



中國置業投資控股有限公司*

CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 736

2022

INTERIM REPORT

* For identification purposes only

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Han Wei (*Chairman*)

Au Tat On

Wang Linbo

Independent Non-Executive Directors

Tang Yiu Kay

Cao Jie Min

Liang Kuo-Chieh

COMPANY SECRETARY

Wong Chi Yan

AUTHORISED REPRESENTATIVES

Au Tat On

Wong Chi Yan

AUDITOR

McM (HK) CPA Limited

LEGAL ADVISER

H.Y. Leung & Co. LLP Solicitors

REGISTERED OFFICE

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Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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HONG KONG SHARE REGISTRAR

Tricor Secretaries Limited

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WEBSITE

736.com.hk

STOCK CODE

736

PRINCIPAL BANKERS

ICBC (Asia)

CMB Wing Lung Bank

INDEPENDENT REVIEW REPORT



McM (HK) CPA Limited

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

INTRODUCTION

We have reviewed the interim financial report set out on pages 4 to 33 which comprises the condensed consolidated statement of financial position of China Properties Investment Holdings Limited (“the Company”) and its subsidiaries (together, the “Group”) as at 30 September 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

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

SCOPE OF REVIEW

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

CONCLUSION

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

McM (HK) CPA Limited

Certified Public Accountants

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

30 November 2022

Wong Ka Bo, Jimmy

Practising Certificate No.: P07560

The board (the "Board") of directors (the "Directors") of China Properties Investment Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (together the "Group") for the six months ended 30 September 2022, together with the comparative figures of the corresponding period last year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2022

	Notes	Six months ended 30 September 2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Revenue	6	<u>42,947</u>	<u>42,335</u>
Valuation loss on investment properties		(38,341)	(8,392)
Other income	7(a)	3	6,297
Other gains and losses	7(b)	(16,697)	17,260
Administrative expenses		(9,871)	(13,531)
Other expenses	8(d)	<u>(72,008)</u>	<u>(34,954)</u>
(Loss)/profit from operations		(93,967)	9,015
Finance costs	8(a)	<u>(4,843)</u>	<u>(5,195)</u>
(Loss)/profit before taxation from continuing operations	8	(98,810)	3,820
Income tax	9	<u>7,382</u>	<u>(4,566)</u>
Loss for the year from continuing operations		(91,428)	(746)
Loss from discontinued operations	10	<u>–</u>	<u>–</u>
Loss for the period		<u>(91,428)</u>	<u>(746)</u>
Attributable to:			
Owners of the Company		<u>(91,428)</u>	<u>(746)</u>
Loss per share	12		
From continuing and discontinued operations			(restated)
– Basic		(HK34.22 cents)	(HK0.56 cents)
– Diluted		<u>(HK34.22 cents)</u>	<u>(HK0.56 cents)</u>
From continuing operations			
– Basic		(HK34.22 cents)	(HK0.56 cents)
– Diluted		<u>(HK34.22 cents)</u>	<u>(HK0.56 cents)</u>

The notes on pages 10 to 33 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	(91,428)	(746)
Other comprehensive income for the period		
Items that may reclassified subsequently to profit or loss:		
Exchange differences arising on translation of:		
– financial statements of group entities	<u>(21,449)</u>	<u>2,895</u>
Total comprehensive (expense)/income for the period	<u>(112,877)</u>	<u>2,149</u>
Attributable to:		
Owners of the Company	<u>(112,877)</u>	<u>2,149</u>

The notes on pages 10 to 33 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	<i>Notes</i>	30/9/2022 (Unaudited) HK\$'000	31/3/2022 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment		2,278	2,603
Right-of-use assets		3,531	5,163
Investment properties	<i>13</i>	280,747	326,353
Loan receivables	<i>16</i>	221,391	81,068
Trade and other receivables	<i>15</i>	–	29,805
Deferred tax assets		394	–
		508,341	444,992
Current assets			
Property under development		–	28,863
Trade and other receivables	<i>15</i>	76,373	66,671
Loan receivables	<i>16</i>	168,780	381,572
Financial assets at fair value through profit or loss	<i>14</i>	66,523	42,554
Cash and bank balances		9,101	16,466
		320,777	536,126
Current liabilities			
Trade and other payables		57,345	60,802
Interest-bearing bank borrowings		4,192	4,447
Other borrowing		–	8,500
Unconvertible bonds	<i>17</i>	10,000	10,000
Lease liabilities		6,432	7,548
Tax payable		11,853	9,787
		89,822	101,084

