



德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)
Stock Code: 199

2023-2024
INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors



Mr. Cheung Hon Kit
(Chairman)



**Dr. Chan Kwok Keung,
Charles**
(Joint Vice Chairman)



Mr. Chan Yiu Lun, Alan



Mr. Law Hon Wa, William
(Chief Financial Officer)



**Hon. Shek Lai Him,
Abraham, GBS, JP**
(Joint Vice Chairman)



Mr. Ip Hon Wah

Non-executive Director



Ms. Chau Mei Wah



**Mr. Pang, Anthony
Ming-tung**

BOARD COMMITTEES

Audit Committee

Mr. Pang, Anthony Ming-tung (*chairman*)
Hon. Shek Lai Him, Abraham, *GBS, JP*
Mr. Ip Hon Wah

Remuneration Committee

Mr. Pang, Anthony Ming-tung (*chairman*)
Hon. Shek Lai Him, Abraham, *GBS, JP*
Mr. Ip Hon Wah

Nomination Committee

Hon. Shek Lai Him, Abraham, *GBS, JP* (*chairman*)
Mr. Cheung Hon Kit
Mr. Ip Hon Wah
Mr. Pang, Anthony Ming-tung

Corporate Governance Committee

Mr. Cheung Hon Kit (*chairman*)
Mr. Ip Hon Wah
Mr. Law Hon Wa, William

Investment Committee

Mr. Cheung Hon Kit
Dr. Chan Kwok Keung, Charles
Mr. Chan Yiu Lun, Alan
Mr. Law Hon Wa, William

COMPANY SECRETARY

Ms. Wong Siu Mun

AUTHORISED REPRESENTATIVES

Mr. Cheung Hon Kit (*Alternate: Ms. Chuk Wai Yin*)
Mr. Law Hon Wa, William (*Alternate: Ms. Wong Siu Mun*)

LEGAL ADVISORS

Conyers Dill & Pearman (*as to Bermuda law*)
Iu, Lai & Li, Solicitors (*as to Hong Kong law*)
Vincent T. K. Cheung, Yap & Co. (*as to Hong Kong law*)
Leong Hon Man, Advogado (*as to Macau law*)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China Limited, Macau Branch
The Bank of East Asia, Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30/F., Bank of America Tower
12 Harcourt Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.itcproperties.com

STOCK CODE

Hong Kong Stock Exchange 199

INFORMATION FOR SHAREHOLDERS

FINANCIAL CALENDAR

Announcement of 2023-2024 Interim Results	30 November 2023
Ex-Dividend Date for Interim Dividend	N/A
Book Closure Dates for Interim Dividend	N/A
Record Date for Interim Dividend Entitlement	N/A
Payment Date of Interim Dividend	N/A
Announcement of 2023-2024 Annual Results	June 2024

MEANS OF RECEIPT AND LANGUAGE OF CORPORATE COMMUNICATIONS

This interim report, in both English and Chinese versions, is now available in printed form, and in accessible format on the website of the Company at www.itcproperties.com.

For Shareholders and non-registered shareholders of the Company who:

- (i) have elected to receive or are deemed to have consented to receive this interim report by electronic means on the Company's website, or
- (ii) have difficulty in receiving or gaining access to this interim report on the Company's website,

they may obtain printed copies free of charge by sending a written request to the Company or the branch share registrar of the Company in Hong Kong (the "Branch Share Registrar"), Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.

If Shareholders and non-registered shareholders of the Company wish to change their elected means of receipt and/or language of all future corporate communications of the Company, they may at any time notify the Company by prior notice of at least seven days in writing to the Branch Share Registrar at the address stated above or by e-mail to itcproperties-ecom@hk.tricorglobal.com or by completing and returning the change request form.

SHAREHOLDER ENQUIRIES

E-mail : info@itcproperties.com

Telephone : (852) 2835 9500

Fax : (852) 2858 2697

FINANCIAL HIGHLIGHTS

Six months ended 30 September
2023 2022

HK\$'million

Revenue

Per condensed consolidated statement of profit or loss
Property income and hotel revenue
– share of associates and joint ventures

101 76

324 760

425 836

Net (loss) profit

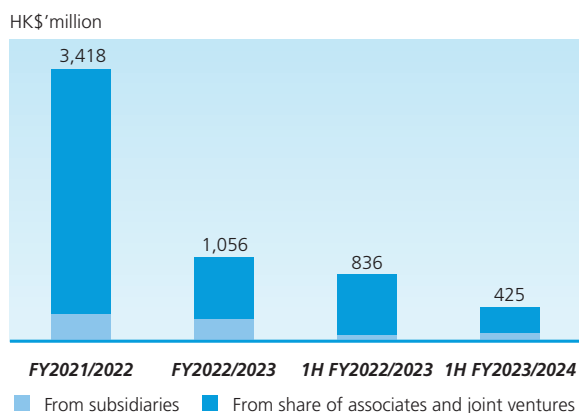
(184) 117

HK cents

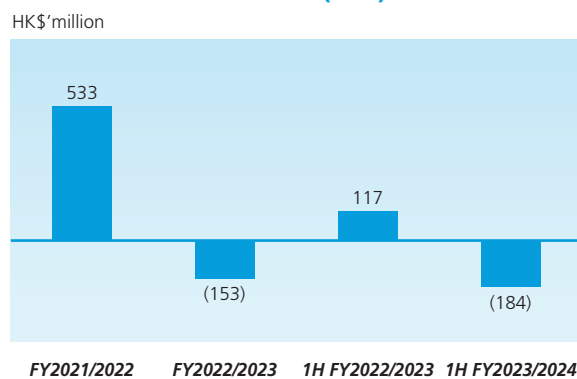
Basic (loss) earnings per Share

(18) 13

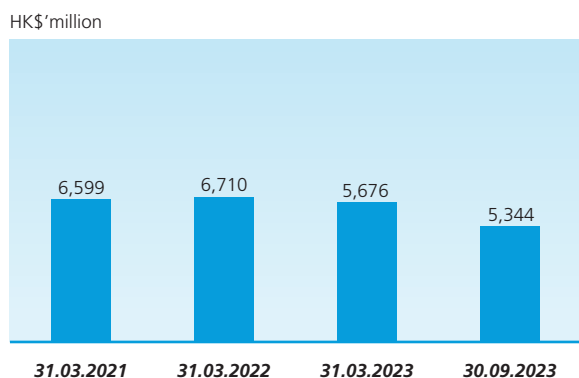
Revenue



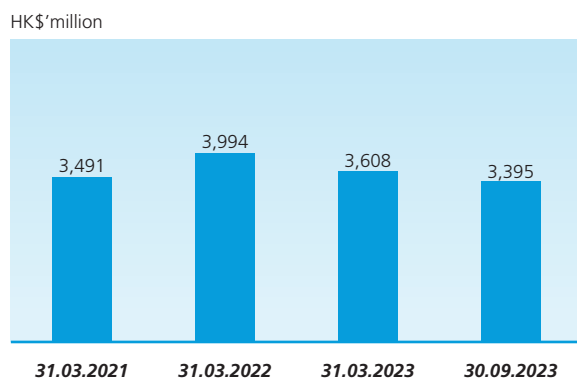
Net Profit (Loss)



