Period was approximately HK\$6 million (2023: approximately HK\$2 million). The increase in revenue was mainly due to increase in the value and volume of transactions in margin financing.

Money lending business

The Group holds money lender licenses under the Money Lenders Ordinance in Hong Kong and the money lending business was conducted through its indirect wholly-owned and non-wholly owned subsidiaries, which grant loans to individuals and enterprises. The Group strived to adhere to a set of comprehensive policies and procedural manuals in respect of loan approval, loan renewal, loan recovery, loan compliance, monitoring and anti-money laundering.

a) The size and diversity and sources of its clients, and source of funding of the money lending business

As at 30 September 2024, the Group had loans receivable with carrying amount of approximately HK\$37 million (31 March 2024: HK\$47 million). A total of approximately HK\$9 million of the loan receivables and interest income receivables was received from borrowers during the Period. The Group recorded interest income from loans receivable of approximately HK\$1 million for the Period (2023: HK\$3 million). During the Period, the Group did not grant any new loan (2023: nil).

As at 30 September 2024, there were a total number of 12 borrowers (including 10 individuals and 2 corporations) under the Company’s loan portfolio. The Company provides its mortgage financing service to individual and corporate clients of different backgrounds, including house owners and investment holding company, who are referred by sales executives. The money lending business was funded by the internal resources of the Group.

As at 30 September 2024, 11 loans with aggregate amount of approximately HK\$37 million were overdue, all of which were supported by personal guarantee and/or secured by collaterals, with interest rate ranging from 8% to 16% per annum. A total of 10 loans with aggregate amount of approximately HK\$37 million were under legal proceedings (including assets under public auctions).

As at 30 September 2024, the carrying amount of outstanding loans receivable from the five largest borrowers of the Group was HK\$35 million (representing 95% to the total loans receivable of the Group) while the carrying amount of outstanding loans receivable from the largest borrower amounted to HK\$20 million (representing 54% to the total loans receivable of the Group).

b) *Credit risk assessment policy*

The Group has performed background and credit risk assessment on the potential borrowers before granting the loans by (a) conducting search on their identity and background; (b) reviewing and assessing their financial conditions; and (c) performing an assessment on their creditability.

The Group has adopted a credit policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals and determination of suitable interest rate to reflect the risk level of the provision of loan.

The Company's money lending business offers both secured and unsecured loans to borrowers comprising individuals and corporations. The Company has adopted a credit risk policy and put in place loan approval procedures to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals, assessment of the use of proceeds and the source of repayment. Details of such policy and procedures are all contained in an Internal Control Manual which governs the operations of our money lending business and relevant staff are required to be abide by the same in conducting their behaviours and delivering their target performance. In granting loans to clients, documents such as loan application, proof of identity, employer/income verification, proof of address and any relevant credit reports of potential borrowers are required. The scope of money lending services provided by the money lending business generally includes personal loan and business loans on general working capital. The Company tries to diversify the loan portfolio by lending to different borrowers to lower the concentration risk. The Company does not have preference for specific types of borrowers for loan acceptance (e.g. job/business nature of borrower). The credit risk assessment was made on a case-by-case basis and the Company generally looks at the 5 Cs in the assessment of credit risk of borrowers, i.e. credit history, capacity to repay, capital, the loan's condition and associated collaterals. These include but not limited to reviewing the financial conditions of borrowers, considering the borrower's repayment history and evaluating whether the borrowers are in bankruptcy, receivership or liquidation.

Within a loan category, the interest rates, the duration of the loan and repayment terms of the loan vary and is determined by various factors such as background and credibility of borrowers, their business plans and present and projected operation performance, the collateral security to be made available by these borrowers, and their repayment track records (if the loan is sought by existing borrowers and previous borrowers). The determination of the loan terms reflects the risk level of the provision of loan and ensure the risk is at a controllable level.

c) *Key internal controls*

The Group also assesses and decides the necessity and the value of security/ collaterals for granting of each loan, whether to an individual or enterprise, on a case by case basis after considering various factors, including but not limited to, the repayment history, results of public search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.

For credit approval before granting loans to potential borrowers, the Company performs credit assessment process to assess the potential borrowers' credit quality individually, such as their identity and background, assessment on their creditability, financial background of the borrowers (again, factors such as background and credibility of borrowers, their business plans and present and projected operation performance, the collateral security to be made available by these borrowers, and their repayment track records (if the loan is sought by existing clients) are considered), as well as the value and characteristics of the collaterals to be pledged. The loan proposals will be prepared by the designated loan officer and review by risk management department of money lending business on case specific issues in relation to the factors described above to determine if they have been thoroughly considered. Risk management department of money lending business will discuss each case with loan officer to fine tune its loan proposal and risk management department will make official comments on the submission draft. The loan proposal together with the comments from risk management department will then be sent to the approver(s), who are Director(s) designated with such role and function for approval through physical meetings or emails. Approver(s) may also comment, add pre-conditions and/or improve the terms and conditions during this process. The relevant department head(s) and approver(s) will sign off the proposals once approval is obtained for proper record.