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*(continued)*

AS AT 30 SEPTEMBER 2022

	<i>Notes</i>	30/9/2022 (Unaudited) HK\$'000	31/3/2022 (Audited) HK\$'000
Net current assets		230,955	435,042
Total assets less current liabilities		739,296	880,034
Non-current liabilities			
Interest-bearing bank borrowings		81,857	93,752
Deferred tax liabilities		–	9,696
Lease liabilities		33,290	39,560
		115,147	143,008
NET ASSETS		624,149	737,026
Equity			
Equity attributable to owners of the Company			
Share capital	18	106,867	106,867
Reserves		517,282	630,159
TOTAL EQUITY		624,149	737,026

The notes on pages 10 to 33 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Attributable to owners of the Company							
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Contributed surplus HK\$'000	Employee share-based compensation reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2021 (Audited)	53,433	2,086,682	(11,153)	136,012	27,392	8,460	(1,644,634)	656,192
Total comprehensive income for the period	-	-	-	-	-	2,895	(746)	2,149
At 30 September 2021 (Unaudited)	53,433	2,086,682	(11,153)	136,012	27,392	11,355	(1,645,380)	658,341
At 1 April 2022 (Audited)	106,867	2,093,405	(11,153)	136,012	27,392	16,099	(1,631,596)	737,026
Total comprehensive loss for the period	-	-	-	-	-	(21,449)	(91,428)	(112,877)
Share option expired during the period	-	-	-	-	(4,435)	-	4,435	-
At 30 September 2022 (Unaudited)	106,867	2,093,405	(11,153)	136,012	22,957	(5,350)	(1,718,589)	624,149

The notes on pages 10 to 33 form part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash generated from/(used in) operating activities	18,547	(13,197)
Net cash used in investing activities	(2,496)	–
Net cash (used in)/from financing activities	(17,442)	5,935
Net decrease in cash and cash equivalents	(1,391)	(7,262)
Cash and cash equivalents at beginning of period	16,466	11,757
Effect of foreign exchange rate changes, net	(5,974)	–
Cash and cash equivalents at end of period	9,101	4,495

The notes on pages 10 to 33 form part of this condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION OF FINANCIAL INFORMATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2022 have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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

3. CHANGE IN ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2022, except for the additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standard (“HKFRSs”). The unaudited condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 31 March 2022.

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

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

The unaudited condensed consolidated interim financial information for the period ended 30 September 2022 comprise the Company and its subsidiaries.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2022. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior year.

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

4. SEGMENT REPORTING

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

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

i) **Properties investment**

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

ii) **Money lending business**

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

4. SEGMENT REPORTING (continued)

a) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resources allocation and assessment of segment performance for the period ended 30 September 2022 and 2021 is set out below.

	Six months ended 30 September 2022 (Unaudited)			Six months ended 30 September 2021 (Unaudited)		
	Properties investment	Money lending business	Total	Properties investment	Money lending business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>9,942</u>	<u>33,005</u>	<u>42,947</u>	<u>12,596</u>	<u>29,739</u>	<u>42,335</u>
Reportable segment revenue	<u>9,942</u>	<u>33,005</u>	<u>42,947</u>	<u>12,596</u>	<u>29,739</u>	<u>42,335</u>
Reportable segment profit/(loss) before taxation	<u>9,815</u>	<u>(39,125)</u>	<u>(29,310)</u>	10,943	(5,338)	5,605
Unallocated corporate income			–			6,211
Depreciation			(1,358)			(1,698)
Interest income			3			5
Finance cost			(4,843)			(5,195)
Gain on dealing of financial assets at fair value through profit or loss			21,470			10,846
Exchange (loss)/gain			(38,167)			6,414
Valuation loss on investment properties			(38,341)			(8,392)
Unallocated corporate expenses			<u>(8,264)</u>			<u>(9,976)</u>
(Loss)/profit before taxation			<u>(98,810)</u>			<u>3,820</u>

4. SEGMENT REPORTING (continued)

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

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
(i) Assets		
Total reportable segments' assets	668,696	868,342
From discontinued operations	236	236
Property under development	–	28,863
Financial assets at fair value through profit or loss	66,523	42,554
Deferred tax assets	394	–
Unallocated corporate assets	<u>93,269</u>	<u>41,123</u>
Consolidated total assets	<u>829,118</u>	<u>981,118</u>
(ii) Liabilities		
Reportable segments' liabilities	168,929	185,341
From discontinued operations	18	18
Unconvertible bonds	10,000	10,000
Tax payables	10,745	9,788
Deferred tax liabilities	–	9,696
Unallocated corporate liabilities	<u>15,277</u>	<u>29,249</u>
Consolidated total liabilities	<u>204,969</u>	<u>244,092</u>