Total Assets



Total Shareholders' Fund



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

After three years of business disruptions due to the COVID-19 pandemic, the global economy is gradually resuming to normal. However, facing with challenging business environment including the ongoing Russia-Ukraine war, the Israel-Palestinian conflict, global inflation and high interest rates, the Group continues to review its business model and adjust its agility. During the Period, the Group disposed of certain stock of properties located in Hong Kong and the PRC, and accordingly, revenue increased by 32.7% to HK\$100.8 million for the Period (30.9.2022: HK\$76.0 million).

The Group recorded a net loss attributable to owners of the Company of HK\$161.0 million for the Period, as compared with a net profit attributable to owners of the Company of HK\$125.5 million for the last corresponding period. The shift to a net loss for the Period is mainly attributable to the absence of (i) share of profit of HK\$223.2 million derived from the disposal of Rosedale Hotel Kowloon and (ii) share of the reversal of impairment loss of HK\$62.8 million due to an increase in the fair value of a hotel property located in Canada, both of which were occurred in the last corresponding period. For the Period, share of net losses of the Group's joint ventures of HK\$68.1 million is recorded, as compared to share of net profits of the Group's joint ventures of HK\$257.9 million for the last corresponding period.

Also, due to the adverse impacts on the commercial property market condition in Hong Kong, the Group recognised a decrease in fair value of its investment properties of HK\$35.0 million for the Period (30.9.2022: HK\$24.1 million).

The Board decided not to declare an interim dividend for the Period (2022: nil).

Property

Segment loss for the Period of HK\$103.1 million was recorded, as compared to HK\$50.6 million for the last corresponding period.

Macau

Grand Oasis in Cotai South is a luxury residential project developed by an associate of the Group. As more presold units of this project were handed over to the end buyers during the Period, the contribution to the Group increased to HK\$43.0 million for the Period (30.9.2022: HK\$19.9 million).

Hong Kong

With respect to the redevelopment project located at Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan, in which the Group has 72% interests, the property was demolished in August 2022. The Group has accepted most of the provisional basic terms for land exchange to residential and commercial land and is still waiting for land premium assessment from the Lands Department.

High Peak is a deluxe residential project located at No. 23 Po Shan Road, Mid-levels, in which the Group has 20% interests. Its occupation permit was issued in September 2022. One deluxe residential flat was sold during the Period, and was handed over to the end buyer after the end of Period.

Hyde Park is a project developed with the Urban Renewal Authority. The project was completed and all of the 76 residential flats and a commercial shop were handed over to the end buyers in previous financial years.

PRC

Dabiao International Centre is a composite tower, comprising a commercial podium, offices and a hotel, situated in Guangzhou City and conveniently connected to the Changgang Metro Station. Its occupancy rate for the Period increased to more than 90% (30.9.2022: 70%) after the completion of renovation works.

MANAGEMENT DISCUSSION AND ANALYSIS

Overseas

London, United Kingdom

The property at Greycoat Place was redeveloped into a mixed residential and commercial tower, with its practical certificate obtained in August 2023. Currently, the remaining works on interior refurbishment and furniture are in progress.

Vancouver, Canada

The residential redevelopment project at Alberni Street, in which the Group has 28% interests, is in the course of obtaining the development and building permits from the local authority.

Hotel and Leisure

Segment loss of HK\$12.1 million was recorded for the Period due to share of losses of associates and joint ventures from their hotel and leisure businesses, while segment profit of HK\$250.0 million, which was attributable from non-recurring contributions, was recorded in the last corresponding period. Such contributions included share of profit of HK\$223.2 million derived from the disposal of Rosedale Hotel Kowloon which was owned by a joint venture of the Group and share of the reversal of impairment loss of a joint venture's hotel property in Canada, The Westin Bayshore, of HK\$62.8 million.

Outlined below is a summary of the Group's interests in properties which are significant to the operations of the Group as at the date of this report:

Location	Usage	Group's interests (%)	Attributable gross floor area ⁽¹⁾ (sq. ft.)
Macau			
One Oasis, Sky Oasis and Grand Oasis situated at Estrada de Seac Pai Van, Coloane	Residential/Commercial	35.5	363,000
Sub-total			363,000
Hong Kong			
Premises situated at 30/F., Bank of America Tower, No. 12 Harcourt Road, Central	Office	100	13,800
250 Hennessy situated at No. 250 Hennessy Road, Wanchai	Office/Car parks	100	55,600
Redevelopment project situated at Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan	Residential/Commercial	72	58,900 ⁽²⁾
High Peak situated at No. 23 Po Shan Road, Mid-levels	Residential	20	15,300
Sub-total			143,600

MANAGEMENT DISCUSSION AND ANALYSIS

Location	Usage	Group's interests (%)	Attributable gross floor area ⁽¹⁾ (sq. ft.)
PRC			
Land situated at the Yazhou Bay Science and Technology City, Sanya City, Hainan Province	Hotel	100	886,000
Portions of Dabiao International Centre situated at No. 362 Jiangnan Avenue South and No. 238 Changgang Zhong Road, Haizhu District, Guangzhou City	Commercial/Office/Hotel/Car parks	45	282,600
Renaissance Shanghai Caohejing Hotel situated at No. 397 Tianlin Road, Caohejing Hi-Tech Park, Xuhui District, Shanghai	Hotel	24.5	170,000
Sub-total			1,338,600
Overseas			
Redevelopment property situated at 18, 19 and 20 Greycoat Place, London, United Kingdom	Residential/Commercial	90.1	39,000
The Westin Bayshore situated at 1601 Bayshore Drive, Vancouver, British Columbia, Canada	Hotel/Conference/Ancillary uses	50	224,500
Redevelopment project situated at 1444 Alberni Street, 711 Broughton Street and 740 Nicola Street, Vancouver, British Columbia, Canada	Residential/Commercial	28	171,200
Sub-total			434,700
Total			2,279,900

Notes:

- (1) This represented the area under the existing use.
- (2) This represented the area under the provisional basic terms for land exchange to residential and commercial land.

