



# SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED

Stock code : 252

INTERIM  
REPORT

2021/22



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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

#### 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. James L. Kwok

Mr. Wong Shek Keung

Mr. Tsui Ka Wah

#### Audit Committee

Mr. Chan Siu Ting *(Chairman)*

Mr. Chan Man Hon, Eric

Mr. James L. Kwok

Mr. Tsai Han Yung

Mr. Wong Shek Keung

Mr. Tsui Ka Wah

#### Remuneration Committee

Mr. James L. Kwok *(Chairman)*

Mr. Chua Nai Tuen

Mr. Chan Man Hon, Eric

Mr. Chan Siu Ting

Mr. Wong Shek Keung

#### Nomination Committee

Mr. Tsui Ka Wah *(Chairman)*

Mr. Chua Nai Tuen

Mr. Chan Man Hon, Eric

Mr. Chan Siu Ting

Mr. James L. Kwok

### Principal Bankers

China Construction Bank (Asia)  
Corporation Limited

DBS Bank (Hong Kong) Limited

Hang Seng Bank Limited

Industrial and Commercial

Bank of China (Asia) Limited

OCBC Wing Hang Bank Limited

### Solicitors

Vincent T. K. Cheung, Yap & Co.

### Auditors

Grant Thornton Hong Kong Limited

Certified Public Accountants

### 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

General Secretarial Services Limited

26th Floor, KP Tower,

93 King's Road, North Point,

Hong Kong

### Stock Code

252

### Website

<http://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 2021 (the “Reporting Period”), together with the comparative figures of the corresponding period in 2020 (the “Previous Reporting Period”) as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2021

	Notes	Six months ended 30 September	
		2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
<b>Revenue</b>	5	<b>124,659,453</b>	126,964,535
Cost of sales		<b>(83,644,718)</b>	(81,761,420)
<b>Gross profit</b>		<b>41,014,735</b>	45,203,115
Other revenue and other income	6	<b>2,340,369</b>	4,424,912
Gain/(Loss) arising from change in fair value of investment properties		<b>51,046,782</b>	(33,470,689)
Loss arising from financial assets at fair value through profit or loss (“FVTPL”)		<b>(2,671,695)</b>	(1,492,810)
Selling and distribution expenses		<b>(3,891,244)</b>	(2,873,404)
Administrative expenses		<b>(24,877,100)</b>	(24,736,856)
Other operating expenses		<b>(250,574)</b>	(426,905)
Finance costs	7	<b>(2,372,633)</b>	(4,192,772)
Share of results of associates		<b>(690,638)</b>	924,662
Impairment loss recognised in respect of amount due from an associate		<b>(4,994,857)</b>	(1,467,662)

## Southeast Asia Properties & Finance Limited

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

For the six months ended 30 September 2021

	Notes	Six months ended 30 September	
		2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
<b>Profit/(Loss) before tax</b>		<b>54,653,145</b>	(18,108,409)
Income tax expense	8	<b>(2,365,985)</b>	(4,162,177)
<b>Profit/(Loss) for the period</b>	9	<b>52,287,160</b>	(22,270,586)
<b>Attributable to:</b>			
Owners of the Company		<b>51,222,830</b>	(22,164,354)
Non-controlling interests		<b>1,064,330</b>	(106,232)
		<b>52,287,160</b>	(22,270,586)
<b>Earnings/(Loss) per share attributable to owners of the Company</b>			
Basic and diluted (HK cents)	11	<b>22.7</b>	(9.8)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
<b>Profit/(Loss) for the period</b>	<b>52,287,160</b>	(22,270,586)
<b>Other comprehensive income:</b> <i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<b>1,674,856</b>	3,721,300
<b>Other comprehensive income for the period</b>	<b>1,674,856</b>	3,721,300
<b>Total comprehensive income/(loss) for the period</b>	<b>53,962,016</b>	(18,549,286)
<b>Attributable to:</b>		
Owners of the Company	<b>52,804,267</b>	(18,686,947)
Non-controlling interests	<b>1,157,749</b>	137,661
	<b>53,962,016</b>	(18,549,286)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 September 2021