4. SEGMENT REPORTING (continued)

c) Revenue from major services

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

	Six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Properties investment	9,942	12,596
Money lending business	33,005	29,739
	<u>42,947</u>	<u>42,335</u>

d) Geographic information

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

	Revenue from external customers		Non-current assets	
	Six months ended 30 September 2022 (Unaudited) HK\$'000	Six months ended 30 September 2021 (Unaudited) HK\$'000	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Hong Kong (place of domicile)	33,005	29,739	222,529	82,845
PRC	9,942	12,596	285,812	362,147
	<u>42,947</u>	<u>42,335</u>	<u>508,341</u>	<u>444,992</u>

5. SEASONALITY OF OPERATIONS

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

6. REVENUE

Disaggregation of Revenue

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

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from sources other than HKFRS15:		
Rental income from investment properties	9,942	12,596
Loan interest income	33,005	29,739
	42,947	42,335

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

7. OTHER INCOME AND OTHER GAINS OR LOSSES

	Six months ended	
	30 September 2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
a) Other income		
Interest income on bank deposits	3	6
Trading of construction materials	–	6,291
	<u>3</u>	<u>6,291</u>
b) Other gains or losses		
Unrealised gain on trading securities	21,470	10,846
Net foreign exchange (loss)/gain	(38,167)	6,414
	<u>(16,697)</u>	<u>17,260</u>

8. (LOSS)/PROFIT BEFORE TAXATION – CONTINUING OPERATIONS

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

	Six months ended	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
a) Finance costs		
Interest expense on interest-bearing bank borrowings	3,485	3,884
Interest expense on unconvertible bonds	251	420
Interest expense on lease liabilities	1,099	855
Interest expense on other loan	8	36
	<u>3,843</u>	<u>5,195</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u>4,843</u>	<u>5,195</u>
b) Staff costs (including Directors' remuneration)		
Salaries, wages and other benefits	3,794	3,797
Contribution to defined contribution retirement plans	183	320
	<u>3,977</u>	<u>4,117</u>
c) Other items		
Auditor's remuneration		
– other services	150	150
Minimum lease payments under operating lease		
– rented premises, including management's quarters of HK\$Nil (2021: HK\$360,000)	79	523
Depreciation		
– owned plant and equipment	107	1,067
– right-of-use asset	1,251	631
Gross rental income from investment properties less direct outgoings of approximately HK\$2,685,000 (2021: HK\$399,000)	<u>(12,627)</u>	<u>(12,995)</u>
d) Other expenses		
Allowance of expected credit loss on loan and interest receivables	<u>72,008</u>	<u>34,954</u>

9. INCOME TAX (CREDIT)/EXPENSES

Income tax in the condensed consolidated income statement represents:

	Six months ended	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax	2,203	6,664
Deferred tax		
Origination and reversal of temporary differences	(9,585)	(2,098)
Income tax (credit)/expenses relating to continuing operations	<u>(7,382)</u>	<u>4,566</u>

Note:

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

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

For the six months ended 30 September 2022, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime for the qualifying corporation and the remaining corporations are calculated at a flat rate of 16.5% (2021: 16.5%).

- ii) The PRC enterprise income tax ("EIT") for the period ended 30 September 2022 is 25% (2021: 25%). The EIT has not been provided for as the Group has incurred losses in PRC for the period.

10. DISCONTINUED OPERATIONS

On 13 January 2020 and 25 February 2020, the Group has submitted the acknowledgement for cessation of businesses of subsidiaries, C.P. Securities International Limited and C.P. Financial Management Limited, which carried out all of the Group's financial services operations. The cessation of business was effected in order to generate cash flows for the expansion of the Group's other businesses. The cessation of businesses were still in processing as at 30 September 2022.

The profit/(loss) for the year from the discontinued financial services operation is set out below. The comparative figures in the statement of profit or loss have been restated to re-present the financial services operation as a discontinued operation.

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue	-	-
Cost of sales	-	-
	<u>-</u>	<u>-</u>
Gross loss	-	-
Administrative expenses	-	-
Finance cost	-	-
Income tax	-	-
	<u>-</u>	<u>-</u>
Profit from discontinued operation	<u>-</u>	<u>-</u>
Cash flows used in operating activities	-	-
Cash flows generated from investing activities	-	-
Cash flows generated from financing activities	-	-
	<u>-</u>	<u>-</u>
Net outflows of cash	<u>-</u>	<u>-</u>

11. DIVIDENDS

The Directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 September 2022 (2021: Nil).