MANAGEMENT DISCUSSION AND ANALYSIS

Securities Investments

The investment markets experienced volatility due to the concerns surrounding US interest rate increases, the potential for a global economic recession, and the ongoing geopolitical risks. These factors collectively impacted corporate earnings, leading to a decline in the Group's investment fair value. Segment loss of HK\$16.8 million was recorded for the Period (30.9.2022: HK\$19.8 million). Such loss represented mainly the unrealised loss arising from the drop in market prices.

As at 30 September 2023, the Group had equity and fund investments in aggregate of HK\$70.4 million, 72% being unlisted securities and funds denominated in United States dollars and the remaining 28% being listed securities denominated in Hong Kong dollars.

Finance

As at 30 September 2023, other loan receivables of the Group amounted to HK\$129.3 million (31.3.2023: HK\$203.9 million).

For the Period, the Group saw segment profit of HK\$4.6 million (30.9.2022: HK\$3.4 million), which was mainly attributable to an interest income of HK\$5.7 million (30.9.2022: HK\$5.6 million) and a loss allowance for expected credit loss of HK\$1.0 million (30.9.2022: HK\$1.8 million) provided on loan receivables (together with the outstanding interest accrued thereon) in accordance with the accounting policies adopted by the Group.

FINANCIAL REVIEW

The Group maintains a prudent funding and treasury policy with regard to its overall business operations. A variety of credit facilities are maintained to satisfy the commitments and working capital requirements of the Group.

As at 30 September 2023, the Group had total bank borrowings of HK\$1,309.7 million. After netting off cash and cash equivalents of HK\$59.0 million and comparing with the shareholders' funds of the Group of HK\$3,394.8 million, the Group's net gearing ratio as at 30 September 2023 was 0.37 (31.3.2023: 0.38). All of the bank borrowings are subject to floating interest rates. The Group will closely monitor and manage its exposure to the interest rate fluctuations and will consider engaging hedging instruments as and when appropriate.

During the Period, bank borrowings of HK\$45.1 million were drawn down to finance the redevelopment project in the United Kingdom. As at 30 September 2023, the Group's total borrowings amounting to HK\$985.7 million were due for repayment in the coming twelve months according to the repayment schedules. As at the date of this report, the Group had unused banking facilities of HK\$6.1 million. The Group is actively seeking new sources of financing and loan facilities, and will continue to closely monitor its liquidity and working capital requirements to ensure appropriate financing arrangements are made when necessary.

For overseas subsidiaries, associates, joint ventures and other investments with cash flows denominated in foreign currencies, the Group endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in the same currencies. In this respect, the borrowings of the Group and its associates and joint ventures, to which the Group has provided guarantees, are denominated in Hong Kong dollars, Canadian dollars and Pound Sterling. For the Period, an unrealised loss on exchange differences of HK\$52.5 million was debited as other comprehensive expense, mainly arising from translations of operations in Canada, the United Kingdom and the PRC due to the depreciation of Canadian dollars, Pound Sterling and Renminbi. A majority of the Group's cash and cash equivalents are denominated in Hong Kong dollars and Pound Sterling while the Group's other assets and liabilities are denominated in Hong Kong dollars, Renminbi, Macau Pataca, Pound Sterling, United States dollars and Canadian dollars. Though no hedging instruments have been engaged, the Group will closely monitor its foreign exchange risk exposure.

MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at 30 September 2023, the Group's general credit facilities granted by banks were secured by pledges of the Group's investment properties of HK\$568.0 million, property, plant and equipment of HK\$476.0 million, stock of properties of HK\$477.5 million and interests in associates of HK\$753.4 million.

Contingent Liabilities

As at 30 September 2023, the Group provided corporate guarantees on a several basis with maximum liabilities of (i) HK\$541.8 million (31.3.2023: HK\$542.1 million), HK\$35.6 million (31.3.2023: HK\$35.6 million) and HK\$227.5 million (31.3.2023: HK\$227.6 million) in respect of the banking facilities granted to three joint ventures (which are owned as to 50%, 50% and 28% by the Group respectively) with the outstanding amounts attributable to the Group's interests of HK\$522.3 million (31.3.2023: HK\$522.5 million), HK\$35.6 million (31.3.2023: HK\$35.6 million) and HK\$139.6 million (31.3.2023: HK\$139.6 million); and (ii) HK\$312.8 million (31.3.2023: HK\$312.8 million) in respect of the banking facilities granted to an associate (which was owned as to 20% by the Group) with the outstanding amount attributable to the Group's interest of HK\$312.8 million (31.3.2023: HK\$312.8 million).

PROSPECTS

Looking towards the future, the Group anticipates persistent business challenges, influenced by the external macroeconomic factors, such as high interest rates, inflation, and intensifying geopolitical tensions. Additionally, the intensified Russia-Ukraine war and the Israel-Palestinian conflict have casted uncertainties on the global business environment, potentially slowing the economic growth. In response to these uncertainties, the Group will continue to adopt a cautious approach in reviewing its business strategies, refining its business model and improving the efficiency and effectiveness of its operations. We will focus on the sale of the remaining units in Sky Oasis and Grand Oasis in Macau and other redevelopment projects to secure the revenue of the Group and maximise returns for the Shareholders. In addition, we will consider disposing of certain properties in order to realise the tied-up capital and value. All these could boost our liquidity and financial flexibility, enabling us to better navigate the current challenging business environment. In the meantime, apart from businesses in the PRC, Macau, Canada and the United Kingdom, we will cautiously explore potential property development projects and closely assess and select attractive opportunities to replenish the Group's portfolio.

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the total number of employees of the Group was 147 (31.3.2023: 145). Employees are remunerated according to their qualifications and experience, job nature and performance, and under the pay scales aligned with market conditions. Other benefits to employees include medical scheme, insurance coverage, share options and retirement schemes.