		30 September 2021 HK\$ (Unaudited)	31 March 2021 HK\$ (Audited)
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	157,096,982	153,222,523
Right-of-use assets		13,484,955	14,281,194
Investment properties	13	857,437,600	805,236,720
Interests in associates		14,378,673	14,422,890
Loan receivables	14	9,659,076	–
Intangible assets		3,501,501	3,702,706
Other assets		2,935,719	2,962,454
Financial asset at fair value through other comprehensive income (“FVOCI”) (non-recycling)	15	65,000,000	15,000,000
Deposits and prepayments		42,183,922	17,895,490
Deferred tax assets		2,837,737	2,671,782
		<b>1,168,516,165</b>	1,029,395,759
<b>Current assets</b>			
Inventories		53,769,122	48,929,873
Trade and other receivables	16	164,061,098	120,233,466
Deposits and prepayments		5,123,641	5,812,334
Tax recoverable		335,083	251,736
Restricted cash		4,100,000	4,100,000
Financial assets at FVTPL	17	25,365,500	22,502,500
Trust accounts of shares dealing clients		92,740,439	91,918,726
Cash and cash equivalents		63,241,985	159,575,769
		<b>408,736,868</b>	453,324,404
<b>Current liabilities</b>			
Trade and other payables	18	136,297,884	134,382,272
Contract liabilities		1,082,573	1,421,221
Bank loans	19	148,235,276	106,869,971
Amount due to an associate		1,536,644	666,695
Lease liabilities		336,591	1,005,704
Tax payables		5,613,615	4,524,637
		<b>293,102,583</b>	248,870,500

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)*

At 30 September 2021

		<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
	<i>Notes</i>		
<b>Net current assets</b>		<b>115,634,285</b>	204,453,904
<b>Total assets less current liabilities</b>		<b>1,284,150,450</b>	1,233,849,663
<b>Non-current liabilities</b>			
Bank loans	19	<b>164,174,694</b>	168,279,062
Amount due to a non-controlling interest		<b>3,220,000</b>	3,170,000
Deferred tax liabilities		<b>13,583,975</b>	13,190,836
		<b>180,978,669</b>	184,639,898
<b>Net assets</b>		<b>1,103,171,781</b>	1,049,209,765
<b>EQUITY</b>			
Share capital	20	<b>245,062,941</b>	245,062,941
Reserves		<b>845,746,583</b>	792,942,316
Equity attributable to owners of the Company		<b>1,090,809,524</b>	1,038,005,257
Non-controlling interests		<b>12,362,257</b>	11,204,508
<b>Total equity</b>		<b>1,103,171,781</b>	1,049,209,765



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 September 2021

	ATTRIBUTABLE TO OWNERS OF THE COMPANY						
	PROPERTY				NON-		
	SHARE CAPITAL	REVALUATION RESERVE	EXCHANGE RESERVE	RETAINED PROFITS	SUBTOTAL	CONTROLLING INTERESTS	TOTAL
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 April 2020 (Audited)	245,062,941	4,278,755	27,084,226	752,559,903	1,028,985,825	8,286,982	1,037,272,807
Loss for the period	-	-	-	(22,164,354)	(22,164,354)	(106,232)	(22,270,586)
Other comprehensive income for the period	-	-	3,477,407	-	3,477,407	243,893	3,721,300
Total comprehensive income/(loss) for the period	-	-	3,477,407	(22,164,354)	(18,686,947)	137,661	(18,549,286)
At 30 September 2020 (Unaudited)	245,062,941	4,278,755	30,561,633	730,395,549	1,010,298,878	8,424,643	1,018,723,521
At 1 April 2021 (Audited)	245,062,941	4,278,755	36,600,148	752,063,413	1,038,005,257	11,204,508	1,049,209,765
Profit for the period	-	-	-	51,222,830	51,222,830	1,064,330	52,287,160
Other comprehensive income for the period	-	-	1,581,437	-	1,581,437	93,419	1,674,856
Total comprehensive income for the period	-	-	1,581,437	51,222,830	52,804,267	1,157,749	53,962,016
At 30 September 2021 (Unaudited)	245,062,941	4,278,755	38,181,585	803,286,243	1,090,809,524	12,362,257	1,103,171,781

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

*For the six months ended 30 September 2021*

	Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Net cash (used in)/generated from operating activities	(35,387,695)	9,709,879
Net cash used in investing activities	(96,368,139)	(18,701,549)
Net cash generated from financing activities	35,165,140	17,433,245
Net (decrease)/increase in cash and cash equivalents	(96,590,694)	8,441,575
Cash and cash equivalents at beginning of the period	159,575,769	103,372,537
Effect of foreign exchange rate changes, net	256,910	611,301
Cash and cash equivalents at end of the period	<b>63,241,985</b>	112,425,413

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 30 September 2021*

**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 16 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 2021 that is included in these condensed consolidated financial statements 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 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622).

### 2. BASIS OF PREPARATION *(Continued)*

The Company's auditors 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, financial asset at FVOCI (non-recycling) and financial assets at FVTPL, which are measured at fair value.

The condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 March 2021.

### 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 2021 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	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

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.