12. LOSS PER SHARE**a) Basic loss per share - from continuing and discontinued operations**

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$91,428,000 (2021: loss attributable to owners of the Company of HK\$746,000) and the following data:

Weighted average number of ordinary shares:

	Six month ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
		(restated)
	'000	'000
Weighted average number of ordinary shares at 30 September	267,167	134,290

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

b) From continuing operations

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$91,428,000 (2021: loss attributable to owners of the Company of HK\$746,000) and on the weighted average number of 267,167,000 ordinary shares in issue during the period (2021 (restated): 134,290,000 ordinary shares).

c) From discontinuing operations

Basic earnings per share for the discontinued operations is nil (2021: nil) based on the profit for the year from the discontinued operations of nil (2021: nil) and the denominators detailed above for both basic and diluted earnings per share.

d) Diluted loss per share

Diluted loss per share equals to basic loss per share because the outstanding share options had no potential dilutive effect on the basic loss per share for the periods ended 30 September 2022 and 2021.

13. INVESTMENT PROPERTIES

HK\$'000

Valuation:

At 1 April 2021 (Audited)	320,041
Additions	15,896
Loss on revaluation	(22,597)
Exchange alignment	13,013
	<u>326,353</u>
At 31 March 2022 (Audited)	<u>326,353</u>
At 1 April 2022 (Audited)	326,353
Loss on revaluation	(38,341)
Exchange alignment	(7,265)
	<u>280,747</u>
At 30 September 2022 (Unaudited)	<u>280,747</u>

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

All of the Group's investment properties were revalued on 30 September 2022 and 31 March 2022 by Castores Magi (Hong Kong) Limited, an independent firm of professional valuers, who has recognised and relevant professional qualification and recent experience in the location and category of properties being valued. The properties had been revalued based on the income capitalisation approach. The investment properties are leased to third parties under operating leases.

As at 30 September 2022, the Group's investment properties with a value of approximately HK\$164,093,000 (31 March 2022: approximately HK\$193,210,000) were pledged to secure the interest-bearing bank borrowings granted to the Group.

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

As at 30 September 2022, the Group’s financial assets at FVTPL include trading securities with the following details:

	Trading securities <i>(Note i)</i> HK\$'000	Total HK\$'000
Balance at 1 April 2021 (Audited)	35,442	35,442
Unrealised gain on fair value change	7,112	7,112
Balance at 31 March 2022 (Audited)	42,554	42,554
Balance at 1 April 2022 (Audited)	42,554	42,554
Additions	2,499	2,499
Unrealised gain on fair value change	21,470	21,470
Balance at 30 September 2022 (Unaudited)	66,523	66,523
Analysed for reporting purpose as:		
Current assets	42,554	42,554
Non-current assets	–	–
Balance at 31 March 2022 (Audited)	42,554	42,554
Current assets	66,523	66,523
Non-current assets	–	–
Balance at 30 September 2022 (Unaudited)	66,523	66,523

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

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

Note i:

Details of the investments in trading securities were as follows:

Stock Name	Stock Code	Nature of business	No. of share held 31/3/2022	Approx. % shareholding as at 31/3/2022	Market value as at 31/3/2022 HK\$'000	Change in no. of share held for the period ended 30/9/2022	No. of share held 30/9/2022	Approx. % shareholding as at 30/9/2022	Market value as at 30/9/2022 HK\$'000	Unrealised gain/ (loss) on fair value change for the period ended 30/9/2022 HK\$'000	Total gain/ (loss) on dealing of trading securities for the period ended 30/9/2022 HK\$'000
SEEC MEDIA	205	Advertising and sales of books and magazines; securities Broking; money lending; e-commerce	4,665,000	0.76%	1,492	-	4,665,000	0.63%	5,177	3,685	3,685
QPL International	243	Manufacture and sale of integrated circuit lead frames heatsinks, stiffeners and investment holding	1,214,250	0.54%	370	-	1,214,250	0.50%	389	19	19
AMCO United Holding Limited*	630	Engaged in manufacture and sale of medical devices products and plastic moulding products; provision of construction services; provision of money lending and investment in securities	36,970,000	1.53%	2,958	(29,576,000)	7,394,000	1.53%	887	(2,071)	(2,071)
CN CULTURE GP	745	Engaged in e-commerce, advertisement and movie production businesses	6,550,000	0.90%	1,133	-	6,550,000	0.84%	773	(360)	(360)
Harbour Digital (formerly known as Unity Investments Holdings Limited)	913	Investment in listed companies in Hong Kong stock markets, and also investment in unlisted companies	2,633,000	0.96%	2,343	-	2,633,000	0.94%	1,527	(816)	(816)
China Environmental Energy Investment Limited	986	Carrying trading of gold and diamond; money lending business; Internet service and financial service	5,374,000	0.43%	468	-	5,374,000	0.42%	317	(151)	(151)
Milan Station Holdings Limited	1150	Retailing of handbags, fashion accessories and embellishments operation	3,250,000	0.46%	657	-	3,250,000	0.37%	715	58	58
Bolina Holding Company Limited	44288	Engaged in the manufacture and sale of sanitary ware and accessories	9,116,000	-	-	-	9,116,000	-	-	-	-
Leardo Financial Group Company Limited	1225	Providing financial services, including securities broking, margin financing and money lending etc., and manufacturing and distributing children plastic toys and medical care products	10,700,000	4.65%	2,996	-	10,700,000	4.65%	2,675	(321)	(321)
Luxou Group Limited (formerly known as "Time2U International Holding Limited")	1327	Engaged in the manufacture and sales of own-branded watches, OEM watches and third-party watches	3,000,000	0.56%	930	-	3,000,000	0.56%	900	(30)	(30)
KINGLAND GROUP	1751	Provision of concrete demolition service in Hong Kong and Macau mainly as a subcontractor	600,000	0.07%	135	-	600,000	0.07%	85	(50)	(50)