MOVEMENT IN ISSUED SHARES

During the Period, the Company cancelled a total of 5,436,000 Shares upon repurchases. As at 30 September 2023, there were 907,198,410 Shares in issue.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2023, the interests and short positions of the Directors and chief executive of the Company and/or their respective close associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

The Company

Name of Director	Number of Shares held	Number of underlying shares held (Note 2)	Total	Percentage (Note 4)
Mr. Cheung Hon Kit ("Mr. HK Cheung")	48,800,000	2,600,000	51,400,000	5.66%
Dr. Chan Kwok Keung, Charles ("Dr. Charles Chan")	518,948,012 (Note 3)	–	518,948,012	57.20%
Mr. Chan Yiu Lun, Alan ("Mr. Alan Chan")	4,075,781	1,000,000	5,075,781	0.55%
Ms. Chau Mei Wah	11,952,564	–	11,952,564	1.31%
Hon. Shek Lai Him, Abraham, <i>GBS, JP</i> ("Mr. Abraham Shek")	322,347	500,000	822,347	0.09%
Mr. Ip Hon Wah ("Mr. HW Ip")	–	300,000	300,000	0.03%

Notes:

- Except Dr. Charles Chan, all the Directors were the beneficial owners having personal interests in the Shares and underlying shares of the Company disclosed above. All the interests disclosed above were long positions.
- This represented the aggregate number of share options granted to the Director by the Company (being regarded as unlisted physically settled equity derivatives) under the Share Option Scheme. Details of the share options are disclosed in the section headed "Share Option Scheme" below.
- By virtue of Part XV of the SFO, Dr. Charles Chan was interested in and deemed to be interested in a total of 518,948,012 Shares as follows:
 - he was the beneficial owner having personal interests in 191,588,814 Shares;
 - he was deemed to have corporate interests in 76,186,279 Shares which were owned by the companies wholly owned by him; and
 - he was deemed to have family interests in 251,172,919 Shares which were owned by the companies wholly owned by his spouse, Ms. Ng Yuen Lan, Macy ("Ms. Macy Ng").

Details of (ii) and (iii) above are disclosed in the section headed "Interests of Substantial Shareholders and Other Persons".
- This represented the approximate percentage of the total number of issued Shares as at 30 September 2023.

Save as disclosed above, as at 30 September 2023, none of the Directors or chief executive of the Company and/or their respective close associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SHARE OPTION SCHEME

On 10 September 2021, the Share Option Scheme was approved and adopted by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting. The primary purpose of the Share Option Scheme is to retain, reward, motivate and give incentives to eligible persons. The Share Option Scheme shall be valid and effective for a period of 10 years commencing from 10 September 2021 to 9 September 2031.

On 28 September 2021, the Company granted share options, of which a total of 16,320,000 share options were duly accepted by the grantees, under the Share Option Scheme with an exercise price of HK\$1.03 per share option. The period during which these share options can be exercised is from 1 April 2022 to 30 September 2025 (both dates inclusive), provided that 25% of the share options shall be exercisable during each of the periods (i) from 1 April 2022 to 30 September 2025 (both dates inclusive), (ii) from 1 October 2022 to 30 September 2025 (both dates inclusive), (iii) from 1 April 2023 to 30 September 2025 (both dates inclusive), and (iv) from 1 October 2023 to 30 September 2025 (both dates inclusive) pursuant to the Share Option Scheme. The vesting period of the share options is from the date of the grant until the commencement of the exercise period. The numbers of share options available for grant under the Share Option Scheme at the beginning and the end of the Period were 84,137,541 and 84,437,541 respectively.

The movements of the share options during the Period were as follows:

Category and name of participant	Number of share options				Outstanding as at 30 September 2023
	Outstanding as at 1 April 2023	Granted during the Period	Exercised during the Period	Cancelled/lapsed during the Period	
Directors					
Mr. HK Cheung	2,600,000	–	–	–	2,600,000
Mr. Alan Chan (Note 1)	1,000,000	–	–	–	1,000,000
Mr. Abraham Shek	500,000	–	–	–	500,000
Mr. Chan Pak Cheong Afonso (resigned with effect from 18 September 2023)	300,000	–	–	–	N/A
Mr. HW Ip	300,000	–	–	–	300,000
Sub-total	4,700,000	–	–	–	4,400,000
Employees (Note 2)	6,080,000	–	–	(300,000)	5,780,000
Other participants	1,100,000 (Note 3(i) & (ii))	–	–	–	1,400,000 (Note 3)
Total	11,880,000	–	–	(300,000)	11,580,000

Notes:

1. Mr. Alan Chan is also an associate (as defined in the Listing Rules) of the substantial shareholders of the Company.
2. This represented the aggregate number of share options held by former employees and existing employees, including a former Director who resigned from the position with effect from 1 April 2023 and remained as an employee throughout the Period.
3. These other participants are:
 - (i) a consultant of the Group, who held 800,000 outstanding share options;
 - (ii) a senior executive of a principal associate of the Company, who held 300,000 outstanding share options. He is also a director of certain associates; and
 - (iii) Mr. Chan Pak Cheong Afonso, a former Director, who as at 30 September 2023 still held 300,000 outstanding share options pursuant to the Share Option Scheme.

Save as disclosed above, there were no share options granted, exercised, cancelled or lapsed under the Share Option Scheme during the Period.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 September 2023, so far as being known to the Directors or chief executive of the Company, the interests and short positions of the substantial shareholders or other persons of the Company (other than the Directors or chief executive of the Company) in the Shares and underlying shares of the Company, which have been disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name	Nature of interests	Capacity	Number of Shares held	Percentage (Note 2)
(I) Substantial shareholders				
Ms. Macy Ng	Corporate interests	Interest of controlled corporation	251,172,919	27.68%
	Family interests	Interest of spouse	<u>267,775,093</u>	<u>29.52%</u>
			518,948,012 (Note 3)	57.20%
Record High Enterprises Limited ("Record High")	Corporate interests	Interest of controlled corporation	251,172,919 (Note 3)	27.68%
Fortune Crystal Holdings Limited ("Fortune Crystal")	Personal interests	Beneficial owner	251,172,919 (Note 3)	27.68%
(II) Other persons				
ITC Holdings Limited ("ITC Holdings")	Corporate interests	Interest of controlled corporation	76,186,279 (Note 4)	8.39%
Galaxyway Investments Limited ("Galaxyway")	Personal interests	Beneficial owner	76,186,279 (Note 4)	8.39%

OTHER INFORMATION

Notes:

1. All the interests in the Shares disclosed above were long positions. Also, no underlying shares of the Company were held by the substantial shareholders and other persons of the Company stated above.
2. This represented the approximate percentage of the total number of issued Shares as at 30 September 2023.
3. Fortune Crystal owned 251,172,919 Shares and was a wholly-owned subsidiary of Record High which in turn was wholly owned by Ms. Macy Ng. As such, Record High and Ms. Macy Ng were deemed to be interested in the 251,172,919 Shares owned by Fortune Crystal by virtue of Part XV of the SFO.

In addition, Ms. Macy Ng was deemed to be interested in the 76,186,279 Shares owned by Galaxyway set out in Note 4 below and the 191,588,814 Shares beneficially owned by Dr. Charles Chan, an executive Director and Joint Vice Chairman of the Company, by virtue of her being the spouse of Dr. Charles Chan for the purpose of Part XV of the SFO.

