



SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED

Stock code : 252



2024/25
INTERIM REPORT



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Southeast Asia Properties & Finance Limited

CORPORATE INFORMATION

Board Of Directors

Executive Directors

Mr. Chua Nai Tuen

(Chairman and Managing Director)

Mr. Nelson Junior Chua

Mr. Richard Sy Tan

Non-Executive Directors

Mr. Chan Man Hon, Eric

Mr. Jimmy Siy Tiong

Mr. Tsai Han Yung

Ms. Vivian Chua

Independent Non-Executive Directors

Mr. Chan Siu Ting

Mr. Tsui Ka Wah

Dr. Luk Siu Chuen

Mr. Kam Cheuk Sun

Audit Committee

Mr. Chan Siu Ting *(Chairman)*

Mr. Chan Man Hon, Eric

Mr. Tsai Han Yung

Mr. Tsui Ka Wah

Dr. Luk Siu Chuen

Mr. Kam Cheuk Sun

Remuneration Committee

Mr. Tsui Ka Wah *(Chairman)*

Mr. Chua Nai Tuen

Mr. Chan Man Hon, Eric

Mr. Chan Siu Ting

Dr. Luk Siu Chuen

Nomination Committee

Mr. Chua Nai Tuen *(Chairman)*

Mr. Chan Man Hon, Eric

Mr. Chan Siu Ting

Mr. Tsui Ka Wah

Mr. Kam Cheuk Sun

Principal Bankers

China CITIC Bank International Limited

China Construction Bank (Asia)

Corporation Limited

Hang Seng Bank Limited

OCBC Bank (Hong Kong) Limited

Solicitors

Vincent T. K. Cheung, Yap & Co.

Auditor

Grant Thornton Hong Kong Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

Company Secretary

Mr. Lam Wing Yiu

Registered Office

Units 407–410, 4th Floor, Tower 2,

Silvercord, No. 30 Canton Road,

Tsimshatsui, Kowloon, Hong Kong

Share Registrar

Union Registrars Limited

Suites 3301–04, 33/F,

Two Chinachem Exchange Square,

338 King's Road,

North Point, Hong Kong

Stock Code

252

Website

www.seapnf.com.hk

Southeast Asia Properties & Finance Limited

The board (the “Board”) of directors (the “Directors”) of Southeast Asia Properties & Finance Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2024 (the “Reporting Period”), together with the comparative figures of the corresponding period in 2023 (the “Previous Reporting Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
Revenue	5	101,993,615	99,223,674
Cost of sales		(65,889,647)	(66,895,315)
Gross profit		36,103,968	32,328,359
Other revenue and other income	6	2,248,787	3,253,055
(Loss)/Gain arising from change in fair value of investment properties		(34,662,900)	10,348,000
Gain/(Loss) arising from change in fair value of financial assets at fair value through profit or loss (“FVTPL”)		6,463,915	(4,510,000)
Selling and distribution expenses		(2,428,655)	(1,827,467)
Administrative expenses		(22,689,954)	(26,540,037)
Other operating (expenses)/income		(2,599,213)	2,153,526
Finance costs	7	(7,778,610)	(7,192,185)
Loss on deemed disposal of interests in an associate		(15,223,125)	–
Share of results of associates		9,068,649	(1,889,155)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024	2023
		HK\$ (Unaudited)	HK\$ (Unaudited)
(Loss)/Profit before income tax		(31,497,138)	6,124,096
Income tax expenses	8	(2,061,639)	(1,296,748)
(Loss)/Profit for the period	9	(33,558,777)	4,827,348
(Loss)/Profit for the period attributable to:			
Owners of the Company		(33,835,273)	5,663,003
Non-controlling interests		276,496	(835,655)
		(33,558,777)	4,827,348
(Loss)/Earnings per share attributable to owners of the Company			
Basic and diluted (HK cents)	11	(15.0)	2.5

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
(Loss)/Profit for the period	(33,558,777)	4,827,348
Other comprehensive income/(expenses):		
<i>Item that will be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	2,595,425	(7,518,923)
Share of other comprehensive expense of an associate	(119,827)	–
Other comprehensive income/(expenses) for the period	2,475,598	(7,518,923)
Total comprehensive expense for the period	(31,083,179)	(2,691,575)
Total comprehensive expense attributable to:		
Owners of the Company	(31,492,536)	(1,353,808)
Non-controlling interests	409,357	(1,337,767)
	(31,083,179)	(2,691,575)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	292,186,052	259,641,262
Right-of-use assets		11,023,643	11,801,815
Investment properties	13	646,028,868	674,706,515
Interests in associates	14	267,585,257	273,314,749
Intangible assets		3,501,501	3,501,501
Other assets		2,700,000	2,700,000
Financial asset at fair value through other comprehensive income ("FVOCI") (non-recycling)		91,116,838	90,985,137
Loan receivables		30,790,557	29,822,385
Prepayment for acquisition of property, plant and equipment		642,436	1,109,015
Deferred tax assets		507,049	441,828
		1,346,082,201	1,348,024,207
Current assets			
Inventories		47,553,424	38,892,960
Trade and other receivables	15	176,994,554	101,584,637
Deposits and prepayments		6,687,438	4,703,672
Tax recoverable		2,835,502	2,440,275
Amount due from an associate		–	17,365,705
Financial assets at FVTPL	16	27,771,800	21,646,350
Trust accounts of shares dealing clients		30,393,990	58,818,134
Cash and cash equivalents		52,761,895	41,844,128
		344,998,603	287,295,861
Current liabilities			
Trade and other payables	17	172,062,493	106,709,001
Contract liabilities		603,247	1,216,568
Amount due to an associate		817,320	–
Bank loans	18	15,087,054	58,240,087
Lease liabilities		355,874	1,059,254
Tax payable		4,443,798	2,846,290
		193,369,786	170,071,200