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

Note i: (continued)

Stock Name	Stock Code	Nature of business	No. of share held 31/3/2022	Approx. % shareholding as at 31/3/2022	Market value as at 31/3/2022 HK\$'000	Change in no. of share held for the period ended 30/9/2022	No. of share held 30/9/2022	Approx. % shareholding as at 30/9/2022	Market value as at 30/9/2022 HK\$'000	Unrealised gain/ (loss) on fair value change for the period ended 30/9/2022 HK\$'000	Total gain/ (loss) on dealing of trading securities for the period ended 30/9/2022 HK\$'000
Sino Splendid Holdings Limited [#]	8006	Engaged in travel media operations; provision of contents and advertising services in a well-known financial magazine; investment in securities and money lending business	19,000,000	3.97%	1,368	(14,250,000)	4,750,000	3.22%	1,021	(347)	(347)
Hao Wen Holdings Limited	8019	Carrying money lending business, trading and manufacturing of biomass fuel and trading of electronic parts	7,500,000	2.91%	1,875	-	7,500,000	2.11%	6,075	4,200	4,200
WLS Holdings	8021	Engaged in the position of scaffolding and fitting out services and management contracting services for construction and buildings work, money lending business and securities investment business	401,500,000	2.79%	19,674	-	401,500,000	2.79%	36,537	16,863	16,863
KPM Holding Limited	8027	Provision of design, fabrication, installation and maintenance of signage and related products	1,920,000	0.86%	950	-	1,920,000	0.81%	422	(528)	(528)
Luney International (Holdings) Limited	8041	Engaged in manufacturing and trading of high-end swimwear and garment products; trading and provision of on-line shopping and media related services; and money lending business	6,124,000	0.78%	2,113	-	6,124,000	0.77%	1,868	(245)	(245)
China 33 Media Group Limited [#]	8087	Provision of advertising services of printed media for railway networks; film and entertainment investment in Hong Kong and the PRC, and prepaid card business in Hong Kong	14,278,000	2.07%	1,585	(10,708,500)	3,569,500	2.07%	1,410	(175)	(175)
ASIA PAC FIN INV [#]	8193	Investment holding	935,000	0.08%	60	(748,000)	187,000	0.08%	51	(9)	(9)
Wealth Glory Holdings Limited	8269	Trading of natural resources and commodities; money lending business; investment in coal trading business; development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; and investment in securities	6,925,000	0.96%	1,447	-	6,925,000	0.93%	713	(734)	(734)
Asia Grocery	8413	Provision of food and beverage grocery distribution and provision of food catering services through restaurants in Hong Kong	-	-	-	14,650,000	14,650,000	1.26%	4,981	2,482	2,482
					<u>42,554</u>				<u>66,523</u>	<u>21,470</u>	<u>21,470</u>

Share consolidation during the period ended 30 September 2022

Note:

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

15. TRADE AND OTHER RECEIVABLES

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

	At 30 September 2022 (Unaudited) HK\$'000	At 31 March 2022 (Audited) HK\$'000
Within 1 month	1,628	3,930
1 to 3 months	4,393	3,281
3 to 6 months	5,280	4,588
Over 6 months	8,684	4,531
Trade receivables	19,985	16,330
Deferred rental receivables	7,763	8,171
Within 1 month	10,926	11,943
1 to 3 months	9,433	4,758
3 to 6 months	4,596	579
Over 6 months	1,139	565
Interest receivables from money lending business	26,094	17,845
Other receivables	15,645	16,420
Prepayments and deposits	6,886	7,905
Deposit for decoration	-	29,805
	76,373	96,476

Note:

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

16. LOAN RECEIVABLES

	At 30 September 2022 (Unaudited) HK\$'000	At 31 March 2022 (Audited) HK\$'000
Loan receivables arising from:		
– Money lending business	562,437	579,809
Less: Allowance for expected credit losses	<u>(172,266)</u>	<u>(117,169)</u>
	<u>390,171</u>	<u>462,640</u>
Amounts due within one year included under current assets	168,780	381,572
Amounts due after one year included under non-current assets	<u>221,391</u>	<u>81,068</u>
	<u>390,171</u>	<u>462,640</u>

Note:

During the period ended 30 September 2022, the Group lent total amount of approximately HK\$562,437,000 (31 March 2022: HK\$579,809,000) to independent third parties. These loan receivables had 12 to 24 month loan periods and bore interest - at rates ranged from 10% to 18% per annum, and the corresponding interest were expected to be repaid on a monthly, quarterly or yearly basis. Parts of these loan receivables were secured by property located in Hong Kong or private equities.

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

	At 30 September 2022 (Unaudited) HK\$'000	At 31 March 2022 (Audited) HK\$'000
Due within 1 month or on demand	61,515	53,691
Due after 1 month but within 3 months	16,747	134,126
Due after 3 months but within 6 months	29,534	120,097
Due after 6 months but within 12 months	60,984	73,658
Due after 12 months	<u>221,391</u>	<u>81,068</u>
	<u>390,171</u>	<u>462,640</u>

17. UNCONVERTIBLE BONDS

	At 30 September 2022 (Unaudited) HK\$'000	At 31 March 2022 (Audited) HK\$'000
Current portion	<u>10,000</u>	<u>10,000</u>
Unconvertible bonds	<u>10,000</u>	<u>10,000</u>

The amount represented one unconvertible bonds of total HK\$10,000,000. As at 30 September 2022, accrued interest of HK\$470,000 (31 March 2022: HK\$219,000) was included in other payables and accruals. The unconvertible bonds bear interest at 5% to 6% per annum on the outstanding aggregate principal amount. The interest is payable in arrears annually on the anniversary of issue date or redemption date. The Company may redeem principal amounts of outstanding bonds in whole or in part at any time before the maturity date.

18. SHARE CAPITAL

	Number of ordinary shares '000	Per share HK\$	HK\$'000
Authorised:			
At 31 March 2022 (Audited) and 30 September 2022 (Unaudited)	<u>750,000</u>	<u>0.40</u>	<u>300,000</u>
			HK\$'000
Issued and fully paid:			
At 31 March 2022 (Audited) and 30 September 2022 (Unaudited)	<u>267,167</u>	<u>0.40</u>	<u>106,867</u>

19. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 2 September 2021 whereby the Directors of the Company are authorised, at their discretion, to invite the Company's employees, Company's Director (including independent non-executive Directors), other employees and Director of the Group, suppliers of goods or services to the Group, customers of the Group, persons or entities that provided research, development or other technological support to the Group, any shareholder of the Group (collectively "Participant") and any company wholly owned by one or more persons belonging to any of the Participant, to take up options at a nominal consideration to subscribe for ordinary shares of the Company. The exercise price of options should be the highest of the nominal value of the shares, the closing price of the shares on the SEHK on the date of grant and the average closing price of the shares on the SEHK for the five business days immediately preceding the date of grant. The share option scheme shall be valid and effective for a period of ten years ending on 1 September 2031, after which no further options will be granted.

The option vest immediately from the date of grant and then exercisable within a period of 5 years (i) from 11 July 2017 to 10 July 2022, or (ii) from 10 October 2017 to 9 October 2022. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

a) The terms and condition of the grant are as follows:

Date of grant	Exercisable period	Adjusted Exercise price (before share consolidation exercise price)	Number of share options
i) Options granted to Directors			
10 October 2017	10 October 2017 to 9 October 2022	HK\$2 (HK\$0.05)	2,428,750
ii) Options granted to employees			
11 July 2017	11 July 2017 to 10 July 2022	HK\$2.32 (HK\$0.058)	2,022,500
10 October 2017	10 October 2017 to 9 October 2022	HK\$2 (HK\$0.05)	9,715,000
			14,166,250

19. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)**a)** The terms and condition of the grant are as follows: (continued)

For the period ended 30 September 2022

	Number of share options				Outstanding at 30 September 2022	Date of grant of share options*	Exercisable period of share options	Exercise price of share options** HK\$
	Outstanding at 1 April 2022	Granted during the period	Exercised during the period	Expired during the period				
Director and ex-director								
Mr. Xu Dong (as ex-director)	1,214,375	-	-	-	1,214,375	10-10-2017	10-10-2017 to 9-10-2022	2
Mr. Han Wei	1,214,375	-	-	-	1,214,375	10-10-2017	10-10-2017 to 9-10-2022	2
	<u>2,428,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,428,750</u>			
Employees								
Other employees	2,022,500	-	-	(2,022,500)	-	11-7-2017	11-7-2017 to 10-7-2022	2.32
Other employees	9,715,000	-	-	-	9,715,000	10-10-2017	10-10-2017 to 9-10-2022	2
	<u>11,737,500</u>	<u>-</u>	<u>-</u>	<u>(2,022,500)</u>	<u>9,715,000</u>			
Total number of share options	<u>14,166,250</u>	<u>-</u>	<u>-</u>	<u>(2,022,500)</u>	<u>12,143,750</u>			

* The share options vested immediately from the date of the grant.

** The exercise price of the share option is subject of adjustment in the case of rights issues, or other relevant changes in the Company's share capital.

19. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

- b) The number and weighted average exercise price of share options under the scheme are as follows:

	30 September 2022	Number of		31 March 2022
	Weighted	shares issuable		Weighted
	average	under options		average exercise
	exercise price			price
	HK\$			HK\$
Outstanding at 1 April	2.046	14,166,250		2.046
Granted during the period/year	-	-		-
Exercised during the period/year	-	-		-
Expired during the period/year	(0.046)	(2,022,500)		-
	<u>2</u>	<u>12,143,750</u>		<u>2.046</u>
Outstanding at 30 September/ 31 March	<u>2</u>	<u>12,143,750</u>		<u>2.046</u>
Exercisable at the end of the period/year	<u>2</u>	<u>12,143,750</u>		<u>2.046</u>

The share option scheme is governed by chapter 17 of the Listing Rules. No option has been granted for the period ended 30 September 2022.

The share options outstanding at 30 September 2022 had an exercise price of HK\$2 (31 March 2022: HK\$2 or HK\$2.32) and a weighted average remaining contractual life of 0.03 years (31 March 2022: 0.79 years).

20. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the six months ended 30 September 2022.

a) Key management personnel emoluments

Emoluments for key management personnel, including amounts paid to the Company's Directors and certain of the highest paid employees during the six months ended 30 September 2022 are as follows:

	Six months ended		Six months ended
	30 September 2022		30 September 2021
	(Unaudited)		(Unaudited)
	HK\$'000		HK\$'000
Short-term employee benefits	2,711		2,556
Post-employment benefits	44		46
	<u>2,755</u>		<u>2,602</u>

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

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

	At 30 September 2022 (Unaudited) HK\$'000	At 31 March 2022 (Audited) HK\$'000
Amounts due to a Director	5,223	5,495
Amounts due to related parties	–	1,500

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

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

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

	At 30 September 2022 (Unaudited) HK\$'000	At 31 March 2022 (Audited) HK\$'000
Within one year	26,879	28,925
In the second to fifth year, inclusive	69,013	85,819
Over five years	7,737	15,320
	103,629	130,064

22. LITIGATION

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

23. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report was approved and authorised for issue by the Board on 30 November 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

For the properties investment, as at 30 September 2022, the aggregate gross floor area of the investment properties being held by the Group was approximately 7,004 square meters, 100% of which was leased to third parties under operating leases with lease terms ranging up to twelve years. For the six months ended 30 September 2022, approximately 4,754 square meters of the gross floor area of the leased property were sub-leased to third parties under operating leases with lease terms ranging from four years to eight years.

For the six months ended 30 September 2022, the rental incomes of approximately HK\$9.94 million were recorded.

The money lending business generated steady interest income during the period. For the six months ended 30 September 2022, the Group had a gross loan portfolio amounted to approximately HK\$562.44 million with the average interest rate of 11.64%. The interest income generated from the money lending business was approximately HK\$33 million for the six months ended 30 September 2022.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Financial Review

For the period under review, the Group's turnover from continuing operation was approximately HK\$42.95 million (2021: approximately HK\$42.34 million), which is remaining constant while compared with the corresponding period last year. The unaudited net loss for the period under review was approximately HK\$91.43 million (2021: net loss approximately HK\$0.75 million) and the basic loss per share for was HK\$34.22 cents (2021: basic loss per share HK\$0.56 cents).