Accordingly, Ms. Macy Ng was deemed to be interested in a total of 518,948,012 Shares by virtue of Part XV of the SFO.

4. Galaxyway owned 76,186,279 Shares and was a wholly-owned subsidiary of ITC Holdings which in turn was wholly owned by Dr. Charles Chan. As such, ITC Holdings and Dr. Charles Chan were deemed to be interested in the 76,186,279 Shares owned by Galaxyway by virtue of Part XV of the SFO.

Save as disclosed above, as at 30 September 2023, the Company had not been notified of any other interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company repurchased a total of 5,436,000 Shares at an aggregate consideration (excluding expenses) of HK\$4,442,130.0 on the Stock Exchange and cancelled all the Shares thereafter.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

REVIEW OF INTERIM RESULTS

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group, including a review of the interim results for the Period, and discussed financial reporting and internal control matters. The interim results for the Period have not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu.

COMPLIANCE WITH CG CODE

The Company is committed to maintaining high standard of corporate governance practices and procedures and complying with the statutory and regulatory requirements with an aim to maximising the values and interests of the Shareholders as well as enhancing the transparency and accountability to the stakeholders.

Throughout the Period, the Company has complied with all the code provisions of the CG Code and applied the principles contained therein, except that the role of the "chief executive" is vacant. The responsibilities for the operations and business development of the Group are shared by the executive Directors. The Board is of the view that as there is a clear division of responsibilities amongst the executive Directors, the current structure has also been effective in facilitating the operations and business development of Group and enabling the Board to discharge its responsibilities satisfactorily. In addition, the independent non-executive Directors have contributed valuable views and proposals independently for the Board's deliberation and decisions.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code as its own code of conduct for Directors in their dealings in the securities of the Company. In response to specific enquiries made by the Company, all the Directors occupying the positions during the Period confirmed that they have complied with the required standards set out in the Model Code throughout the Period or their tenure of office within the Period, whichever is shorter.

CHANGES IN INFORMATION ON DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information on the Directors since the date of the 2022-2023 annual report of the Company or the date of appointment as Director, whichever is later, and up to the date of this report were set out below:

- (i) There were changes to the directorships of each of Mr. HK Cheung and Mr. Law Hon Wa, William in certain members of the Group.
- (ii) Mr. Law Hon Wa, William ceased to be a practising Certified Public Accountant in Hong Kong of his own accord.
- (iii) The listing of the shares of Goldin Financial Holdings Limited (In Liquidation) on the Stock Exchange was cancelled with effect from 31 October 2023. Mr. Abraham Shek is the chairman and an executive director of the company.

China Resources Cement Holdings Limited, a listed company in Hong Kong, changed its company name to China Resources Building Materials Technology Holdings Limited with effect from 3 November 2023. Mr. Abraham Shek is an independent non-executive director of the company.

Save as disclosed above, there are no other changes in information on the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

On behalf of the Board

Cheung Hon Kit

Chairman

Hong Kong, 30 November 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2023

	NOTES	Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	100,848	76,000
Hotel management income		–	498
Property income		95,138	69,882
		95,138	70,380
Direct cost for hotel management income and property income		(94,076)	(62,756)
Gross profit for hotel management income and property income		1,062	7,624
Interest revenue from loan financing		5,710	5,620
Net fair value loss on financial instruments	4	(16,190)	(18,799)
Other income, gains and losses		6,011	5,242
Recognition of impairment losses under expected credit loss model, net	21	(985)	(1,822)
Decrease in fair value of investment properties	10	(35,000)	(24,096)
Selling and marketing expenses		–	(126)
Administrative and general expenses		(70,259)	(87,644)
Finance costs	5	(36,599)	(16,343)
Share of results of associates		30,402	(10,294)
Share of results of joint ventures		(68,091)	257,870
(Loss) profit before taxation		(183,939)	117,232
Taxation	6	(65)	(84)
(Loss) profit for the period	7	(184,004)	117,148
(Loss) profit for the period attributable to:			
Owners of the Company		(161,039)	125,499
Non-controlling interests		(22,965)	(8,351)
		(184,004)	117,148
(Loss) earnings per share	9		
– Basic (HK dollar)		(0.18)	0.13
– Diluted (HK dollar)		(0.18)	0.13

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
(Loss) profit for the period	(184,004)	117,148
Other comprehensive expense		
<i>Item that will not be reclassified to profit or loss:</i>		
Loss on fair value changes of financial assets designated as at fair value through other comprehensive income ("FVTOCI")	–	(340)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(52,487)	(165,314)
Exchange differences arising on translation for associates and joint ventures	(8,376)	(53,910)
Other comprehensive expense for the period	(60,863)	(219,564)
Total comprehensive expense for the period	(244,867)	(102,416)
Total comprehensive expense for the period attributable to:		
Owners of the Company	(209,159)	(68,376)
Non-controlling interests	(35,708)	(34,040)
	(244,867)	(102,416)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2023

	NOTES	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment		488,388	496,595
Investment properties	10	568,000	603,000
Equity and fund investments	11	13,568	56,800
Interests in joint ventures	12	373,964	470,785
Amounts due from joint ventures	12	876,056	891,463
Interests in associates	13	1,256,788	1,232,200
Amounts due from associates	13	2,850	2,833
Other loan receivables	14	–	47,441
Other non-current assets		125,271	125,326
		3,704,885	3,926,443
Current assets			
Deposits paid for acquisition of leasehold land		338,265	356,367
Stock of properties	15	972,224	1,022,752
Other loan receivables	14	129,256	156,494
Debtors, deposits and prepayments	16	83,890	113,563
Amount due from an associate	13	–	8,283
Equity and fund investments	11	56,859	30,797
Cash and cash equivalents		59,009	61,073
		1,639,503	1,749,329
Current liabilities			
Creditors, deposits and accrued charges	17	231,292	242,512
Amounts due to joint ventures	12	21,886	13,799
Amount due to an associate	13	98,050	–
Tax payables		132,937	186,422
Lease liabilities		2,273	2,512
Bank borrowings	18	985,722	1,029,291
		1,472,160	1,474,536
Net current assets		167,343	274,793
Total assets less current liabilities		3,872,228	4,201,236

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2023

	NOTES	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Non-current liabilities			
Lease liabilities		2,018	841
Bank borrowings	18	323,965	404,932
		325,983	405,773
		3,546,245	3,795,463
Capital and reserves			
Share capital	19	9,072	9,126
Reserves		3,385,777	3,599,233
Equity attributable to owners of the Company		3,394,849	3,608,359
Non-controlling interests		151,396	187,104
		3,546,245	3,795,463