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 September 2024

	Notes	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
Net current assets		151,628,817	117,224,661
Total assets less current liabilities		1,497,711,018	1,465,248,868
Non-current liabilities			
Bank loans	18	301,767,756	273,221,012
Amount due to an associate		65,170,471	30,405,128
Amount due to a non-controlling interest		3,395,000	3,395,000
Deferred tax liabilities		11,813,550	11,580,308
Long service payment obligations		931,494	931,494
		383,078,271	319,532,942
Net assets		1,114,632,747	1,145,715,926
EQUITY			
Share capital	19	245,062,941	245,062,941
Reserves		859,056,916	890,549,452
Equity attributable to owners of the Company		1,104,119,857	1,135,612,393
Non-controlling interests		10,512,890	10,103,533
Total equity		1,114,632,747	1,145,715,926

Southeast Asia Properties & Finance Limited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	FAIR VALUE				RETAINED PROFITS*	SUBTOTAL	NON-CONTROLLING INTERESTS	TOTAL
	SHARE CAPITAL	RESERVE (NON-RECYCLING)*	PROPERTY REVALUATION RESERVE*	EXCHANGE RESERVE*				
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 April 2023 (Audited)	245,062,941	(6,154,489)	4,278,755	33,015,354	794,272,244	1,070,474,805	10,900,152	1,081,374,957
Profit for the period	-	-	-	-	5,663,003	5,663,003	(835,655)	4,827,348
Other comprehensive expenses for the period	-	-	-	(7,016,811)	-	(7,016,811)	(502,112)	(7,518,923)
Total comprehensive expense for the period	-	-	-	(7,016,811)	5,663,003	(1,353,808)	(1,337,767)	(2,691,575)
At 30 September 2023 (Unaudited)	245,062,941	(6,154,489)	4,278,755	25,998,543	799,935,247	1,069,120,997	9,562,385	1,078,683,382
At 1 April 2024 (Audited)	245,062,941	19,857,491	4,278,755	23,217,314	843,195,892	1,135,612,393	10,103,533	1,145,715,926
Loss for the period	-	-	-	-	(33,835,273)	(33,835,273)	276,496	(33,558,777)
Other comprehensive income for the period	-	-	-	2,342,737	-	2,342,737	132,861	2,475,598
Total comprehensive expense for the period	-	-	-	2,342,737	(33,835,273)	(31,492,536)	409,357	(31,083,179)
At 30 September 2024 (Unaudited)	245,062,941	19,857,491	4,278,755	25,560,051	809,360,619	1,104,119,857	10,512,890	1,114,632,747

* The reserves accounts comprise the Group's reserves of HK\$859,056,916 (31 March 2024: HK\$890,549,452) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
Net cash generated from operating activities	19,792,462	30,886,122
Net cash used in investing activities	(21,264,023)	(29,808,998)
Net cash generated from/(used in) financing activities	11,484,560	(47,789,170)
Net increase/(decrease) in cash and cash equivalents	10,012,999	(46,712,046)
Cash and cash equivalents at beginning of the period	41,844,128	98,218,450
Effect of foreign exchange rate changes, net	904,768	(854,057)
Cash and cash equivalents at end of the period	52,761,895	50,652,347

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL INFORMATION

The Company is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is Units 407–410, 4th Floor, Tower 2, Silvercord, No. 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong and, its principal place of business is Hong Kong and the People's Republic of China (the "PRC"). The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Group include investment holding, property investment, development and leasing, hotel operation, manufacturing and distribution of plastic packaging materials and broking and securities margin financing.

The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The financial information relating to the year ended 31 March 2024 that is included in these condensed consolidated financial statements for the Reporting Period as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 March 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial assets which are stated at fair values.

The condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 March 2024.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2024 except as stated below.

The adoption of amendments to standards and framework

The Group adopted the following amendments to standards and framework, which are relevant to its operations.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The above amendments to standards and framework did not have significant impact on the Group's accounting policies and did not require retrospective adjustments.

4. SEGMENT INFORMATION

The Group determines operating segments based on internal reports that are regularly reviewed by the chief operating decision maker ("CODM") for the purpose of resource allocation and assessment of segment performance between segments and that are used to make strategic decisions.

The CODM has been identified as the Directors of the Company. The CODM review the Group's internal reporting for the purposes of resources allocation and the assessment of segment performance and have determined the operating segments based on these reports.

The CODM consider the business from both a geographic and product perspective. From geographic and product perspective, the CODM assess as the performance of (i) property investment, development and leasing/hotel operation, (ii) manufacturing and distribution of plastic packaging materials and (iii) broking and securities margin financing.

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4. SEGMENT INFORMATION (Continued)

In a manner consistent with the way in which information is reported internally to the CODM for the purposes of resources allocation and assessment of segment performance, the Group is currently organised into the following operating segments:

Property investment, development and leasing/ hotel operation	Provision of hotel services in Hong Kong and investing, developing and leasing properties in Hong Kong and the PRC
Manufacturing and distribution of plastic packaging materials	Manufacturing and distribution of plastic packaging materials
Broking and securities margin financing	Provision of stock and futures broking and provision of securities margin financing

Hotel operation business in Hong Kong was temporarily suspended from 1 June 2020 for alteration and addition works.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

(I) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment.

	Property investment, development and leasing/ hotel operation		Manufacturing and distribution of plastics packaging materials		Broking and securities margin financing		Consolidated	
	2024 Six months ended 30 September	2023 Six months ended 30 September	2024 Six months ended 30 September	2023 Six months ended 30 September	2024 Six months ended 30 September	2023 Six months ended 30 September	2024 Six months ended 30 September	2023 Six months ended 30 September
	HKS (Unaudited)	HKS (Unaudited)	HKS (Unaudited)	HKS (Unaudited)	HKS (Unaudited)	HKS (Unaudited)	HKS (Unaudited)	HKS (Unaudited)
Segment revenue – from external customers	7,680,385	6,855,408	88,467,984	85,607,141	5,845,246	6,761,125	101,993,615	99,223,674
Segment results	(5,511,970)	(1,847,117)	14,526,221	10,659,382	8,084,597	(3,954,829)	17,098,848	4,857,436
(Loss)/Gain arising from change in fair value of investment properties	(34,662,900)	10,348,000	-	-	-	-	(34,662,900)	10,348,000
(Loss)/Profit from operations	(40,174,870)	8,500,883	14,526,221	10,659,382	8,084,597	(3,954,829)	(17,564,052)	15,205,436
Loss on deemed disposal of interest in an associate							(15,223,125)	-
Unallocated finance costs							(7,778,610)	(7,192,185)
Share of results of associates							9,068,649	(1,889,155)
(Loss)/Profit before income tax							(31,497,138)	6,124,096
Income tax expenses							(2,061,639)	(1,296,748)
(Loss)/Profit for the period							(33,558,777)	4,827,348
Interest income	(30,548)	(259,775)	(431,495)	(407,884)	(630,592)	(941,877)	(1,092,635)	(1,609,536)
Depreciation of right-of-use assets	11,543	11,543	911,711	917,495	-	-	923,254	929,038
Depreciation of property, plant and equipment	1,840,747	1,862,129	2,197,163	2,238,994	115,080	124,256	4,152,990	4,225,379
Loss/(Gain) arising from change in fair value of investment properties	34,662,900	(10,348,000)	-	-	-	-	34,662,900	(10,348,000)
Bad debt recovery	-	-	-	-	-	(29,000)	-	(29,000)