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

4. SEGMENT INFORMATION (Continued)

(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	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
<b>Revenue</b>	<b>6,332,571</b>	10,415,997	<b>107,599,251</b>	107,292,171	<b>10,727,631</b>	9,256,367	<b>124,659,453</b>	126,964,535
Segment results	<b>(3,571,343)</b>	(2,258,370)	<b>13,819,609</b>	20,910,295	<b>1,416,225</b>	1,446,127	<b>11,664,491</b>	20,098,052
Gain/(Loss) arising from change in fair value of investment properties	<b>51,046,782</b>	(33,470,689)	-	-	-	-	<b>51,046,782</b>	(33,470,689)
<b>Profit/(Loss) from operations</b>	<b>47,475,439</b>	(35,729,059)	<b>13,819,609</b>	20,910,295	<b>1,416,225</b>	1,446,127	<b>62,711,273</b>	(13,372,637)
Unallocated finance costs							<b>(2,372,633)</b>	(4,192,772)
Share of results of associates							<b>(690,638)</b>	924,662
Impairment loss recognised in respect of amount due from an associate							<b>(4,994,857)</b>	(1,467,662)
<b>Profit/(Loss) before tax</b>							<b>54,653,145</b>	(18,108,409)
Income tax expense							<b>(2,365,985)</b>	(4,162,177)
<b>Profit/(Loss) for the period</b>							<b>52,287,160</b>	(22,270,586)
Depreciation of right-of-use assets	<b>11,543</b>	11,543	<b>911,705</b>	877,545	-	-	<b>923,248</b>	889,088
Depreciation of property, plant and equipment	<b>2,093,382</b>	3,059,742	<b>2,772,148</b>	2,812,608	<b>131,627</b>	166,964	<b>4,997,157</b>	6,039,314
(Gain)/Loss arising on change in fair value of investment properties	<b>(51,046,781)</b>	33,470,689	-	-	-	-	<b>(51,046,781)</b>	33,470,689
Write off of property, plant and equipment	-	355,234	-	-	-	-	-	355,234
Bad debt recovered	-	-	-	-	<b>(24,000)</b>	(15,783)	<b>(24,000)</b>	(15,783)

Segment revenue reported above represents revenue generated from external customers.

Segment results represent the profit earned by each segment without allocation of finance costs, share of results of associates, impairment loss recognised in respect of amount due from an associate and income tax expense. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

There is no inter-segment sales during both periods.

# Southeast Asia Properties & Finance Limited

## 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 2021 HK\$ (Unaudited)	31 March 2021 HK\$ (Audited)	30 September 2021 HK\$ (Unaudited)	31 March 2021 HK\$ (Audited)	30 September 2021 HK\$ (Unaudited)	31 March 2021 HK\$ (Audited)	30 September 2021 HK\$ (Unaudited)	31 March 2021 HK\$ (Audited)
<b>Assets</b>								
Reportable segment assets	<b>1,018,822,700</b>	861,330,320	<b>193,210,595</b>	271,048,414	<b>297,979,413</b>	281,701,604	<b>1,510,012,708</b>	1,414,080,338
Unallocated corporate assets							<b>67,240,325</b>	68,639,825
Total assets							<b>1,577,253,033</b>	1,482,720,163
<b>Liabilities</b>								
Reportable segment liabilities	<b>29,861,036</b>	24,867,302	<b>24,657,658</b>	29,171,603	<b>107,152,588</b>	104,322,460	<b>161,671,282</b>	158,361,365
Unallocated corporate liabilities							<b>312,409,970</b>	275,149,033
Total liabilities							<b>474,081,252</b>	433,510,398
Additions to non-current assets (other than financial instruments and deferred tax assets)	<b>8,270,769</b>	12,479,633	<b>1,021,713</b>	1,974,040	<b>73,524</b>	47,760	<b>9,366,006</b>	14,501,433

For the purposes of monitoring resources allocation and assessment of segment performance between segments:

- all assets are allocated to reportable segments other than an owner-occupied property using as head office; and
- all liabilities are allocated to reportable segments, other than bank loans.

4. SEGMENT INFORMATION (Continued)

(III) Geographical segment

The following table sets out information about geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of non-current assets is based on the physical location of the assets.

	Revenue from external customers	
	Six months ended 30 September	
	2021	2020
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Hong Kong	42,201,215	43,507,837
Japan	24,210,875	29,134,384
Oceania	21,326,053	19,430,818
PRC	19,201,481	19,679,133
Europe	7,998,677	8,886,654
North America	9,721,152	6,325,709
	<b>124,659,453</b>	126,964,535

	Non-current assets (Note)	
	30 September	31 March
	2021	2021
	HK\$	HK\$
	(Unaudited)	(Audited)
Hong Kong	964,528,704	899,102,042
PRC	92,850,330	94,257,394
	<b>1,057,379,034</b>	993,359,436

Note: Non-current assets excluded refundable investment deposit, amounts due from associates, financial asset at FVOCI and deferred tax assets.