The Company has designated loan officer to closely monitor its loan portfolio, including regular communication with the borrowers of their financial position together with other measures such as monthly assessment of valuation of collaterals (if any), repayment track record of borrower(s), change of profile of borrower(s) (such as change of employment and if there is additional liabilities on the part of the borrower(s), through which the Company will be able to keep updated with the latest credit profile and risk associated with each individual borrower and could take appropriate actions for recovery of a loan at the earliest time.

Further, the risk management department, which comprised of officers with background in finance, auditing and experience in money lending business, will review the risk level of each of the loans on a daily basis and report to the senior management which includes Chief Executive Officer, Financial Controller and the Board in some cases regularly on their recommendation.

From time to time, the risk management department of the money lending business will alert the senior management on certain events (e.g. failed repayment) and advise the Company to take appropriate actions. The accounts department of the money lending business will also keep track of the repayment schedule constantly and make alerts to senior management, the Financial Controller and Chief Executive Officer in case of failed or late repayment.

d) *Recoverability and collection*

At the end of each month, the designated loan officer will check if there is overdue balances or late payment and risk management department as described above will perform an independent review on the loans portfolio and closely monitor the status and report to the senior management. Usually there would be internal discussions on a case-by-case basis on what recovery actions to be taken so that the Company could recover the most in a timely manner. Various potential means such as phones calls, seizure of collaterals, statutory demands and further legal actions would be considered. Reminder letters and statutory demands will be issued to the borrower when considered appropriate if there is overdue repayment. Where appropriate, legal action will be initiated against the borrower for the recovery of the amount due and taking possession of the collaterals pledged. Actions in seizure of collaterals and realization of underlying collaterals would also be taken if necessary. Where appropriate, the Company will also petition to the court for bankruptcy/winding-up of the borrower and/or guarantor. Again, the recovery and collection decisions and processes are included in the monthly risk management report to the senior management.

The Director who operates and oversees the money lending business has extensive experiences and knowledge in the industry. The Company's management team, which includes the chief executive officer, the chief financial officer, the financial controller and the company secretary of the Company, also possess over 10 years of experiences in the corporate and banking industry and the field of accounting and auditing. Further, most of the Board members also possess extensive experiences in corporate financing, investments and banking and financial advisory services.

e) Compliance with Chapter 14 and/or 14A of the Listing Rules and Money Lenders Ordinance

Our Group is required to, and has at all times, strictly comply with all relevant laws and regulations. The Company has complied with those requirements as set out in Chapter 14 and/or 14A of the Listing Rules when it granted or extended the loans to each of the respective borrower whose loan was still outstanding as at 30 September 2024.

In addition to the Listing Rules, the Money Lenders Ordinance is the major applicable laws on our Group's money lending business in Hong Kong. During the Period, we did not receive any objection from and was not investigated by the Registrar of Money Lenders (presently performed by the Registrar of Companies) nor the Commissioner of Police regarding the renewal of the money lenders license.

f) Amount of loan receivables secured by pledge of collaterals and guarantees, and nature of the collaterals

	30 September 2024 <i>HK\$'million</i> (unaudited)	31 March 2024 <i>HK\$'million</i> (audited)
Hong Kong money lending business		
– Secured only by corporate note, shares and properties	30	30
– Secured only by corporate note, receivables and properties and personal guarantees	7	17
	37	47

g) Maturity profile of loan receivables

	30 September 2024 HK\$'million (unaudited)	31 March 2024 HK\$'million (audited)
Hong Kong money lending business		
– Due within 1 year	<u>37</u>	<u>47</u>
	<u><u>37</u></u>	<u><u>47</u></u>

h) Mortgage loan and personal loan interest rate

The mortgage loan interest rate ranges from 8%–15% per annum (31 March 2024: 8% to 15% per annum). The personal loan interest rate ranges from 12% to 16% per annum (31 March 2024: 11% to 16% per annum).

i) Reasons for the movements in provision of impairment loss in the Period

During the Period, no provision of impairment was recognised in the statement of profit or loss of the Company (2023: provision of HK\$ 6 million).

The Company adopted the requirements in respect of expected credit losses assessment set forth in HKFRS 9 issued by the HKICPA in determining the impairment loss allowance for its loan receivables. The details of the accounting policies in respect of the impairment assessment of financial assets are set out in the Annual Report for the year ended 31 March 2024. The Company has taken into account the following factors on the impairment assessment for the outstanding loans and unlisted debt securities due from the connected parties and independent third parties in accordance with the HKFRS 9: (i) the probability of default and the likelihood that the borrowers may fail to pay back the loans. The Company will perform due diligence on the financial statements and consider the macro-environment and the latest announcements of the borrowers. The repayment history of the borrowers will also be taken into account; (ii) the loss given default and the expected cash shortfall between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company will consider the value of the collaterals pledged for the loans, if any; and (iii) forward-looking market data such as gross domestic product will also affect the recoverability of the loans. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes due.