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Company													
	Share capital HK\$'000	Share premium HK\$'000	Treasury shares HK\$'000	Contributed surplus HK\$'000 (note i)	Capital redemption reserve HK\$'000	Share-based payment reserve HK\$'000	Investment revaluation reserve HK\$'000	Other reserve HK\$'000	Special reserve HK\$'000 (note ii)	Translation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2022 (audited)	9,602	3,373,997	-	113,020	9,369	4,425	(303,615)	3,348	(8,908)	48,560	744,534	3,994,332	210,437	4,204,769
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	125,499	125,499	(8,351)	117,148
Loss on fair value changes of financial assets designated as at FVTOCI	-	-	-	-	-	-	(340)	-	-	-	-	(340)	-	(340)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	(139,625)	-	(139,625)	(25,689)	(165,314)
Exchange differences arising on translation for associates and joint ventures	-	-	-	-	-	-	-	-	-	(53,910)	-	(53,910)	-	(53,910)
Total comprehensive (expense) income for the period	-	-	-	-	-	-	(340)	-	-	(193,535)	125,499	(68,376)	(34,040)	(102,416)
Recognition of equity-settled share-based payments (Note 20)	-	-	-	-	-	532	-	-	-	-	-	532	-	532
Transfer on lapse of share options	-	-	-	-	-	(3,420)	-	-	-	-	3,420	-	-	-
Repurchase of shares (Note 19)	(294)	(29,570)	(2,435)	-	294	-	-	-	-	-	(294)	(32,299)	-	(32,299)
Dividends recognised as distribution (Note 8)	-	-	-	-	-	-	-	-	-	-	(47,859)	(47,859)	-	(47,859)
At 30 September 2022 (unaudited)	9,308	3,344,427	(2,435)	113,020	9,663	1,537	(303,955)	3,348	(8,908)	(144,975)	825,300	3,846,330	176,397	4,022,727
At 1 April 2023 (audited)	9,126	3,326,979	-	113,020	9,845	1,546	(323,235)	3,348	(8,908)	(76,222)	552,860	3,608,359	187,104	3,795,463
Loss for the period	-	-	-	-	-	-	-	-	-	-	(161,039)	(161,039)	(22,965)	(184,004)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	(39,744)	-	(39,744)	(12,743)	(52,487)
Exchange differences arising on translation for associates and joint ventures	-	-	-	-	-	-	-	-	-	(8,376)	-	(8,376)	-	(8,376)
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(48,120)	(161,039)	(209,159)	(35,708)	(244,867)
Recognition of equity-settled share-based payments (Note 20)	-	-	-	-	-	104	-	-	-	-	-	104	-	104
Transfer on lapse of share options	-	-	-	-	-	(39)	-	-	-	-	39	-	-	-
Repurchase of shares (Note 19)	(54)	(4,401)	-	-	54	-	-	-	-	-	(54)	(4,455)	-	(4,455)
At 30 September 2023 (unaudited)	9,072	3,322,578	-	113,020	9,899	1,611	(323,235)	3,348	(8,908)	(124,342)	391,806	3,394,849	151,396	3,546,245

Notes:

- (i) The contributed surplus of the Group represents the credit arising from capital reduction pursuant to the capital reorganisation on 13 March 2010.
- (ii) Special reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal amount of the share capital of the Company issued as consideration under the group reorganisation in prior years.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	NOTE	Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
(Loss) profit before taxation		(183,939)	117,232
Adjustments for:			
Decrease in fair value of investment properties		35,000	24,096
Depreciation of property, plant and equipment		12,334	13,747
Finance costs		36,599	16,343
Share of results of associates		(30,402)	10,294
Share of results of joint ventures		68,091	(257,870)
Other adjustments		(3,558)	(275)
Operating cash flows before movements in working capital		(65,875)	(76,433)
Decrease (increase) in stock of properties		49,225	(4,673)
Decrease (increase) in other loan receivables		21,144	(47,500)
Movements in other working capital items		15,142	(11,481)
Cash generated from (used in) operations		19,636	(140,087)
Interest received		11,222	–
Income tax refunded (paid)		2,609	(5,948)
Net cash generated from (used in) operating activities		33,467	(146,035)
Net cash generated from investing activities			
Advances from associates		106,333	–
Return of capital from a joint venture	12	29,130	–
Repayment from joint ventures		3,200	45,758
Dividend received from an associate		1,822	–
Interest received		812	477
Dividend received from a joint venture		–	220,000
Disposal of equity and fund investments		–	27,464
Proceeds from redemption of an unlisted investment fund		–	6,889
Advances to associates		(17)	(2,724)
Purchase of property, plant and equipment		(1,955)	(890)
Investments in joint ventures		(1,958)	(1,496)
Advances to joint ventures		(16,102)	(17,139)
Additions to investment properties		–	(2,096)
		121,265	276,243

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	NOTES	Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Net cash used in financing activities			
New bank borrowings raised	18	45,115	41,848
Advances from joint ventures		8,087	2,125
Advances from non-controlling interests		–	2,940
Repayment of lease liabilities, including related interests		(1,333)	(2,727)
Repurchase of shares		(4,455)	(32,299)
Interest paid		(37,674)	(16,508)
Repayment of bank borrowings	18	(165,768)	(53,071)
Repayment to an associate		–	(72)
Dividends paid	8	–	(47,859)
		(156,028)	(105,623)
Net (decrease) increase in cash and cash equivalents		(1,296)	24,585
Cash and cash equivalents at the beginning of the period		61,073	283,962
Effect of foreign exchange rate changes		(768)	(1,359)
Cash and cash equivalents at the end of the period, represented by bank balances and cash		59,009	307,188

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

In preparing the condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity, the financial position and the available sources of financing of the Group in assessing the Group’s ability to continue as a going concern. After taking into account the fact that the Group’s secured bank borrowings will be matured within twelve months from the date of the reporting period, the Directors have given careful consideration in going concern. To mitigate the liquidity position of the Group and to improve the financial position of the Group, the Directors have taken certain plans and measures, including:

(i) New sources of borrowings

The Group continues in its pursuit of exploring new sources of financing and funding. By continually seeking new financial sources and diligently working on the renewal of and/or refinancing the existing banking facilities, the Group is diligently ensuring its financial stability for future opportunities.

(ii) Realising the tied-up capital and value

The Group will consider selling specific properties as a strategic move in order to realise the tied-up capital and value. This strategy will allow the Group to efficiently manage its assets, potentially enhance its liquidity and provide additional resources.