Increase in net loss of the Group was mainly attributable to i) increase in allowance of expected credit loss on loan receivables which was resulted from increase in the default in interest payment; ii) increase in valuation loss on investment properties; and iii) increase in exchange loss arising from assets held at foreign currency for the six months ended 30 September 2022 as compared to those for the corresponding period in 2021.

Decrease in other income was resulted from decrease in the profit of trading of construction materials of our subsidiary located at Beijing.

The administrative expenses of the Group for the period amounted to approximately HK\$9.87 million, representing a decrease of approximately 27.05% compared with the corresponding period last year, which was resulted from stringent cost control of the Group. The finance cost of the Group amounted to approximately HK\$4.84 million which was mainly incurred for the bank loan under the security of investment properties in Shanghai, other borrowings and the unconvertible bonds issued by the Company.

Liquidity and Financial Resources

As at 30 September 2022, the Group's net current assets were approximately HK\$230.96 million (at 31 March 2022: approximately HK\$435.04 million), including cash and bank balance of approximately HK\$9.10 million (at 31 March 2022: approximately HK\$16.47 million).

The Group had bank borrowings of approximately HK\$86.05 million as at 30 September 2022 (at 31 March 2022: approximately HK\$98.20 million) of which 4.78% and 95.22%, were due within 1 year and after 1 year respectively from balance sheet date. The gearing ratio, defined as the percentage of net debts to the total equity of the Company, was approximately 13.79% (at 31 March 2022: 13.32%).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Significant Investments

Investment with fair value accounting for more than 5% of the Group's total assets shall be considered as significant investment. The Company did not have significant investment as at 30 September 2022.

Foreign Exchange Exposure

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

Capital Structure and Share Capital

There was no change in the share capital and capital structure of the Company for the six months ended 30 September 2022.

Charges on the Group's Assets

As at 30 September 2022, the Group's investment properties with a value of approximately HK\$164.04 million were pledged to secure a borrowing from Shanghai Xiang Chen Hang Place The Industry Co. Limited, a wholly-owned subsidiary of the Company.

Contingent Liabilities

As at 30 September 2022, the Group did not have any material contingent liability (2021: Nil).

Acquisition and Disposal of Subsidiaries

There was no acquisition and disposal of subsidiaries of the Group during the six months ended 30 September 2022.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Employees

As at 30 September 2022, the Group has 25 employees. The remuneration was determined with reference to statutory minimum wages, market terms as well as the performance, qualification and experience of individual employees. The Group provides contributory provident fund and insurance scheme to the employees. Share option schemes and incentive schemes are adopted to encourage personal commitment of employees.

Outlook

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

DIVIDEND

The Directors of the Company do not recommend payment of any interim dividend for the six months ended 30 September 2022 (2021: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

There was no purchase, redemption or sale of any of the Company's listed securities by the Company or any of the Company's subsidiaries during the six months ended 30 September 2022.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2022, no directors has registered an interest or short position in the share capital (the "Shares") of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

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

SHARE OPTION SCHEME

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

The Company's existing share option scheme was adopted on 2 September 2021 and is effective for a period of ten years commencing on the adoption date.

At 30 September 2022, the Company may grant share options entitling holders thereof to subscribe for up to a maximum number of 12,143,750 shares, representing approximately 4.55% of the shares of the Company in issue at that date.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 30 September 2022, so far as known to the Directors, there was no other person who had an interest or short position in the shares of the Company and underlying shares which would require disclosure to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, beneficially interested in 5% or more of the issued share capital of the Company.

SECURITIES TRANSACTIONS BY DIRECTORS

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

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2022, except for the deviation from the requirement of code provision A.2.1 and E.1.2 of the CG Code explained as follows.

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

Provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend annual general meetings. The chairman was unable to attend the Company’s annual general meeting held on 7 November 2022 due to his other work commitments.

AUDIT COMMITTEE

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

The Company has engaged Messrs. McM (HK) CPA Limited (“Auditor”) to assist the Audit Committee to review the interim results of the Group for the six months ended 30 September 2022 (“Interim Results”). The Interim Results has been reviewed by the Audit Committee.

REVIEW OF INTERIM FINANCIAL STATEMENTS BY THE AUDITOR

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

By order of the board

China Properties Investment Holdings Limited

Han Wei

Chairman

Hong Kong, 30 November 2022