As at 30 September 2024, the management had engaged an independent qualified valuer to determine the expected credit losses of the Group's loans receivable (the "loans receivable ECL"). In assessing the loans receivable ECL of the Group, a credit rating analysis of the underlying debtors was adopted by reviewing the historical accounting information to estimate the default risk. The Group applied different expected loss rates to different classes of receivables according to their respective risk characteristics. In determining the default risk, various factors including but not limited to, the ageing analysis of the receivables, the Group's internal assessment of the debtors' credit worthiness, historical and forecast occurrence of event of default, existence and valuation of the collaterals, the relevant regulatory framework and government policies in Hong Kong and global economic outlook in general and the specific economic conditions of Hong Kong would be considered. The rate of loans receivable ECL ranged from 6% to 100% (31 March 2024: 34% to 100%) depending on the nature, probability of default and loss of the loans receivable.

Securities investment business

The Group had various securities in its investment portfolio such as listed equity securities, unlisted equity securities, unlisted funds, unlisted debts, etc. A fair value loss of approximately HK\$40 million was recorded during the Period (2023: fair value loss of approximately HK\$176 million).

Property leasing business

During the Period, the rental income derived from investment properties contributed revenue of approximately HK\$23 million (2023: approximately HK\$26 million) and the fair value loss on investment properties was approximately HK\$30 million (2023: approximately HK\$55 million).

Property development business

The Group has property development projects in Cambodia and Malaysia. In Cambodia, the Council of Ministers approved the project company to establish a special economic zone with a site area of 17,252,519 square meters at Koh Kong Province, Cambodia. The project company shall have the sole and exclusive right to develop the special economic zone with all the necessary land use rights, including those for residential, industrial and commercial development purposes. The project was still in its preliminary stage during the Period.

The Group has another property development project in Malaysia. The project is a residential and commercial mixed property development project located at Port Dickson, Negeri Sembilan, Malaysia comprising 267,500 square meters (or 2,879,343 square feet). The property is held under the government lease for a lease term of 99 years expiring on 8 February 2097 for residential and commercial building uses. The project was still in its preliminary stage during the Period.

FINANCIAL REVIEW

The Group had incurred a loss of approximately HK\$195 million for the Period (2023: approximately HK\$250 million).

Revenue

During the Period, the total revenue was approximately HK\$109 million (2023: approximately HK\$113 million).

Sales of construction machinery and spare parts, rental income from construction machinery

During the Period, the sales of construction machinery and spare parts was approximately HK\$11 million (2023: approximately HK\$11 million) and the rental income generated from construction machinery was approximately HK\$65 million (2023: approximately HK\$68 million), respectively. The income is maintained at similar level as those of the previous period. The utilisation rate for the rental machineries are approximately 85%.

Money lending, asset management, securities brokerage and other financial services

During the Period, the revenue from money lending, asset management, securities brokerage, provision of other financial services increased by approximately HK\$2 million. Such increase was mainly attributable to the increase in the value and volume of transactions in margin financing.

Fair value losses on financial assets at fair value through profit or loss (“FVTPL”), net

The details of the Group’s securities investments and the net fair value losses recognised for the Period are set out as follows:

Name/(Stock Code)		Number of shares held at 31 March 2024 <i>(Notes)</i>	Percentage of shareholdings at 31 March 2024	Number of shares held at 30 September 2024	Percentage of shareholdings at 30 September 2024 <i>(Note 1)</i>	Fair value at 31 March 2024 <i>HK\$'million</i>	Fair value at 30 September 2024 <i>HK\$'million</i>	Fair value (losses)/gains for the Period <i>HK\$'million</i>	Percentage of total assets of the Group at 30 September 2024
Shandong Hi-Speed Holdings Group Limited (412)		3,000	0.00%	3,000	0.00%	-	-	-	-
Carnival Group International Holdings Limited (996)		3,624,400	0.38%	3,624,400	0.38%	-	-	-	-
Imperial Pacific International Holdings Limited (1076)	2	203,100,100	1.91%	203,100,100	1.91%	13	-	(13)	-
Far East Holdings International Limited (36)		4,983,000	0.46%	4,983,000	0.46%	-	-	-	-
Beijing Properties (Holdings) Limited (925)		8,140,000	0.12%	-	-	-	-	-	-
Virtual Mind Holding Company Limited (1520)	3	283,994,000	13.11%	283,994,000	11.66%	36	17	(19)	0.39%
Wealthink AI-Innovation Capital Limited (1140)	4	29,880,000	0.28%	29,880,000	0.28%	4	3	(1)	0.07%
IBO Technology Company Limited (2708)		1,120,000	0.16%	1,120,000	0.16%	-	-	-	-
China Dili Group (1387)		80,000	0.00%	80,000	0.00%	-	-	-	-
Minerva Group Holding Limited (397)		8,000,000	0.32%	8,000,000	0.32%	1	1	-	0.02%
HG Semiconductor Limited (6908)		1,500,000	0.20%	1,500,000	0.20%	1	1	-	0.02%
Asia Energy Logistics Group Limited (351)	5	30,650,000	1.53%	30,650,000	1.53%	8	4	(4)	0.09%
Zhixin Group Holding Limited (2187)		15,186,000	2.03%	-	-	15	-	(5)	-
VNET Group Inc. (NASDAQ: VNET)		330,000	0.22%	-	-	4	-	2	-
CITIC Securities Company Limited (6030)	6	-	-	500,000	0.00%	-	10	-	0.23%
Future Data Group Limited (8229)	7	-	-	12,300,000	2.25%	-	5	-	0.11%
Finance lease Investment SP		N/A	N/A	N/A	N/A	33	33	-	0.75%
Convertible note receivable		N/A	N/A	N/A	N/A	4	5	-	0.11%
						119	79	(40)	1.79%