4. SEGMENT INFORMATION (Continued)

(II) Segment assets and liabilities

	Property investment, development and leasing/hotel operation		Manufacturing and distribution of plastics packaging materials		Broking and securities margin financing		Consolidated	
	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
Assets								
Reportable segment assets	1,236,920,954	1,246,805,397	163,298,472	145,574,864	232,018,053	182,696,978	1,632,237,479	1,575,077,239
Unallocated corporate assets							58,843,325	60,242,829
Total assets							1,691,080,804	1,635,320,068
Liabilities								
Reportable segment liabilities	94,425,318	287,092,916	22,822,722	23,291,092	142,345,207	65,128,129	259,593,247	375,512,137
Unallocated corporate liabilities							316,854,810	114,092,005
Total liabilities							576,448,057	489,604,142
Additions to non-current assets (other than financial instruments and deferred tax assets)	41,781,398	127,886,596	208,610	827,606	-	67,019	41,990,008	128,781,221

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4. SEGMENT INFORMATION (Continued)

(III) Geographical segment

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the assets in case of property, plant and equipment (including prepayment of acquisition of property, plant and equipment), right-of-use assets and investment properties, the location of operation to which they are allocated in case of intangible assets, and the location of operation in case of interests in associates.

	Revenue from external customers		Non-current assets	
	Six months ended		30 September	31 March
	30 September	2023		
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2024 HK\$ (Unaudited)	2024 HK\$ (Audited)
Hong Kong (domicile)	25,390,116	26,489,706	896,331,433	876,294,618
Japan	23,351,344	22,436,245	–	–
Oceania	21,357,274	19,169,033	–	–
The PRC	12,652,324	17,680,396	74,385,007	89,600,453
North America	10,151,288	7,575,618	–	–
Europe	9,091,269	5,872,676	–	–
Philippines	–	–	252,308,881	258,179,786
	101,993,615	99,223,674	1,223,025,321	1,224,074,857

(IV) Information about major customers

Revenue from customers of the corresponding periods contributing 10% or more of revenue of the Group is as follows:

	Six months ended 30 September	
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
Manufacturing and distribution of plastic packaging materials		
Customer A	21,908,048	21,297,962

As at 30 September 2024, 4% (31 March 2024: 22%) of the Group's trade receivables was due from this customer.

5. REVENUE

The Group's revenue recognised during the period is as follows:

	Six months ended 30 September	
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
Revenue from contracts with customers		
Sale of goods	88,467,984	85,607,141
Brokerage commission	1,998,502	2,337,365
	90,466,486	87,944,506
Revenue from other sources		
Rental income and rental related income	7,680,385	6,855,408
Interest income received from clients	2,510,571	3,097,907
Dividend income from listed equity securities	1,336,173	1,325,853
	11,527,129	11,279,168
Total revenue	101,993,615	99,223,674

Disaggregation of revenue from contracts with customers with the scope of HKFRS 15

The Group derives revenue from the transfer of goods and services at a point in time during the Reporting Period and the Previous Reporting Period.

6. OTHER REVENUE AND OTHER INCOME

	Six months ended 30 September	
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
Interest income	1,092,635	1,609,536
Imputed interest income from loan to a private company	522,787	926,306
Other income (note)	231,591	280,928
Accounting fee received from associates	60,000	60,000
Handling fee income from stock broking	341,774	347,285
Bad debt recovery	–	29,000
	2,248,787	3,253,055

Note: Other income mainly represents sales of scrap materials and transportation fee charged to customers.

Southeast Asia Properties & Finance Limited

7. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
Interest expenses on:		
Bank loans	9,727,380	6,178,276
Other borrowings	44,736	135,691
Imputed Interest expenses to amount due to an associate	979,842	979,843
Finance charges on lease liabilities	12,120	33,971
Bank charges	173,994	2,374,931
Total borrowing costs	10,938,072	9,702,712
Less: Amounts capitalised in the cost of qualifying assets (note)	(3,159,462)	(2,510,527)
	7,778,610	7,192,185

Note: The amounts represent the borrowing cost related to specific borrowings.

8. INCOME TAX EXPENSES

	Six months ended 30 September	
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
Current tax:		
Provision for the period	1,893,617	1,020,296
Deferred tax expense	168,022	276,452
Total income tax expenses for the period	2,061,639	1,296,748

The provision for Hong Kong Profits Tax for the Reporting Period is calculated at 16.5% (Previous Reporting Period: 16.5%) of the estimated assessable profits for the period, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2 million are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in the Previous Reporting Period.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

9. (LOSS)/PROFIT FOR THE PERIOD

(Loss)/Profit for the period has been arrived at after charging/(crediting):

	Six months ended 30 September	
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
Cost of inventories sold	53,203,262	53,314,549
Direct operating expenses for generating rental income	1,122,757	1,098,030
Depreciation:		
– Property, plant and equipment	4,152,990	4,225,379
– Right-of-use assets	923,254	929,038
	5,076,244	5,154,417
Gain on disposal of financial assets at FVTPL	(14,615)	–
(Gain)/Loss arising from change in fair value of financial assets at FVTPL	(6,449,300)	4,510,000
	(6,463,915)	4,510,000
Bad debt recovery	–	(29,000)
Exchange loss/(gain), net	2,599,213	(2,184,575)
Staff costs (including Directors' emoluments):		
– Salaries, wages and allowances	18,344,096	19,653,667
– Staff benefits	837,935	454,953
– Retirement benefit schemes contributions	271,904	1,275,776
	19,453,935	21,384,396

10. DIVIDENDS

The Board does not recommend the payment of any interim dividends for the Reporting Period (Previous Reporting Period: Nil).