## Southeast Asia Properties & Finance Limited

### 4. SEGMENT INFORMATION *(Continued)*

#### (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	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Manufacturing and distribution of plastic packaging materials Customer A <sup>1</sup>	<b>19,874,109</b>	23,538,341

<sup>1</sup> Revenue derived from the Group's manufacturing and distribution of plastics packaging materials segment.

### 5. REVENUE

The Group's principal activities are disclosed in note 1 to the condensed consolidated financial statements.

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

	Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
<b>Revenue from contracts with customers</b>		
Sale of goods	<b>107,599,251</b>	107,292,171
Brokerage commission	<b>4,404,764</b>	5,182,012
Hotel accommodation income	–	525,351
	<b>112,004,015</b>	112,999,534
<b>Revenue from other sources</b>		
Rental income and rental related income	<b>6,332,571</b>	9,890,646
Interest income received from clients	<b>4,707,121</b>	3,530,636
Dividend income from listed equity securities	<b>1,615,746</b>	543,719
	<b>12,655,438</b>	13,965,001
<b>Total revenue</b>	<b>124,659,453</b>	126,964,535

## 5. REVENUE (Continued)

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

The Group derives revenue from the transfer of goods and services over time and at a point in time as following:

	Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
<b>Timing of revenue recognition</b>		
A point in time	112,004,015	112,474,183
Over time	–	525,351
<b>Revenue from contracts with customers</b>	<b>112,004,015</b>	<b>112,999,534</b>

## 6. OTHER REVENUE AND OTHER INCOME

	Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Interest income	612,344	576,808
Other income (note a)	1,188,452	1,230,781
Building management fee	–	91,363
Handling fee income from stock broking	515,573	499,807
Bad debt recovered	24,000	15,783
Government grants (note b)	–	2,010,370
	<b>2,340,369</b>	<b>4,424,912</b>

Notes:

- (a) Other income mainly represents transportation fee charged to customers.
- (b) Government subsidies include (i) subsidies under Employment Support Scheme in Hong Kong which required to provide an undertaking not to make redundancies during the subsidy period and to spend all the wage subsidies to the employees; (ii) one-off subsidies for registered owners of goods vehicles; (iii) subsidies under subsidy scheme for the securities industry; and (iv) subsidies under hotel sector support scheme.

## 7. FINANCE COSTS

	Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Interest expenses on:		
Bank loans	2,228,403	3,906,694
Other borrowings	17,398	34,946
Finance charges on lease liabilities	5,888	12,366
Bank charges	120,944	238,766
	<b>2,372,633</b>	<b>4,192,772</b>

## 8. INCOME TAX EXPENSE

The income tax expense is as follows:

	Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Current tax:		
Provision for the period	2,138,801	3,565,130
Deferred tax charge	227,184	597,047
Total income tax expense for the period	<b>2,365,985</b>	<b>4,162,177</b>

The provision for Hong Kong Profits Tax for both periods are calculated at 16.5% (2020: 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%.

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. PROFIT/(LOSS) FOR THE PERIOD

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

	Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Cost of inventories sold	<b>67,064,434</b>	62,500,523
Direct operating expenses for generating rental income	<b>1,126,855</b>	1,259,913
Depreciation:		
– Property, plant and equipment	<b>4,997,157</b>	6,039,314
– Right-of-use assets	<b>923,248</b>	889,088
	<b>5,920,405</b>	6,928,402
Gain on disposal of financial assets at FVTPL	<b>(51,426)</b>	(413,211)
Loss on change in fair value of financial assets at FVTPL	<b>2,723,121</b>	1,906,021
	<b>2,671,695</b>	1,492,810
Bad debt recovered	<b>(24,000)</b>	(15,783)
Write-off of property, plant and equipment	–	355,234
Exchange loss, net	<b>200,801</b>	415,873
Staff costs (including directors' emoluments):		
– Salaries, wages and allowances	<b>20,513,549</b>	21,063,902
– Staff benefits	<b>589,035</b>	474,215
– Retirement benefit schemes contributions	<b>1,302,998</b>	527,435
	<b>22,405,582</b>	22,065,552

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 2021 amounting to HK\$6,762,601 were paid in October 2021.

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

The calculation of the basic earnings/(loss) per share is based on the profit attributable to owners of the Company of HK\$51,222,830 (Previous Reporting Period: loss attributable to owners of the Company of earnings HK\$22,164,354) and on the weighted average 225,420,034 (Previous Reporting Period: 225,420,034) ordinary shares in issue during the both periods.

The diluted earnings/(loss) per share for the Reporting Period and Previous Reporting Period were the same as basic earnings/(loss) 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\$8,211,907 (Previous Reporting Period: HK\$2,611,404).