Notes:

1. The percentage of shareholdings is calculated with reference to the monthly return of equity issuer on movements in securities of the issuers for the month ended 30 September 2024 which are publicly available on the website of the Stock Exchange.
2. Imperial Pacific International Holdings Limited (“**Imperial Pacific**”) and its subsidiaries (“**Imperial Pacific Group**”) were principally engaged in the gaming and resort business, including the development of an integrated resort on the Island of Saipan, Commonwealth of the Northern Mariana Islands.

Pursuant to the Annual Report of Imperial Pacific Group for the year ended 31 December 2021, Imperial Pacific Group recorded revenue of nil and total comprehensive loss of approximately HK\$1,087 million. It was delisted from The Stock Exchange of Hong Kong Limited on 17 June 2024.

The Group held approximately 203 million shares of Imperial Pacific as at 30 September 2024.

3. Virtual Mind Holding Company Limited (“**Virtual Mind**”) and its subsidiaries (“**Virtual Mind Group**”) were principally engaged in the design, manufacturing and trading of apparels, provision of money lending services and sale of trendy and cultural products.

Pursuant to the Interim Report of Virtual Mind Group for the period ended 30 June 2024, Virtual Mind Group recorded revenue of approximately HK\$30 million and total comprehensive loss of approximately HK\$30 million.

The Group held approximately 284 million shares of Virtual Mind as at 30 September 2024.

4. Wealthink AI-Innovation Capital Limited (“**Wealthink**”) and its subsidiaries (“**Wealthink Group**”) has a principal investment objective to achieve earnings in the form of medium to long term capital appreciation through investing in a diversified portfolio of global investments in listed and unlisted enterprises.

Pursuant to the Annual Report of Wealthink Group for the year ended 31 March 2024, Wealthink Group recorded revenue of approximately HK\$522 million and total comprehensive expense of approximately HK\$98 million.

The Group held approximately 29.8 million shares of Wealthink as at 30 September 2024.

5. Asia Energy Logistics Group Limited (“**Asia Energy**”) and its subsidiaries (“**Asia Energy Group**”) were principally engaged in the (i) shipping and logistics business and (ii) telecommunications related business.

Pursuant to the Interim Report of Asia Energy Group for the period ended 30 June 2024, Asia Energy Group recorded revenue of approximately HK\$23 million and total comprehensive loss of approximately HK\$22 million.

The Group held approximately 31 million shares of Asia Energy as at 30 September 2024.

6. CITIC Securities Company Limited (“**CITIC Securities**”) and its subsidiaries (“**CITIC Securities Group**”) were principally engaged in the provision of securities and future brokerage, securities investment fund distribution and introducing brokerage business for futures companies, agency sale of financial products, securities underwriting and sponsorship, investment advisory and consultancy services, proprietary securities activities, asset management and fund management, margin financing and securities lending, stock option market-making and market making trading of listed securities.

Pursuant to the Interim Report of CITIC Securities Group for the period ended 30 June 2024, CITIC Securities Group recorded total revenue of approximately RMB 37,660 million and total comprehensive income for the period of approximately RMB 11,270 million.

The Group held approximately 500,000 shares of CITIC Securities as at 30 September 2024.

7. Future Data Group Limited (“**Future Data**”) and its subsidiaries (“**Future Data Group**”) were principally engaged in the provision of integration of systems with network connectivity, cloud computing and security elements and maintenance services.

Pursuant to the Interim Report of Future Data for the period ended 30 June 2024, Future Data Group recorded revenue of approximately HK\$ 217 million and total comprehensive loss of approximately HK\$ 13 million.

The Group held approximately 12.3 million shares of Future Data as at 30 September 2024.

The Group had various securities in its investment portfolio such as listed equity securities, unlisted equity securities, unlisted funds, etc.

A fair value loss of approximately HK\$40 million was recorded during the Period (2023: fair value loss of approximately HK\$176 million).

Fair value loss on investment properties

During the Period, a fair value loss of approximately HK\$30 million (2023: approximately HK\$55 million) was recognised for investment properties of the Group.