Final dividends relating to the year ended 31 March 2024 amounting to HK\$6,762,601 were paid in October 2024.

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11. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share is based on the loss attributable to owners of the Company of HK\$33,835,273 (Previous Reporting Period: profit attributable to owners of the Company of HK\$5,663,003) and on the weighted average 225,420,034 (Previous Reporting Period: 225,420,034) ordinary shares in issue during the period.

The diluted earnings per share for the Reporting Period and Previous Reporting Period were the same as basic earnings per share as there were no dilutive potential ordinary shares in existence for both periods.

12. PROPERTY, PLANT AND EQUIPMENT

For the Reporting Period, the Group acquired property, plant and equipment of HK\$36,004,752 (Previous Reporting Period: HK\$27,356,881).

At 30 September 2024, the Group's buildings and construction in progress in Hong Kong with carrying amounts of HK\$241,108,199 (31 March 2024: HK\$207,262,476) have been pledged to secure general banking facilities granted to the Group (note 18).

13. INVESTMENT PROPERTIES

	HK\$
At 1 April 2023 (Audited)	839,931,540
Additions – subsequent expenditures	21,314,845
Additions – acquisition (note (ii))	7,410,000
Loss arising from change in fair value	(193,949,870)
	<hr/>
At 31 March 2024 and at 1 April 2024 (Audited)	674,706,515
Additions – subsequent expenditures	5,985,253
Loss arising from change in fair value	(34,662,900)
	<hr/>
At 30 September 2024 (Unaudited)	<u>646,028,868</u>

Notes:

- (i) At 30 September 2024, the Group's investment properties with carrying amounts of HK\$235,827,000 (31 March 2024: HK\$250,430,000) have been pledged to secure general banking facilities granted to the Group (note 18).
- (ii) The Group acquired two residential properties situated in Hong Kong from two debtors during the year ended 31 March 2024. The properties are held to earn rentals or for capital appreciation and accordingly, the Group classified the properties as investment properties.

14. INTERESTS IN ASSOCIATES

	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
Cost of investments in associates	7,468,108	6,664,312
Amounts due from associates (<i>note</i>)	16,446,598	33,812,303
Share of post-acquisition profits and other comprehensive income, net of dividends received	260,117,149	266,650,437
Less: impairment loss recognised on amounts due from associates	(16,446,598)	(16,446,598)
	267,585,257	290,680,454
Less: Amounts shown under current assets	–	(17,365,705)
	267,585,257	273,314,749

Note: The balances are unsecured, interest-free and have no fixed repayment terms.

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14. INTERESTS IN ASSOCIATES (Continued)

The following list contains only the particulars of associates, all of which are unlisted corporate entities whose quoted market prices are not available, which in the opinion of the Directors principally affected the results or net assets of the Group as at 30 September 2024 and 31 March 2024.

Name of associates	Country/Place of incorporation/ operation	Issued and fully paid share capital	Proportion of ownership interest held by the Group		Principal activities
			30 September 2024 %	31 March 2024 %	
Wisestar Holdings Limited ("Wisestar") (note (1))	Hong Kong	HK\$2	47.7	47.7	Dormant
Ongoing Investments Limited ("Ongoing Investments")	British Virgin Islands/The PRC	US\$100	20.0	20.0	Property investment
Sequin Developments Limited ("Sequin Developments")	British Virgin Islands/The PRC	US\$100	20.0	20.0	Property investment
Titan Dragon Properties Corporation ("Titan Dragon") (note (2))	Philippines	Peso\$160,000,000 (31 March 2024: Peso\$140,000,000)	24.5	28.0	Property investment
Hang Sheng Development Corp.	Philippines	Peso\$12,000,000	49.0	N/A	Dormant

Notes:

- (1) Wisestar was wound up by Court order on 17 July 2019 and in progress of deregistration as at the end of the reporting period. The Group's interest in Wisestar was fully impaired in prior years.
- (2) During the Reporting Period, the Group's equity interest in Titan Dragon was diluted from 28.0% to 24.5% by capital injection from an independent third party amounting to Peso\$500,000,000 (equivalent to approximately HK\$69,342,000). Therefore, the investment in Titan Dragon was deemed disposed, resulted in a loss on deemed disposal of interests in an associate of HK\$15,223,125 recognised in the consolidated statement of profit or loss.

15. TRADE AND OTHER RECEIVABLES

The Group's trade receivables arose from (i) property investment, development and leasing, (ii) manufacturing and distribution of plastic packaging materials, and (iii) broking and securities margin financing.

	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
Trade receivables from broking and securities margin financing:		
– Clearing house and cash clients	117,814,266	10,535,639
– Secured margin clients	37,995,577	71,186,789
Less: ECL allowance	(4,966,475)	(4,966,475)
	150,843,368	76,755,953
Trade receivables from sales of goods and leasing	25,012,457	21,187,491
Less: ECL allowance	(314,989)	(314,989)
	24,697,468	20,872,502
Other receivables	2,333,883	4,555,897
Less: ECL allowance	(880,165)	(599,715)
	1,453,718	3,956,182
	176,994,554	101,584,637

The Directors of the Group consider that the fair values of trade and other receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The Group allows a credit period up to the respective settlement dates for securities transactions (normally two business days after the respective trade date for cash clients). Each secured margin client has a credit limit.

At 30 September 2024, no trade receivables from cash clients and secured margin clients (31 March 2024: HK\$8,569,305) were due from key management personnel.