At 30 September 2021, the Group's buildings and construction in progress in Hong Kong with carrying amounts of HK\$88,369,810 (31 March 2021: HK\$82,817,876) have been pledged to secure general banking facilities granted to the Group (note 19 to the condensed consolidated financial statements).

## 13. INVESTMENT PROPERTIES

	HK\$
At 1 April 2020 (Audited)	849,677,831
Additions	3,145,142
Loss arising on change in fair value	(47,586,253)
	<hr/>
At 31 March 2021 and at 1 April 2021 (Audited)	805,236,720
Additions	1,154,099
Gain arising on change in fair value	51,046,781
	<hr/>
<b>At 30 September 2021 (Unaudited)</b>	<b><u>857,437,600</u></b>

All of the Group's properties held under operating leases to generate rental income or for capital appreciation are measured using the fair value model and are classified and accounted for as investment properties.

At 30 September 2021, the Group's investment properties with carrying amounts of HK\$387,270,000 (31 March 2021: HK\$362,080,000) have been pledged to secure general banking facilities granted to the Group (note 19 to the condensed consolidated financial statements).

### 13. INVESTMENT PROPERTIES *(Continued)*

The carrying amount of investment properties shown above comprises:

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
Inside Hong Kong, held under medium-term lease	<b>828,500,000</b>	777,300,000
Inside Hong Kong, held under long-term lease	<b>13,270,000</b>	12,380,000
Outside Hong Kong, held under medium-term lease	<b>15,667,600</b>	15,556,720
	<b>857,437,600</b>	805,236,720

### 14. LOAN RECEIVABLES

At 30 September 2021, loan receivables with carrying amount of HK\$8,440,821 are secured by borrowers' properties in Hong Kong. The fixed rate loan receivables carry interest at 10% per annum. The outstanding balances are repayable on the respective maturity dates in 2026.

The management closely monitor the credit quality of the loans and there are no indications that loan receivables neither past due nor impaired will be uncollectible.

### 15. FINANCIAL ASSET AT FVOCI (NON-RECYCLING)

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
Unlisted equity investment stated at fair value	<b>65,000,000</b>	15,000,000

The Group designated its investment in a private equity fund as financial assets at FVOCI (non-recycling), as this investment is held for the strategic purpose.

The fair value of the Group's unlisted equity investment has been measured as described in note 24.

## Southeast Asia Properties & Finance Limited

### 16. 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.

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
Trade receivables arising from broking and securities margin financing:		
– Clearing house and cash clients	<b>23,164,893</b>	8,853,275
– Secured margin clients	<b>111,368,377</b>	84,421,554
Less: Expected credit loss ("ECL") allowance	<b>(31,149)</b>	(31,149)
	<b>134,502,121</b>	93,243,680
Trade receivables from sales of goods and leasing	<b>26,976,621</b>	25,541,918
Less: ECL allowance	<b>(497,385)</b>	(497,385)
	<b>26,479,236</b>	25,044,533
Other receivables	<b>3,079,741</b>	1,945,253
	<b>164,061,098</b>	120,233,466

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 2021, trade receivables from cash clients and secured margin clients of HK\$2,631,750 (31 March 2021: HK\$1,801,648) were due from key management personnel.

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

### 16. 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:

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
0–30 days	<b>21,699,727</b>	11,750,838
31–60 days	<b>2,100,076</b>	4,501,644
Over 60 days	<b>2,679,433</b>	8,792,051
	<b>26,479,236</b>	25,044,533

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 8.5% for the Reporting Period (31 March 2021: 8.5%). 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 2021, the total market value of securities pledged as collateral by the customers in respect of the loans to margin clients was HK\$202,577,482 (31 March 2021: HK\$192,255,409).

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.

### 17. FINANCIAL ASSETS AT FVTPL

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
Listed securities:		
– Equity securities listed in Hong Kong	<b>25,365,500</b>	22,502,500
	<b>25,365,500</b>	22,502,500

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

At 30 September 2021, equity securities listed in Hong Kong with carrying amounts of HK\$14,721,500 (31 March 2021: \$16,442,500) have been pledged to secure general banking facilities granted to the Group (note 19 to the condensed consolidated financial statements).



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### 18. TRADE AND OTHER PAYABLES

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

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
Trade payables to:		
– Clearing house and cash clients	<b>89,745,897</b>	87,390,567
– Secured margin clients	<b>13,399,818</b>	14,394,416
– Other creditors	<b>6,464,090</b>	9,807,823
Total trade payables	<b>109,609,805</b>	111,592,806
Other payables	<b>26,688,079</b>	22,789,466
	<b>136,297,884</b>	134,382,272

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:

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
0–30 days	<b>5,311,391</b>	8,167,881
31–60 days	<b>183,791</b>	1,055,470
Over 60 days	<b>968,908</b>	584,472
	<b>6,464,090</b>	9,807,823

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.