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the liquidity needs of the Group will be managed and the financial position of the Group will be improved. Also, the Group will have sufficient working capital to finance its operations and meet its financial obligations if they fall due within twelve months from the date of approval of the condensed consolidated financial statements. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from the application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Disaggregation of revenue

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue from contracts with customers:		
<i>Property</i>		
Revenue from building management fee income		
– recognised over time	252	261
Revenue from properties commission income		
– recognised at a point in time	1,885	1,835
Revenue from sales of properties		
– recognised at a point in time	90,000	62,257
<i>Hotel and leisure</i>		
Revenue from hotel management service		
– recognised over time	–	498
	92,137	64,851
Revenue from other sources:		
Fixed lease income	3,001	5,529
Interest revenue from loan financing	5,710	5,620
	8,711	11,149
Total revenue	100,848	76,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

3. SEGMENT INFORMATION (Continued)

Disaggregation of revenue (Continued)

The segment information reported externally was analysed on the basis of the goods and services delivered or provided by the Group's operating divisions which is consistent with the internal information that is regularly reviewed by the executive Directors, the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of performance. It is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around differences in products and services.

The Group's reportable and operating segments are as follows:

Property	–	development of, selling of and investment in properties
Hotel and leisure	–	investment in and management of hotels and resorts
Securities investments	–	trading and investment of securities
Finance	–	provision of loan financing services

Information regarding these segments is reported below:

For the six months ended 30 September 2023 (unaudited)

	Segment revenue <i>HK\$'000</i> (note (a))	Operating (loss) profit <i>HK\$'000</i>	Share of results of associates <i>HK\$'000</i>	Share of results of joint ventures <i>HK\$'000</i>	Finance costs <i>HK\$'000</i>	Segment results: (loss) profit before taxation <i>HK\$'000</i> (note (b))
Property (note (c))	95,138	(58,402)	36,691	(57,880)	(23,502)	(103,093)
Hotel and leisure	–	(1,789)	(6,289)	(3,994)	(3)	(12,075)
Securities investments	–	(16,819)	–	–	–	(16,819)
Finance	5,710	4,589	–	–	–	4,589
SEGMENT TOTAL	100,848	(72,421)	30,402	(61,874)	(23,505)	(127,398)
Unallocated	–	(37,230)	–	(6,217)	(13,094)	(56,541)
GROUP TOTAL	100,848	(109,651)	30,402	(68,091)	(36,599)	(183,939)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

3. SEGMENT INFORMATION (Continued)

Disaggregation of revenue (Continued)

For the six months ended 30 September 2022 (unaudited)

	Segment revenue <i>HK\$'000</i> (note (a))	Operating (loss) profit <i>HK\$'000</i>	Share of results of associates <i>HK\$'000</i>	Share of results of joint ventures <i>HK\$'000</i>	Finance costs <i>HK\$'000</i>	Segment results: (loss) profit before taxation <i>HK\$'000</i> (note (b))
Property (note (c))	69,882	(40,389)	19,007	(19,608)	(9,577)	(50,567)
Hotel and leisure (note (d))	498	(5,721)	(29,301)	284,992	(7)	249,963
Securities investments	–	(19,824)	–	–	–	(19,824)
Finance	5,620	3,420	–	–	–	3,420
SEGMENT TOTAL	76,000	(62,514)	(10,294)	265,384	(9,584)	182,992
Unallocated	–	(51,487)	–	(7,514)	(6,759)	(65,760)
GROUP TOTAL	76,000	(114,001)	(10,294)	257,870	(16,343)	117,232

Notes:

- Segment revenue as set out above comprises income from leases, income from sales of properties, properties commission income, building management fee income, hotel management service income and loan financing income. All segment revenue is from external customers.
- The aggregate of the segment results as set out above comprises the (loss) profit before taxation from each segment without allocation of certain other income, gains and losses, certain administrative and general expenses, share of results of certain joint ventures and certain finance costs.
- The segment revenue of property segment included income from leases, income from sales of properties, properties commission income and building management fee income. During the six months ended 30 September 2023, the segment result of property segment included decrease in fair value of investment properties of HK\$35,000,000 (six months ended 30 September 2022: HK\$24,096,000).
- During the six months ended 30 September 2022, the segment result of hotel and leisure segment included share of gain on disposal of all equity interests in a subsidiary of a joint venture, which indirectly owned a hotel in Hong Kong, amounting to HK\$223,193,000, share of reversal of impairment loss of a property held by a joint venture amounting to HK\$62,808,000 and share of impairment loss of a property held by an associate amounting to HK\$8,251,000.

The CODM assesses the performance of the operating segments based on (loss) profit before taxation of the group entities engaged in the respective segment activities which represents the segment results. Financial information provided to the CODM is measured in a manner consistent with the accounting policies adopted in the preparation of the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

3. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Segment assets		Segment liabilities	
	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Property	4,076,056	4,239,891	1,324,533	1,251,026
Hotel and leisure	923,395	985,095	76,816	129,415
Securities investments	70,427	87,597	951	951
Finance	157,948	236,388	48	48
Segment total	5,227,826	5,548,971	1,402,348	1,381,440
Unallocated:				
Cash and cash equivalents	59,009	61,073	–	–
Bank borrowings	–	–	372,825	476,632
Others	57,553	65,728	22,970	22,237
Total	5,344,388	5,675,772	1,798,143	1,880,309

For the purposes of monitoring segment performance and allocating resources among segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, certain other non-current assets, certain debtors, deposits and prepayments of the corporate offices, interests in certain joint ventures, amounts due from certain joint ventures and cash and cash equivalents; and
- all liabilities, including tax payables, are allocated to operating segments other than certain lease liabilities, certain bank borrowings and certain creditors, deposits and accrued charges.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

4. NET FAIR VALUE LOSS ON FINANCIAL INSTRUMENTS

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Net decrease in fair values of financial assets at fair value through profit or loss ("FVTPL")		
– held at the end of the reporting period	(16,249)	(8,391)
– disposed of during the period	59	(10,408)
	(16,190)	(18,799)

5. FINANCE COSTS

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest on bank borrowings	43,948	18,547
Interest on lease liabilities	96	133
Total borrowing costs	44,044	18,680
Less: amounts capitalised in qualifying assets	(7,445)	(2,337)
	36,599	16,343

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

6. TAXATION

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax:		
Current tax	–	84
Overprovision in prior years	(16)	–
	(16)	84
Canadian Corporate Tax:		
Current tax	81	–
	65	84

Hong Kong Profits Tax of the qualified entity of the Group was calculated in accordance with the two-tiered profits tax rates regime (i.e. the first HK\$2 million of profits of a qualifying group entity to be taxed at 8.25% and profits above HK\$2 million to be taxed at 16.5%), while the profits of group entities not qualifying for the two-tiered profits tax rates regime continued to be taxed at a flat rate of 16.5%.