Fair value loss on financial liabilities at FVTPL

During the Period, a fair value loss of approximately HK\$2 million (2023: approximately HK\$26 million gain) arose on financial liabilities at FVTPL.

Other losses, net

During the Period, other losses, net was at approximately HK\$11 million (2023: approximately HK\$3 million).

Administrative expense

During the Period, the administrative expenses were approximately HK\$50 million (2023: approximately HK\$60 million). Among the administrative expenses incurred during the Period, approximately HK\$8 million was related to depreciation and non-cash in nature; while the remaining expenses of approximately HK\$24 million were mainly related to staff costs. The decrease in administrative expenses was mainly attributable to effective implementation in cost saving plans.

Provision of impairment loss on financial assets

During the Period, the Group recognised provision of impairment loss for expected credit losses on financial assets of approximately HK\$9 million (2023: provision of impairment loss of approximately HK\$1 million recognised). The increase in the amount was mainly attributable to the increased aging of corporate note receivables. The Group has engaged an independent professional valuer for assessing the allowance for expected credit losses on its financial assets.

Share-based payment expenses

During the Period, there was no share-based payment expenses for the share awards and emolument shares (2023: approximately HK\$1 million).

Share of results of associates

During the Period, the share of losses of associates was approximately HK\$69 million.

Finance costs

During the Period, the finance costs were approximately HK\$63 million (2023: approximately HK\$72 million).

Income tax credit

During the Period, the net income tax credit was approximately HK\$3 million (2023: approximately HK\$11 million net income tax credit).

Fair value losses on financial assets at fair value through other comprehensive income (“FVTOCI”), net

The details of the listed securities investments and the net fair value losses recognised during the Period are set out below:

Name	Notes	Percentage of shareholdings at 31 March 2024	Percentage of shareholdings at 30 September 2024	Fair value at 31 March 2024 HK\$'million	Fair value at 30 September 2024 HK\$'million	Fair value losses for the Period HK\$'million	Percentage of total assets of the Group at 30 September 2024
Goodwill International (Holdings) Limited	<i>a</i>	7.54%	7.54%	3	3	-	0.07%
Co-Lead Holdings Limited	<i>b</i>	1.04%	1.04%	13	12	(1)	0.27%
Quan Yu Tai Investment Company Limited	<i>c</i>	15.00%	15.00%	70	53	(17)	1.19%
Oshidori International Holdings Limited (622)	<i>d</i>	1.27%	1.25%	15	10	(5)	0.23%
China Pearl Global Limited	<i>e</i>	10.00%	10.00%	301	284	(17)	6.48%
Tonsin Petrochemical Investment Limited	<i>f</i>	16.67%	16.67%	36	34	(2)	0.78%
Empire Victory Hong Kong Limited	<i>g</i>	4.11%	4.11%	9	9	-	0.21%
Imagi Jue Ming Limited	<i>h</i>	-	18.00%	-	15	-	0.34%
				447	420	42	9.57%

Notes:

- a. Goodwill International (Holdings) Limited (“**Goodwill Int’l**”) invested in a number of property investment projects in Hong Kong and the PRC. The properties would be sold to market upon completion of each projects, and investors (including Goodwill Int’l) would receive dividend.
- b. Co-lead Holdings Limited is principally engaged in trading of securities, provision of finance and holding of investments in financial services industry.
- c. Quan Yu Tai Investment Company Limited holds 90% equity interest in He Ying Tung Investments Company Limited (“**He Ying Tung**”). He Ying Tung, through its various indirect wholly-owned or non-wholly owned subsidiaries, is principally engaged in property development in the PRC. He Ying Tung principally has 3 property projects under development located in the municipalities of Changsha, Chenzhou and Hengyang of Hunan Province, the PRC, mainly consisting of large-scale residential complex projects and integrated commercial complex projects, as well as apartments, offices, shopping arcades, cinemas and other supporting facilities.

- d. Oshidori International Holdings Limited (“**Oshidori**”) principally engages in investment holdings, trading and investment in securities, and the provisions of (i) securities brokerage services, (ii) margin financing services, (iii) placing and underwriting services, (iv) corporate finance advisory services, (v) investment advisory and asset management services, and the provision of credit and lending services. Pursuant to Oshidori’s interim report for the period ended 30 June 2024, Oshidori recorded revenue of approximately HK\$22 million and total comprehensive expense of approximately HK\$557 million.

The Group held 77,500,000 shares of Oshidori as at 30 September 2024 (31 March 2024: 77,500,000 shares).