19. BANK LOANS

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
Secured bank loans	<b>312,409,970</b>	275,149,033

The Group's bank loans were repayable as follows:

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
Carrying amounts repayable (note)		
Within one year	<b>130,208,735</b>	88,208,735
In the second year	<b>164,174,694</b>	168,279,062
	<b>294,383,429</b>	256,487,797
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)	<b>18,026,541</b>	18,661,236
	<b>312,409,970</b>	275,149,033
Less: Amounts shown under current liabilities	<b>(148,235,276)</b>	(106,869,971)
Amounts shown under non-current liabilities	<b>164,174,694</b>	168,279,062

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 1.38% to 1.82% (31 March 2021: 1.44% to 4.21%) per annum.

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### 19. BANK LOANS (Continued)

The secured bank loans were guaranteed by the Group's subsidiaries and secured by the Group's assets:

		<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
	<i>Notes</i>		
Property, plant and equipment	12	<b>88,369,810</b>	82,817,876
Investment properties	13	<b>387,270,000</b>	362,080,000
Restricted cash		<b>4,100,000</b>	4,100,000
Financial assets at FVTPL	17	<b>14,721,500</b>	16,442,500
		<b>494,461,310</b>	465,440,376

### 20. SHARE CAPITAL

	Number of share	HK\$
<b>Issued and fully paid:</b>		
<b>At 1 April 2020, 31 March 2021 (Audited) and 30 September 2021 (Unaudited)</b>	<b>225,420,034</b>	<b>245,062,941</b>

21. 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:

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
Within one year	<b>5,557,862</b>	7,148,349
After 1 year but within 2 years	<b>476,273</b>	1,424,634
After 2 year but within 3 years	–	63,200
	<b>6,034,135</b>	8,636,183

At 30 September 2021, 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 2021: 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.

22. CAPITAL COMMITMENTS

	<b>30 September 2021 HK\$ (Unaudited)</b>	31 March 2021 HK\$ (Audited)
Authorised and contracted but not provided for:		
– Acquisition of property, plant and equipment	<b>382,108</b>	459,813
– Development expenditure of properties	<b>35,687,112</b>	11,655,037
	<b>36,069,220</b>	12,114,850

## 23. MATERIAL 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 period were as follows:

	Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Salaries, allowances and other benefits	5,230,174	5,047,295
Retirement benefit schemes contributions	64,800	75,885
Total compensation paid to key management personnel	5,294,974	5,123,180

### b) Transactions

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

	Six months ended 30 September	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Income received from key management personnel		
– Brokerage commission income	76,766	7,388
– Interest income received	111,181	222,011
Expenses paid to a related company		
– Consultation fee	383,688	170,100

### 24. FAIR VALUE MEASUREMENT 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.

## Southeast Asia Properties & Finance Limited

### 24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>30 September 2021 (Unaudited)</b>				
<b>Financial assets</b>				
<i>Fair value on a recurring basis</i>				
<i>Financial assets at FVTPL</i>				
– Listed equity securities	25,365,500	–	–	25,365,500
<i>Financial asset at FVOCI (non-recycling)</i>				
– Unlisted equity investment	–	–	65,000,000	65,000,000
	<b>25,365,500</b>	<b>–</b>	<b>65,000,000</b>	<b>90,365,500</b>
<b>31 March 2021 (Audited)</b>				
<b>Financial assets</b>				
<i>Fair value on a recurring basis</i>				
<i>Financial assets at FVTPL</i>				
– Listed equity securities	22,502,500	–	–	22,502,500
<i>Financial asset at FVOCI (non-recycling)</i>				
– Unlisted equity investment	–	–	15,000,000	15,000,000
	<b>22,502,500</b>	<b>–</b>	<b>15,000,000</b>	<b>37,502,500</b>

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.

### 25. 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\$124.7 million, representing a decrease of HK\$2.3 million, or 1.8% as compared with HK\$127.0 million in the Previous Reporting Period. The Group recorded profit for the period of HK\$52.3 million (Previous Reporting Period: loss of HK\$22.3 million). The turnaround in results was mainly attributable to the gain arising from change in fair value of investment properties of HK\$51.0 million during the Reporting Period, as compared to loss arising from change in fair value of investment properties of HK\$33.5 million in the Previous Reporting Period.