Trade receivables of manufacturing and distribution of plastic packaging materials fall into the general credit periods ranging from 0–90 days except for a credit period mutually agreed between the Group and the customers.

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15. TRADE AND OTHER RECEIVABLES (Continued)

Aging analysis

The following is an aging analysis of trade receivables of the Group arose from sales of goods and leasing, presented based on the invoice date, which approximates the respective revenue recognition dates and net of ECL allowance:

	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
0–30 days	10,256,607	13,311,225
31–60 days	6,164,367	2,922,709
Over 60 days	8,276,494	4,638,568
	24,697,468	20,872,502

Margin loans due from margin clients are repayable on demand. Margin loans are required to be secured by clients' listed securities held by the Group as collateral and bear interest at 9.1% for the Reporting Period (31 March 2024: 9.3%). The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. At 30 September 2024, the total market value of securities pledged as collateral by the customers in respect of the loans to margin clients was HK\$62,583,130 (31 March 2024: HK\$199,529,979).

No aging analysis of receivables from cash clients and loans to margin clients is disclosed as in the opinion of the Directors, the aging analysis does not give additional value in view of the nature of business.

16. FINANCIAL ASSETS AT FVTPL

	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
Listed securities:		
– Equity securities listed in Hong Kong	27,771,800	21,646,350

The fair value of the Group's investment in listed securities are determined with reference to quoted market closing prices.

At 30 September 2024, equity securities listed in Hong Kong with carrying amounts of HK\$27,771,800 (31 March 2024: HK\$21,646,350) have been pledged to secure general banking facilities granted to the Group (note 18).

17. TRADE AND OTHER PAYABLES

The Group's trade payables arose from (i) manufacturing and distribution of plastic packaging materials and (ii) broking and securities margin financing.

	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
Trade payables to:		
– Clearing house and cash clients	131,782,393	56,691,458
– Secured margin clients	8,763,587	6,990,478
– Other creditors	5,470,159	6,153,647
Total trade payables	146,016,139	69,835,583
Other payables	26,046,354	36,873,418
	172,062,493	106,709,001

Trade payables to other creditors represents trade payables in respect of purchases of materials and supplies.

The credit period granted by other creditors is generally within 30 days. The following is an aging analysis of trade payables to other creditors based on invoice dates:

	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
0–30 days	5,197,669	5,355,926
31–60 days	–	303,876
Over 60 days	272,490	493,845
	5,470,159	6,153,647

All amounts are short term and hence the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of fair value.

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18. BANK LOANS

	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
Secured bank loans	316,854,810	331,461,099

The Group's bank loans were repayable as follows:

	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
Carrying amounts repayable (note)		
Within one year	724,094	43,260,819
In the second year	250,149,307	220,393,095
In the third to fifth year	6,732,477	6,256,591
After fifth year	44,885,972	46,571,326
	302,491,850	316,481,831
Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	14,362,960	14,979,268
Less: Amounts shown under current liabilities	316,854,810 (15,087,054)	331,461,099 (58,240,087)
Amounts shown under non-current liabilities	301,767,756	273,221,012

Note: The amounts are based on the scheduled repayment dates set out in the loan agreements.

Bank loans bear interest rate at rates ranging from 3.03% to 6.86% (31 March 2024: 2.78% to 7.38%) per annum.

18. BANK LOANS (Continued)

The bank loans were secured by guarantees provided by the Group's subsidiaries and the Group's assets as follows:

		30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
	<i>Notes</i>		
Property, plant and equipment	12	241,108,199	207,262,476
Investment properties	13	235,827,000	250,430,000
Financial assets at FVTPL	16	27,771,800	21,646,350
		504,706,999	479,338,826

19. SHARE CAPITAL

	Number of shares	HK\$
Issued and fully paid		
At 1 April 2023, 31 March 2024 (Audited) and 30 September 2024 (Unaudited)		
	225,420,034	245,062,941

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20. LEASE COMMITMENTS

As lessor

The Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of land and buildings as follows:

	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
Within one year	9,322,475	8,687,816
After one year but within two years	3,022,052	2,649,972
	12,344,527	11,337,788

At 30 September 2024, the Group leases its investment properties (note 13) under operating lease arrangements which run for an initial period of one month to three years (31 March 2024: one month to three years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The terms of the leases generally also require the tenants to pay security deposits.

21. CAPITAL COMMITMENTS

	30 September 2024 HK\$ (Unaudited)	31 March 2024 HK\$ (Audited)
Contracted but not provided for:		
– Property, plant and equipment	729,103	1,446,289
– Development expenditure of properties	50,165,005	85,623,529
	50,894,108	87,069,818

22. RELATED PARTIES TRANSACTIONS

Save as disclosed in elsewhere in the condensed consolidated financial statements, the Group entered into the following transactions with related parties at normal commercial terms:

a) **Key management personnel**

Remuneration for key management personnel, including amount paid to the Company's Directors and other members of key management and their close family members during the reporting period were as follows:

	Six months ended 30 September	
	2024	2023
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Salaries, allowances and other benefits	6,750,735	6,996,050
Retirement benefit schemes contributions	54,000	54,000
Total compensation paid to key management personnel	6,804,735	7,050,050

b) **Transactions**

The Group had the following transactions with related parties during the reporting period as follows:

	Six months ended 30 September	
	2024	2023
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Income received from key management personnel		
– Brokerage commission income	51,512	50,110
– Interest income received	70,812	710,590
Income received from associates		
– Accounting fee	60,000	60,000
Expenses paid to a related company		
– Consultation fee	498,000	501,649

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid prices and ask prices respectively;
- the fair values of derivative instruments are calculated using quoted prices. When such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives; and
- the fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are input for which market data are not available; and
- Level 3 valuations: fair value measured using significant unobservable inputs.