- e. China Pearl Global Limited (“**CPG**”), through its wholly owned subsidiary, holds a shopping mall in Quanzhou, Fujian Province, the People’s Republic of China with approximately 97,000 square meters (available lease out area over 65,000 square meters) and 1,089 car parking spaces, and it leases out the complex to lessees and provides property management services to the shopping mall.
- f. Tonsin Petrochemical Investment Limited principally engages in the development of EcoPark in South-East Asia which focus on waste management and recycling industry with advanced technologies and value-add processes.
- g. Empire Victory Hong Kong Limited principally engages in the provision of trading in petroleum and aluminium products
- h. Imagi Jue Ming Limited principally engages in the provision of business information advice, corporate management advice, investment advice (other than legal and compliance, and which required a license as specified under legal regulation), supply chain management and social economic advice (not including financial industry related advisory).

Liquidity, financial resources and capital structure

As at 30 September 2024, the Group’s current assets and current liabilities were approximately HK\$882 million (31 March 2024: approximately HK\$1,265 million) and approximately HK\$2,090 million (31 March 2024: approximately HK\$2,214 million) respectively.

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group level. To manage the Group’s exposure to fluctuations in interest rates on project, appropriate funding policies will be applied including the use of bank and other borrowings, corporate note payables, convertible note payables and issue of placement shares. The management will continue its efforts in securing the most privileged rates and favourable terms to the Group for its financing.

Gearing ratio and indebtedness

The Group monitors its capital structure based on the gearing ratio. The gearing ratio is calculated as net debts divided by total capital. Total capital is calculated as “equity” as shown in the consolidated statement of financial position of the Company plus net debts. The capital structure of the Company (including its gearing ratio) as at 30 September 2024 and 31 March 2024 was as follows:

	30 September 2024	31 March 2024
	<i>HK\$'million</i>	<i>HK\$'million</i>
	(unaudited)	(audited)
Bank and other borrowings	1,416	1,660
Corporate note payables		
– at amortised cost	505	520
– at FVTPL	541	539
	<hr/>	<hr/>
Total borrowings	2,462	2,719
Less: cash and cash equivalents	(298)	(350)
pledged bank deposits	(13)	(15)
	<hr/>	<hr/>
Net debts	2,151	2,354
Total equity	1,640	1,813
	<hr/> <hr/>	<hr/> <hr/>
Total capital	3,791	4,167
	<hr/> <hr/>	<hr/> <hr/>
Gearing ratio	57%	56%
	<hr/> <hr/>	<hr/> <hr/>

As at 30 September 2024, the maturity and currency profile for the Group’s bank and other borrowings and corporate note payables at amortised cost are set out as follows:

	Within 1 year	2nd year	3–5 years	Total
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
HK\$	460	12	5	477
US\$	117	–	–	117
GBP	822	–	–	822
	<hr/>	<hr/>	<hr/>	<hr/>
	1,399	12	5	1,416
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

As at 30 September 2024, approximately 97% of the Group’s borrowings are secured by (1) investment properties; (2) property, plant and equipment; (3) financial assets; and (4) bank deposits.

The borrowings with aggregate amounts of approximately HK\$986 million carried fixed interest rates, approximately HK\$430 million carried floating interest rates.

As at 30 September 2024, cash and cash equivalents and pledged bank deposit were denominated in the following currencies:

	<i>HK\$'million</i>
HK\$	177
GBP	86
RMB	27
US\$	19
MYR	1
EUR	1
	<hr/>
	311
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Interest rate risk

The Group's pledged bank deposits and finance lease receivables bear fixed interest rates. The Group's cash at bank balances bear floating interest rates. The Group also has borrowings, obligation under finance leases. Exposure to interest rate risk exists on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate fluctuations and interest rates are appropriately fixed when necessary.

Currency risk

The Group mainly operates in Hong Kong with most of the transactions denominated and settled in HK\$, US\$ and GBP. The Group's exposure to foreign currency risk primarily arises from certain financial instruments including trade receivables, bank balances and cash, trade payables, borrowings and obligation under finance leases which are denominated in US\$ and EUR. The Group does not adopt any hedging measures in the long run but the management continuously monitors the foreign exchange risk exposure and might enter into foreign exchange forward contracts on a case-by-case basis. The Group has not used any hedging contracts to engage in speculative activities.

Credit risk and liquidity risk

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements.

Risk management

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organisation and the external environment with active management participation and effective internal control procedures in the best interest of the Group and its shareholders.

Major post-balance sheet date events

Major post-balance sheet events are as follows:

1. On 3 October 2024 (after trading hours), Hao Tian International Securities Limited (“**HTISL**”), an indirect non-wholly owned subsidiary of the Company, as placing agent (the “**Placing Agent**”) and Hao Tian International Construction Investment Group Limited (“**HTICI**”, together with its subsidiaries, the “**HTICI Group**”) entered into a placing agreement, pursuant to which HTICI has conditionally agreed to place, through the placing agent on a best efforts basis, an aggregate of up to 1,524,224,000 placing shares at the placing price of HK\$0.4 per placing share to not less than six placees whose ultimate beneficial owners will be third parties independent of HTICI and the Company and their respective connected persons.