### ***Property Investment, Development and Leasing/Hotel Operation***

This segment comprises property investment, development and leasing in Hong Kong and the PRC and operating a hotel in Hong Kong. For the Reporting Period, this segment recorded revenue of HK\$6.3 million, a decrease of HK\$4.1 million, or 39.2% as compared with HK\$10.4 million in the Previous Reporting Period. Profit from operations was HK\$47.5 million, during the Reporting Period (Previous Reporting Period loss from operations of HK\$35.7 million). Excluding the change in fair value of investment properties, loss from operations was HK\$3.6 million, representing an increase in loss of HK\$1.3 million, or 58.1% as compared with HK\$2.3 million in the Previous Reporting Period. The increase in loss was mainly attributable to suspension of hotel operation since 1 June 2020 and lease termination of shops on ground floor of hotel building since September 2020.

#### *(i) Property Investment, Development and Leasing*

For 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\$6.3 million, representing a decrease of HK\$3.6 million, or 36.0% as compared with HK\$9.9 million in the Previous Reporting Period. It was mainly attributable to lease termination of shops on ground floor of hotel building due to alteration and addition works since September 2020.

#### *(ii) Hotel Operation*

Our hotel operation was suspended since 1 June 2020 for alteration and addition works. During the Previous Reporting Period, hotel accommodation income recorded HK\$0.5 million.



## **Southeast Asia Properties & Finance Limited**

### ***Manufacturing and Distribution of Plastic Packaging Materials***

The segment recorded revenue of HK\$107.6 million, a slight increase of HK\$0.3 million from HK\$107.3 million in the Previous Reporting Period. However, the segment profit was HK\$13.8 million, a decrease of HK\$7.1 million, or 33.9% from HK\$20.9 million in the Previous Reporting Period. The decrease in segment profit was mainly due to the increase in cost of sales, particularly cost of raw materials and ocean freights, which led to a drop in export sales volume.

The global pandemic shutdown wreaked havoc on the global supply chain. Since, lingering virus-mitigation measures continue to limit efforts to return the supply chain to pre-pandemic levels, spawning backlogs at major ports around the world. It is unpredictable when the global economy can return normalcy, which in turn impacted our customers' sentiment towards their sales forecast and delayed their marketing and procurement decisions.

### ***Broking and Securities Margin financing***

Market momentum was weak throughout the Reporting Period. The outbreak of COVID-19 has resulted in slowing down the global economic growth. Recently, China is tightening its anti-monopoly measures and imposed governance on various sectors with an aim to common prosperity. And also, the restraining order of electricity in China would suppress the production rate and affect its GDP growth.

During the period, due to full of negative elements in the market, Hang Seng Index hovered with great variation, it dropped by approximately 4,000 points as at 30 September 2021 as compared to the beginning of the reporting period, clients are observably conservative. The raising of 30% stamp duty on stock transaction by the Hong Kong Stock Exchange on August 2021 certainly increased extra burden to investors.

For the reporting period, we maintained to perform steadily. This segment recorded a profit of HK\$1.4 million, which is more or less the same as compared with HK\$1.4 million in the Previous Reporting Period. Brokerage commission amounted to HK\$4.4 million, a decrease of HK\$0.8 million or 15.0% as compared to HK\$5.2 million in the Previous Reporting Period. However, the interest received from clients increased by HK\$1.2 million or 33.3% to HK\$4.7 million, compared with HK\$3.5 million in the Previous Reporting Period.

### 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 2021, cash and cash equivalents was HK\$63.2 million (31 March 2021: HK\$159.6 million). As at 30 September 2021, the current ratio of the Group was 1.4 (31 March 2021: 1.8).

The Group's bank loans increased by HK\$37.3 million from HK\$275.1 million as at 31 March 2021 to HK\$312.4 million, as at 30 September 2021, in which the short-term loans amounted HK\$148.2 million (31 March 2021: HK\$106.9 million) and long-term loans amounted HK\$164.2 million (31 March 2021: HK\$168.3 million). The Group's current period net debt to equity ratio was 22.5% (31 March 2021: 10.7%), 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 increase was mainly due to the increase in bank loans during the Reporting Period.

### Capital Structure

As at 30 September 2021, the Group's total equity attributable to owners of the Company amounted to HK\$1,090.8 million (31 March 2021: HK\$1,038.0 million). The Group's consolidated net assets per share as at 30 September 2021 was HK\$4.9 (31 March 2021: HK\$4.7).

### Foreign Exchange Exposure

The transactions and monetary assets and liabilities of certain subsidiaries are denominated in RMB. Although the Group currently does not have a foreign currency hedging policy, it does and will continue to monitor the foreign exchange exposure closely and will consider hedging if there is significant foreign currency exposure.

### Material Acquisitions and Disposals

The Group had no material acquisitions or disposals of subsidiaries or associated companies during the Reporting Period.

## **Southeast Asia Properties & Finance Limited**

### **Employees and Remuneration Policies**

The Group had 280 employees as at 30 September 2021 (31 March 2021: 291 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 and the COVID-19 pandemic is predicted to alleviate. We will cautiously review and adjust our business strategies from time to time.