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
30 September 2024 (Unaudited)				
Financial assets				
<i>Financial assets at FVTPL</i>				
– Listed equity securities	27,771,800	–	–	27,771,800
<i>Financial asset at FVOCI (non-recycling)</i>				
– Unlisted equity investment	–	–	91,116,838	91,116,838
	27,771,800	–	91,116,838	118,888,638
31 March 2024 (Audited)				
Financial assets				
<i>Financial assets at FVTPL</i>				
– Listed equity securities	21,646,350	–	–	21,646,350
<i>Financial asset at FVOCI (non-recycling)</i>				
– Unlisted equity investment	–	–	90,985,137	90,985,137
	21,646,350	–	90,985,137	112,631,487

For the Reporting Period and Previous Reporting Period, there were no transfers between Level 1 and Level 2.

The Group's policy is to recognise transfers between levels of fair value hierarchy as of the date of the events or change in circumstances that cause the transfer.

24. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation of the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Review

During the Reporting Period, the Group recorded revenue of HK\$102.0 million, representing an increase of HK\$2.8 million or 2.8% as compared with HK\$99.2 million in the Previous Reporting Period. The Group recorded loss for the period attributable to owners of the Company of HK\$33.8 million, as compared to profit for the period attributable to owners of the Company of HK\$5.7 million in the Previous Reporting Period. It was mainly attributable to the loss arising from change in fair value of investment properties of HK\$34.7 million (Previous Reporting Period: gain of HK\$10.3 million) and loss on deemed disposal of interests in an associate of HK\$15.2 million during the Reporting Period.

Property Investment, Development and Leasing/Hotel

During the Reporting Period, this segment recorded revenue of HK\$7.7 million, an increase of HK\$0.8 million or 12.0% as compared with HK\$6.9 million in the Previous Reporting Period. Loss from operations was HK\$40.2 million during the Reporting Period, as compared with profit from operations of HK\$8.5 million in the Previous Reporting Period. The turnaround in results was mainly due to change in fair value of investment properties.

(i) Property Investment, Development and Leasing

During the Reporting Period, most of the Group's investment properties were leased out to generate steady rental income for the Group. The total rental income and rental related income amounted to HK\$7.7 million, representing an increase of HK\$0.8 million, or 12.0% as compared with HK\$6.9 million in the Previous Reporting Period. It was mainly attributable to the increase in rental income from third phase of the WorkCave Hong Kong serviced office development project.

(ii) Hotel

Our hotel operation was suspended since 1 June 2020 for alteration and addition works. No revenue was generated from either shops or hotel accommodation for the Reporting Period and the Previous Reporting Period.

Manufacturing and Distribution of Plastic Packaging Materials

The segment recorded revenue of HK\$88.5 million, an increase of HK\$2.9 million or 3.3% from HK\$85.6 million in the same period due to an increase in export sales in the manufacturing segment. By effectively streamlining operations to reduce costs and increase productivity, the segment profit surged by HK\$3.9 million or 36.3% from HK\$10.7 million to HK\$14.5 million.

During the Reporting Period, polyethylene prices have been relatively stable. However, the Red Sea crisis and China's export rush before U.S. tariff deadline have disrupted shipping routes and restricted shipping capacity, exacerbating global container shortages and causing ocean freight rates to soar.

Broking and Securities Margin Financing

At the beginning of the reporting period, Hang Seng Index was about 20,400 and continued to drop to its lowest points 16,441 in August this year. However, it had a great rebound as from mid-September and Hang Seng Index surged to 21,133 point at the end of September, a raise of nearly 4,500 point as compared to the beginning of the reporting period. The total turnover of the Mainland China and Hong Kong stock market has significant increase at the same time.

Driven by the interest rate cut cycle and China's latest stimulus package have benefited the stock market which motivated buyers' desire to enter the stock market. Global funds and investors are flowing back into the Mainland China and Hong Kong equity market, daily turnover breakthroughs over HK\$500 billion.

As the market turns to be active near the end of the reporting period, still our brokerage commission recorded a decrease of HK\$0.3 million or 14.5% of HK\$2.0 million as compared to HK\$2.3 million of the corresponding period. Meanwhile, the interest income from clients decreased by HK\$0.6 million or 19.0% amounted to HK\$2.5 million while there was HK\$3.1 million in the Previous Reporting Period. However, the segment profit was HK\$8.1 million during the Reporting Period (Previous Reporting Period: Loss of HK\$4.0 million). The turnaround from loss to profit in segment results was mainly attributed to the increase in gain arising from financial assets at fair value through profit and loss of HK\$6.5 million as compared with loss of HK\$4.5 million in the Previous Reporting Period.

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Liquidity and Financial Resources

The Group takes a consistent capital management strategy, providing adequate liquidity to meet the requirement of the Group's developments and operations and monitors its capital on the basis of net debt to equity ratio.

As at 30 September 2024, cash and cash equivalents was HK\$52.8 million (31 March 2024: HK\$41.8 million). As at 30 September 2024, the current ratio of the Group was 1.8 (31 March 2024: 1.7).

The Group's bank loans decreased by HK\$14.6 million from HK\$331.5 million as at 31 March 2024 to HK\$316.9 million as at 30 September 2024, in which the short term borrowings amounted to HK\$15.1 million (31 March 2024: HK\$58.2 million) and long term borrowings amounted to HK\$301.8 million (31 March 2024: HK\$273.2 million). The Group's current period net debt to equity ratio was 24.0% (31 March 2024: 25.6%), calculated on the basis of the Group's total debt less restricted cash and cash and cash equivalents divided by total equity attributable to owners of the Company, such decrease was mainly due to the decrease in net debt during the Reporting Period.

Capital Structure

As at 30 September 2024, the total equity attributable to owners of the Company amounted to HK\$1,104.1 million (31 March 2024: HK\$1,135.6 million). The Group's consolidated net assets per share as at 30 September 2024 was HK\$4.9 (31 March 2024: HK\$5.1).

Foreign Exchange Exposure

The Group operates in Hong Kong and the Mainland China and majority of transactions are denominated in HK\$, United States dollar ("US\$") and Renminbi ("RMB"). Foreign exchange risk arises from commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group entities.

The Group currently does not have a foreign currency hedge policy. In order to mitigate the foreign currency risk, management closely monitors such risks and will consider hedging significant foreign currency exposure should the need arise.

The Group is not exposed to significant foreign exchange risk in respect of HK\$ against the US\$ as long as this currency is pegged.