The maximum number of 1,524,224,000 placing shares under the placing represents approximately 20.00% of the existing issued share capital of HTICI of 7,621,152,835 shares of HTICI as at 30 September 2024 and approximately 16.67% of the issued share capital of HTICI as enlarged by the allotment and issue of the placing shares in full (assuming there is no change in the number of issued shares of HTICI between the date of the placing agreement and the date of completion of the placing).

The placing shares will be allotted and issued pursuant to the specific mandate proposed to the granted by the shareholders of HTICI. The placing is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the placing shares on the Stock Exchange; (ii) compliance by the Company and HTICI of all requirements under the Listing Rules in respect of the placing and the specific mandate; (iii) the Company and HTICI having obtained all necessary consents, authorisations and approvals for the placing in accordance with the applicable laws, regulations and rules (including the Listing Rules), including but not limited to the approvals of the shareholders of the Company and HTICI granting the specific mandate.

Assuming that all the placing shares are fully placed, the maximum gross proceeds from the placing will amount to approximately HK\$610 million. The maximum net proceeds from the placing will amount to approximately HK\$600 million.

For details, please refer to the announcement of the Company dated 25 October 2024.

2. On 8 October 2024, Hao Tian International Financial Holdings Limited, a non-wholly owned subsidiary of HTICI, has entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”) with *Shenzhen Qianhai Zunhong Weiye Asset Management Co., Ltd. (深圳前海尊宏偉業資產管理有限公司) (“**Shenzhen Qianhai Zunhong Weiye**”), pursuant to which both parties intend to cooperate to achieve complementary advantages, expand financial cooperation areas, vigorously develop the asset management business of HTICI Group, build a new value service system and reshape a new value model for the HTICI Group.

Shenzhen Qianhai Zunhong Weiye has substantial financial industry resources and a professional team of asset management. Through the cooperation with Shenzhen Qianhai Zunhong Weiye, the HTICI Group can leverage its market network in fund management and asset management to further expand the HTICI Group’s asset development and management in financial and asset management field, increase business opportunities, and support business development and expansion of the HTICI Group.

The Board believes that the cooperation aligns with the Group’s and HTICI Group’s long-term development goal and business development strategy and is in the interests of the Company and HTICI and its shareholders as a whole. The Company will continue to monitor industry development trends, leverage the comprehensive benefits of the strategic cooperation, actively expand new businesses, and create higher value for its shareholders.

For details, please refer to the announcement of HTICI dated 8 October 2024.

* *For identification purposes only*

Subsequent to the end of the Period and up to the date of this announcement, there was no other significant or important event that affects the business of the Group.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend to the shareholders of the Company for the Period (2023: nil).

CAPITAL COMMITMENTS

As at 30 September 2024 and 31 March 2024, the Group has no material capital commitments.

CONTINGENT LIABILITIES

As at 30 September 2024 and 31 March 2024, the Group had no material contingent liabilities.

Employees and remuneration policy

As at 30 September 2024, the Group had 146 (31 March 2024: 151) staffs. The Group generally recruits its employees from the open market or by referral and enters into employment contracts with its employees. The Group offers attractive remuneration packages to the employees. In addition to salaries, the employees would be entitled to bonuses subject to the Company's and employees' performance. The Group provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for the eligible employees. The Group also adopted a share option scheme and share award scheme.

The operation staff consists of experienced machinery operators and mechanics. While such employees are highly demanded in the market, the Group manages to maintain a relatively stable workforce by continuous recruitment from the market or through referrals. New employees are required to attend induction courses to ensure that they are equipped with the necessary skills and knowledge to perform their duties. In order to promote overall efficiency, the Group also offers technical trainings to existing employees on the operation of more advanced construction machinery from time to time. Selected operation staff are required to attend external trainings which are conducted by the manufacturers of the construction machineries to acquire up-to-date technical skills and knowledge on the products of the Group.

MATERIAL ACQUISITIONS, DISPOSAL AND KEY EVENTS IN THE PERIOD

1. HTICI, an indirect non-wholly owned subsidiary of the Company, which has been selected as a constituent of the Hang Seng Composite Index by Hang Seng Indexes Company Limited, with effect from 9 September 2024. The Hang Seng Composite Index is a comprehensive Hong Kong market benchmark that covers about the top 95th percentile of the total market capitalisation of companies listed on the Main Board of the Stock Exchange and can be used as a basis for index funds, mutual funds as well as performance benchmarks.

The Board is of the view that the inclusion as a constituent of the Hang Seng Composite Index reflects the high recognition of the capital market on the Company's and HTICI's business performance and value, which is helpful to broaden the Company's and HTICI's shareholder base and increase trading liquidity of its shares, resulting in enhancement in investment value and reputation of the Company and HTICI in the capital market.

For further details, please refer to the relevant index notice(s) published on the website of Hang Seng Indexes Company Limited (<https://www.hsi.com.hk>).

The Group had not made any material acquisition, disposal of subsidiaries and associates during the Period.