### ***Property Investment, Development and Leasing/Hotel Operation***

#### *(i) Property Investment, Development and Leasing*

Hong Kong's economic recovery became more entrenched in the third quarter in 2021, with the continued revival of global economic activity and stable local epidemic situation. Phase 3 renovation of Everglory Centre, with 5 more floors being converted into business centre will be resumed and expects to be completed in the first half of 2022. Our serviced offices are tailor-made and ready to cater for clients with different needs by providing prestige services.

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 Operation*

The Group has suspended the hotel operation business in Hong Kong from 1 June 2020 for alterations and addition works. As at 31 March 2021, the demolition work of building was substantially completed and the foundation work has also commenced. The upgrade works is expected to be completed in the second quarter of 2024. Upon completion, the number of guest rooms and the size of commercial areas of the hotel will increase and the plot ratio can be fully utilized with a view to generating additional hotel accommodation income and rental income for the Group in the coming years.

### ***Manufacturing and Distribution of Plastic Packaging Materials***

All nations agreed to work together to combat global climate change and come up with plans to promote resources saving as well as waste reduction and recycling in order to reduce carbon emissions and facilitate a transformation to low-carbon living. In Hong Kong, the Legislative Council has passed the Waste Disposal (Charging for Municipal Solid Waste) Bill adopting “polluter-pays” principle, charges are based on the quantity of waste generated, citizens must purchase designated garbage bags to discard the garbage in the future. The scheme will affect all sectors of the community and will revolutionize the garbage bags market in Hong Kong. In face with the current challenges, we will continue to modernize our manufacturing facilities to enhance competitiveness and focus on promoting greener alternatives to meet the market demand.

### ***Broking and Securities Margin Financing***

Looking to rest of the year, market will continue to be irritated by the timetable of increase in interest rate coupled with the contraction of the Quantitative Easing (QE) by the US Federal Government which will directly affect the liquidity of fund in the investment market. Moreover, the fear of shortage in materials would lead to rise in commodities price and trigger risk of inflation.

In a complicated external environment with lots of uncertainties, we remain on the outlook for high quality services and cost effective strategy to enhance our performance. We will also base on the market situation to review and adjust our strategy on margin financing on a prudent basis regularly.

### 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 14 of the Listing Rules except the following deviations:

Pursuant to Code A.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.

Pursuant to Code A.6.7, independent non-executive Directors and non-executive Directors, as equal board members, should attend general meetings of the Company. During the period, a non-executive director was unable to attend the annual general meeting of the Company held on 27 August 2021 as he had other business engagements.

#### 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 10 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 2021, 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:

	Number of shares held				% of the Issued Share Capital
	Personal Interests	Family Interests	Corporate Interests	Other Interests	
<b>(a) The Company</b>					
(Ordinary shares)					
Chua Nai Tuen	4,509,917	–	93,178,000 <i>(Note)</i>	–	43.34
Nelson Junior Chua	6,954,391	–	–	–	3.09
Jimmy Siy Tiong	3,770,987	–	–	–	1.67
Tsai Han Yung	5,120,490	–	–	–	2.27
Vivian Chua	1,040,000	–	–	–	0.46
<b>(b) Nan Sing Plastics Limited</b>					
(Ordinary shares)					
Chua Nai Tuen	–	–	6,965	–	4.64
<b>(c) Titan Dragon Properties Corporation</b>					
(Capital stock of Peso1,000.00 per share)					
Chua Nai Tuen	7,200	13,600	4,000 <i>(Note)</i>	–	31.00
Jimmy Siy Tiong	1,600	–	–	–	2.00

## Southeast Asia Properties & Finance Limited

*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.

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 2021 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 2021 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)	56,216,000	24.94
Sonliet Investment Company Limited ("Sonliet Investment") (Note 1)	36,962,000	16.40
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 2021, there were no short positions recorded in the said register.

### Audit Committee

The Audit Committee of the Company, which comprises four independent non-executive directors of the Company, namely Mr. Chan Siu Ting (Chairman of the Audit Committee), Mr. James L. Kwok, Mr. Wong Shek Keung and Mr. Tsui Ka Wah 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.



## **Southeast Asia Properties & Finance Limited**

### **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.

### **Publication of Interim Report**

The electronic version of this report will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.seapnf.com.hk](http://www.seapnf.com.hk).

By the order of the Board  
**Southeast Asia Properties & Finance Limited**  
**Chua Nai Tuen**  
*Chairman and Managing Director*

Hong Kong, 19 November 2021

*As at the date of this report, the Board comprises: (1) Mr. Chua Nai Tuen and Mr. Nelson Junior Chua 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. James L. Kwok, Mr. Wong Shek Keung and Mr. Tsui Ka Wah as independent non-executive directors.*