Material Acquisitions and Disposals

During the Reporting Period, a new investor exercised a share option to subscribe for new shares of Titan Dragon. With the new share issues of Titan Dragon, the Group's interest in Titan Dragon was reduced from 28% as at 31 March 2024 to 24.5% as at 30 September 2024. These transactions have resulted in the deemed partial disposal of the Group's investment in Titan Dragon, and resulted in a deemed disposal loss of HK\$15.2 million mainly because of the decrease in the net asset value per share of Titan Dragon immediately after subscription of shares by the new investor.

Other than as disclosed above, the Group did not have any material disposals of subsidiaries and associated companies during the Reporting Period and the Previous Reporting Period.

Employees and Remuneration Policies

The Group had 238 employees as at 30 September 2024 (31 March 2024: 244 employees). The remuneration policies are determined with reference to the market conditions and individual performance of staff.

Strategic and Prospects

Looking ahead, as the unstable and the volatility of global environment is predicted to persist. We will cautiously review and adjust our business strategies from time to time.

Property Investment, Development and Leasing/Hotel

(i) Property Investment, Development and Leasing

With Hong Kong property market impacted by persistent geopolitical tensions and high interest rate but also the radical change of the business environment of Hong Kong, Hong Kong's real estate market across both the leasing and investment sectors has been under constant pressure. Nevertheless, we are cautiously optimistic across both the leasing and investment sectors given recent rate cuts and earlier strong performance of stock market, in addition to latest Policy Address released by the government, which not only mentions several measures to consolidate and enhance Hong Kong's status as an international financial center but also emphasizes the vigorous development of the "headquarters economy".

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The third phase of the WorkCave Hong Kong serviced office development project was successfully completed in April 2023, increasing our total floor count to 15 levels. The recent economic recovery has positively influenced the market, leading to a steady rise in occupancy rates for our serviced offices and co-working spaces since the second quarter of 2024. Our first and second phase office spaces have been operational for over seven years, during which we have continually optimized our hardware and software offerings. We are committed to ensuring that the quality of our office facilities and services evolves in alignment with changing market demands. In response to the growing need for hot desks, we have strategically decided to expand the area and capacity of our co-working space in the coming months.

Gainful Sky Hong Kong Limited, a subsidiary of the Company has submitted an application and proposal for Land Sharing Pilot Scheme for redeveloping the site into a residential development cum Residential Care Home for the Elderly in May 2023 to the Development Bureau (DEVB) for vetting. The application was supported and endorsed in principle in December 2023 afterwards. It is proposed that the overall plot ratio of the redevelopment shall be approximately at 6.3 with domestic gross floor area of about 60,000 square meters and 1,216 additional housing units, and no less than 70% of the increased domestic gross floor area are set aside for public housing or Starter Homes development. We are now finalising the technical issues raised by the government for taking forward the required statutory and land administration procedures.

Seeing the instability during the year and in the near future, the Group had taken a cautious approach in its business development to mitigate the risks and maintain healthy growth. The Group will monitor the market closely and consider different opportunities and strategies in order to make use of our property portfolio to generate favourable return.

(ii) *Hotel*

Hotel Benito is carrying out a major alteration and addition works. The superstructure works started in October 2022 and substantially completed for application of the occupation permit in July 2024. Upon obtaining the occupation permit, the hotel license is targeted to be applied in around December 2024.

Manufacturing and Distribution of Plastic Packaging Materials

The Hong Kong Government has announced to defer the implementation of municipal solid waste charging scheme and will reassess the readiness of society and the implementation of the measures. However, more regulations for plastic packaging are down the pipeline with EU proposing a mandatory use of post-consumer recycled (PCR) material under the Packaging and Packaging Waste Regulation (PPWR) to reduce packaging pollution and help build a circular economy for packaging by 2030; Australia set 2025 National Packaging targets and South Australia are bringing in legislation to ban non-compostable plastic produce/barrier bags for unpackaged meat, dairy and fish from 1 September 2025.

The future is about reindustrialization, circular economy, green business models and digital economy. We will strengthen the level of automation and digital transformation; establish a sound recycling system and improve resource recycling rate; strengthen green consumption education and adhere to the Recycled Claim Standard (RCS) guidance for green products and services; and support the development of green industries such as renewable energy and energy-saving technologies.

Broking and Securities Margin Financing

Market expectation turns optimistic and investor confidence restores. The key next steps to watch will be any material improvement of macro data and companies' financials. Upward momentum is expected to be consolidated by further interest rate cut, stronger-than-expected policy stimuli and improving earnings capability of company. Most of the organizations raised their year-end target for both the PRC and Hong Kong stock markets. In this context, we expect our business will perform better in the second half of financial year as we are highly correlated with the market movement.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance With the Code on Corporate Governance Practices

During the Reporting Period, the Company has complied with all those code provisions set out in the Code on Corporate Governance Practices (“Code”) contained in Appendix C1 of the Listing Rules except the following deviations:

Pursuant to Code C.1.6, independent non-executive Directors and non-executive Directors, as equal board members, should attend general meetings of the Company. During the period, Mr. Chan Man Hon, Eric and Ms. Vivian Chua were unable to attend the annual general meeting of the Company held on 23 August 2024 as they had other business engagements.

Pursuant to Code C.2.1, the roles of chairman and chief executive officer should be performed by different individuals. Currently, the two roles are performed by the same individual. After reviewing the management structure, the Board is of the opinion that Board decisions are collective decisions of all Directors made by way of voting and not decisions of the Chairman of the Board alone. Further, there is a clear division of responsibilities with independent operations between the Board members and the management of the day-to-day business of the Company. As such, the power of management of the Company is not concentrated in any one individual. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group.

Compliance with the Model Code for Directors’ Dealing in Securities

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (“Model Code”) as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by Directors of the Company. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard laid down in the Model Code.