BUSINESS PROSPECTS

The Period was full of opportunities and challenges. The impact caused by geopolitical tensions and military occupation, high inflation rate continues to bring unprecedented challenges as it impacts long-term global economic developments. However, the Group implements prudent business strategies to establish a diversified business portfolio that can survive the uncertain market conditions while exploring high quality asset investment opportunities to explore the growth potential of profit and capital value for shareholders and investors of the Company.

The Group continuously seek investment opportunities from time to time with a view to diversify and enhance their asset portfolio, broaden its sources of income and accelerate further growth of the Group.

The Management also recognised the growing global demand in natural resources. The Group has put in additional resources in search of investment prospect and opportunities in natural resources related projects around the world.

In recent years, the rapid growth in business involving digital economy and the transformation of intelligent society have put forward higher requirements for artificial intelligence, especially in the realization of complex training simulation and processing of massive data. The arithmetic power has become a key element to meet the demand for high-performance computing in various industries. The industrial chain of high-performance computing ability which involves data centers, network operation services, system integration services has opened up substantial business prospects and resulting in more business opportunities.

The Group is actively pursuing potential investment opportunities. These opportunities cover a wide range of areas such as computing power scheduling, computing power leasing, Artificial Intelligence Data Centre (AIDCs), and related ancillary facilities and equipment trading and services.

The Group will work with industry experts and leading technology companies to introduce advanced technology equipment and experience in arithmetic management operations, and strive to construct a regional data and arithmetic network to achieve rational allocation of arithmetic resources.

Looking ahead, the Group will continue to develop its business and continue to adopt a prudent investment and pragmatic approach.

Money lending and financial services business

The Group will continue to expand the clients base and establish a strong track record in order to strengthen the businesses of corporate financial advisory services, asset management services and streamline the client base and gradually phasing out the money lending business in the coming future. For the securities brokerage services business, the Group will explore the involvement in the share placement activities to enhance its revenue stream.

Property development business

Located in the Indo-China Peninsula, Cambodia is an important stop on the ancient Maritime Silk Road and an important location for China to promote the “One Belt, One Road” construction in the 21st century. Now Cambodia is also preparing an economic transformation, with many business opportunities emerging. Meanwhile, Cambodia has a decent investment environment and the market is highly liberalised and internationalised, attracting the attention and injection of global capital. While taking part in the development potential of the land development project, the Group is also exploring more business opportunities to invest in more business sectors in Cambodia and to share the development dividend of this high growing emerging market in the future.

At the same time, Malaysia is one of the most popular countries in Asia. In recent years, Malaysia's GDP has continued to rise, which proves that Malaysia has strong investment potential. The Group is also deploying and looking for local high-quality projects, following the layout along the "One Belt, One Road" regions. Looking forward, the Group remains confident in its existing businesses and will continue to monitor the performance in order to maximise the returns to its shareholders.

CORPORATE GOVERNANCE CODE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures that are consistent with the "Corporate Governance Code" (the "**CG Code**") set out in Appendix C1 to the Listing Rules. The corporate governance principles of the Company emphasise on a quality board of directors, sound internal control, transparency and accountability to all shareholders of the Company.

The Company has applied the principles and complied with all relevant code provisions of the CG Code during the Period, save and except for Code Provision C.2.1 as described below.

Under code provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. The Company has neither appointed a board member as the chairman of the Board nor appointed a chief executive officer. Having considered the business operation of the Group at the material time, it is believed that the Board, which consists of experienced professionals, can function effectively as a whole, and the executive Directors along with other members of senior management of the Company are effective in overseeing the day-to-day operation of the Company under the strong corporate governance structure in place.

Save for the aforesaid, the Board is of the view that the Company has complied with the code provisions as set out in the CG Code during the Period and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct for Directors' securities transaction. The Company has made specific enquiries to all Directors and all Directors confirmed that they have fully complied with the Model Code throughout the Period.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, a subsidiary of the Company purchased 119,250,000 shares of the Company from the market.

GRANT OF GENERAL MANDATE

On 19 September 2024, an ordinary resolution approving the grant of general mandate to issue new Shares was duly passed by way of poll at the annual general meeting of the Company (the “AGM”). The general mandate granted the Directors the authority to allot, issue and deal with new Shares with an aggregate nominal amount of not exceeding 20% of the issued share capital of the Company as at the date of the AGM.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and the internal controls and unaudited condensed consolidated interim results and financial report of the Group for the Period.

APPRECIATION

The Board would like to take this opportunity to express its gratitude to all Shareholders, customers, suppliers, business partners, banks, professional parties and employees of the Group for their continuous support.

PUBLICATION OF INTERIM RESULTS

This results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.acesogrouphk.com). The interim report will be despatched to the Shareholders and will be published on the websites of the Stock Exchange and the Company respectively in due course.

By order of the Board of
Aceso Life Science Group Limited
Fok Chi Tak
Executive Director

Hong Kong, 28 November 2024

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Zhiliang Ou, J.P. (Australia) and Mr. Fok Chi Tak; and three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing and Mr. Mak Yiu Tong.