Directors' Interests in Share Capital

As at 30 September 2024, the Directors of the Company had the following beneficial interests, all being long positions, in the share capital of the Company, the subsidiaries and associate companies of the Company:

	Personal interests (held as beneficial owner)	Family interests (interests of spouse)	Number of shares held Corporate interests (held by controlled corporations)	Other interests	% of the issued share capital
(a) The Company					
(Ordinary shares)					
Chua Nai Tuen	8,161,296	–	97,669,758 (Note)	–	46.95
Nelson Junior Chua	6,954,391	–	–	–	3.09
Richard Sy Tan	–	1,000,000	–	–	0.44
Jimmy Siy Tiong	3,770,987	–	–	–	1.67
Tsai Han Yung	5,120,490	–	–	–	2.27
Vivian Chua	1,040,000	–	–	–	0.46
(b) Nan Sing Plastics Limited					
(Ordinary shares)					
Chua Nai Tuen	–	–	6,965	–	4.64
(c) Titan Dragon Properties Corporation					
(Capital stock of Peso1,000.00 per share)					
Chua Nai Tuen	12,799	–	4,000	–	10.50
Nelson Junior Chua	3,200	–	–	–	2.00
Jimmy Siy Tiong	1,600	–	–	–	1.00
(d) Hang Sheng Development Corp.					
(Capital stock of Peso100.00 per share)					
Chua Nai Tuen	19,200	–	6,000	–	21.00
Nelson Junior Chua	4,800	–	–	–	4.00

Note:

The shares regarding 'Corporate interests' in which Messrs. Chua Nai Tuen was taken to be interested as stated above were the interests of corporations in general meetings of which he was either entitled to exercise (or was taken under Part XV of the Securities and Futures Ordinance (the "SFO") to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations.

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Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange pursuant to the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers:

- (a) there were no interests, both long and short positions, held as at 30 September 2024 by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), and
- (b) there existed during the financial period no rights to subscribe for shares, underlying shares or debentures of the Company which were held by any of the Directors or Chief Executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercises during the financial period of any such rights by any of them.

Substantial Shareholders' Interests

Given below are the names of all parties, other than persons who are Directors of the Company, which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company and the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at 30 September 2024 as recorded in the register kept by the Company under section 336 of the SFO:

	No. of Ordinary Shares held	% of the Issued Share Capital
J & N International Limited ("J & N") (Note 1)	59,435,758	26.37
Sonliet Investment Company Limited ("Sonliet Investment") (Note 1)	38,234,000	16.96
Mr. Chua Nai King (Note 2)	21,204,931	9.41
Julius Baer Trust Company (Singapore) Limited ("Julius Baer") (Note 2)	16,880,140	7.49
Loriking Limited ("Loriking") (Note 2)	16,880,140	7.49

Note 1: For the avoidance of doubts and double counting, it should be noted that J & N's and Sonliet Investment's interests are entirely duplicated with Mr. Chua Nai Tuen's interests.

Note 2: For the avoidance of doubts and double counting, it should be noted that Julius Baer's and Loriking's interests are entirely duplicated with Mr. Chua Nai King's interests.

All the interests stated above represented long positions and as at 30 September 2024, there were no short positions recorded in the said register.

Audit Committee

The Audit Committee of the Company (the "Audit Committee"), which comprises four independent non-executive Directors of the Company, namely Mr. Chan Siu Ting (Chairman of the Audit Committee), Mr. Tsui Ka Wah, Dr. Luk Siu Chuen and Mr. Kam Cheuk Sun and two non-executive Directors of the Company, namely Mr. Chan Man Hon, Eric and Mr. Tsai Han Yung. The interim results of the Group for the Reporting Period have been reviewed by the Audit Committee, prior to their approval by the Board.

Interim Dividend

The Board has resolved not to recommend the payment of any interim dividend for the Reporting Period (Previous Reporting Period: Nil).

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the period under review.

Disclosures Pursuant To Rule 13.21 of The Listing Rules

On 13 June 2023, SAP Realty Company Limited, a subsidiary of the Company as borrower (the "Borrower") and Hotel Benito Management Limited, a subsidiary of the Company and the Company as guarantors entered into a loan agreement (the "Loan Agreement") with a bank (the "Lender"), pursuant to which the Lender has granted the Borrower a term loan facility up to an aggregate principal amount of HK\$313,200,000 (the "Facility"). The term of the Facility is 30 months from the first drawdown date of the Facility or 6 months after issuance of the hotel license, whichever is earlier.

Pursuant to the Loan Agreement, the Borrower has undertaken to ensure that Mr. Chua Nai Tuen, the controlling shareholder of the Company, remain the single largest shareholding interest of the Company, otherwise the Facility shall be cancelled and all outstanding amounts (including principal, accrued interest and all other amounts accrued) owing by the Borrower to the Lender under the Loan Agreement shall become immediately due and payable.

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Change In Information of Directors

The changes in Directors' information since the date of the Company's 2023/2024 annual report as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules and up to the date of this report are set out below:

Mr. Kam Cheuk Sun has been appointed as an Independent Non-executive Director and the member of each of the Audit Committee and the nomination committee of the Company (the "Nomination Committee") with effect from 23 August 2024.

Mr. Chua Nai Tuen, an executive Director, Chairman and Managing Director, has been re-designated from a member of the Nomination Committee to the chairman of the Nomination Committee with effect from 23 August 2024.

Mr. Tsui Ka Wah, an independent non-executive Director, has been appointed as the chairman of the remuneration committee of the Company (the "Remuneration Committee") and re-designated from the chairman of the Nomination Committee to a member of the Nomination Committee with effect from 23 August 2024.

Publication of Interim Report

The electronic version of this report will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.seapnf.com.hk.

By the order of the Board

Southeast Asia Properties & Finance Limited

Chua Nai Tuen

Chairman and Managing Director

Hong Kong, 22 November 2024

As at the date of this report, the Board comprises: (1) Mr. Chua Nai Tuen, Mr. Nelson Junior Chua and Mr. Richard Sy Tan as executive Directors; (2) Mr. Chan Man Hon, Eric, Mr. Jimmy Siy Tiong, Mr. Tsai Han Yung and Ms. Vivian Chua as non-executive Directors; and (3) Mr. Chan Siu Ting, Mr. Tsui Ka Wah, Dr. Luk Siu Chuen and Mr. Kam Cheuk Sun as independent non-executive Directors.