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

7. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	12,334	13,747
Loss on disposal of property, plant and equipment	12	–
Bank interest income	(833)	(477)
Other interest income	(9,669)	(9,474)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

8. DISTRIBUTION

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Dividends recognised as distribution during the period:		
– Second interim dividend, paid for the year ended 31 March 2022: HK5 cents per share	–	47,859
Dividends in form of:		
– Cash	–	47,859

The Board decided not to declare an interim dividend for the six months ended 30 September 2023 (2022: nil).

9. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
(Loss) earnings:		
(Loss) profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss) earnings per share	(161,039)	125,499

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

9. (LOSS) EARNINGS PER SHARE (Continued)

	Six months ended 30 September	
	2023 (unaudited)	2022 (unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	910,677,426	954,068,847
Effect of dilutive potential ordinary share:		
Share options granted on 28 September 2021	—	4,980
Weighted average number of ordinary shares for the purpose of calculating diluted (loss) earnings per share	910,677,426	954,073,827

The effect of the exercise of the Company's share options granted on 28 September 2021 was not taken into consideration for computing the diluted loss per share for the six months ended 30 September 2023 as the exercise price of those share options was higher than the average market price for shares.

The effect of the exercise of the Company's share options granted on 4 April 2018 was not taken into consideration for computing the diluted earnings per share for the six months ended 30 September 2022 as the exercise price of those share options was higher than the average market price for shares.

10. INVESTMENT PROPERTIES

The valuation for the investment properties has been arrived at on the basis of valuation carried out on the reporting dates by an independent firm of professional valuer. A decrease in fair value of investment properties of HK\$35,000,000 has been recognised in the condensed consolidated statement of profit or loss for the six months ended 30 September 2023 (six months ended 30 September 2022: HK\$24,096,000).

The key inputs used in valuing the investment properties as at 30 September 2023 and 31 March 2023 are as follows:

Category	Fair value hierarchy	Fair value as at		Valuation techniques	Key unobservable inputs	Range	Relationship of unobservable inputs to fair value
		30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)				
Commercial properties in Hong Kong	Level 3	568,000	603,000	Direct Comparison Method based on comparable market transactions of similar properties with adjustments to reflect the conditions and locations of the subject properties	Adjusted price per square foot taking into account of conditions and locations of the subject properties	HK\$10,419 to HK\$15,159 (31 March 2023: HK\$10,662 to HK\$17,371)	The higher the adjusted price per square foot, the higher the fair value

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

11. EQUITY AND FUND INVESTMENTS

	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Listed equity securities in Hong Kong	19,750	30,797
Unlisted equity securities in overseas	–	–
Unlisted investment funds in overseas	50,677	56,800
	70,427	87,597
Analysed as:		
Current	56,859	30,797
Non-current	13,568	56,800
	70,427	87,597
Classified as:		
FVTOCI	–	–
FVTPL	70,427	87,597
	70,427	87,597

The fair values of the listed securities are determined based on the closing prices quoted in active markets in Hong Kong except for the delisted securities as disclosed in Note 22. Details of fair value measurements of the unlisted equity securities and investment funds in overseas are set out in Note 22.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

12. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES

	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Cost of unlisted investment in joint ventures	1,219,841	1,252,166
Share of post-acquisition results and other comprehensive expense, net of dividend	(845,877)	(781,381)
	373,964	470,785
Amounts due from joint ventures at amortised cost (note (a))	866,724	880,343
Less: Allowance for credit loss	(11,022)	(11,022)
Less: Share of post-acquisition losses that are in excess of cost of investment	(500)	(635)
	855,202	868,686
Amounts due from joint ventures measured at FVTPL	250,017	248,210
Less: Share of post-acquisition losses that are in excess of cost of investment	(229,163)	(225,433)
	20,854	22,777
	876,056	891,463
Amounts due to joint ventures (note (b))	(21,886)	(13,799)

Notes:

- (a) The amounts were non-trade in nature, unsecured, interest-free and repayable on demand, except for an amount of Canadian dollars ("CAD") 31,301,000 (equivalent to HK\$181,640,000) (31 March 2023: CAD30,041,000 (equivalent to HK\$174,388,000)) which carried interest at a fixed rate of 15% (31 March 2023: 15%) per annum, and would be repayable on 1 March 2024. The Directors are of the view that the Group will not demand for repayment within the next twelve months from the end of the current reporting period. Thus, the amounts are classified as non-current.
- (b) The amounts were non-trade in nature, unsecured, non-interest bearing and repayable on demand.

During the six months ended 30 September 2023, a joint venture has paid CAD5,000,000 (equivalent to HK\$29,130,000) (six months ended 30 September 2022: nil) to the Group as a return of capital.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

12. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

All of the Group's joint ventures are accounted for using equity method in these condensed consolidated financial statements. Details of the Group's material joint ventures at the end of the reporting period are as follows:

Name of entity	Place of incorporation/ establishment	Class of shares/ capital held	Value of issued and fully paid share capital	Proportion of ownership interest held by the Group		Proportion of voting power held		Principal activity
				30.9.2023 %	31.3.2023 %	30.9.2023 %	31.3.2023 %	
1488 Alberni Development Holdings Limited Partnership ("1488 Alberni LPDH")	Canada	N/A	N/A	28	28	28 (note (a))	28 (note (a))	Property development
1488 Alberni Investment Limited Partnership ("1488 Alberni LPI")	Canada	N/A	N/A	28	28	28 (note (a))	28 (note (a))	Property development
Bayshore Ventures JV Ltd. ("Bayshore")	British Virgin Islands ("BVI")	Ordinary	CAD115,200,000	50	50	50	50	Investment holding (note (b))
Guangzhou Jiang Nan Property Co., Ltd. ("Jiang Nan Property") (note (c))	PRC	Registered capital	Renminbi 72,624,000	75	75	75	75	Property holding
More Star Limited ("More Star")	BVI	Ordinary	United States dollars ("US\$") 10	40	40	40	40	Investment holding (note (d))

Notes:

- (a) The Group is able to exercise joint control over the relevant activities of 1488 Alberni LPDH and 1488 Alberni LPI, being limited partnerships established in British Columbia, Canada, as the major decisions regarding the relevant activities of 1488 Alberni LPDH and 1488 Alberni LPI require unanimous consent of their respective shareholders according to the shareholders' agreements.
- (b) The principal activities of its subsidiaries are holding of a hotel property and hotel operation in Vancouver, Canada.
- (c) The principal activity of Jiang Nan Property is holding of investment properties in Guangzhou City, the PRC. According to the shareholder agreement of Jiang Nan Property dated on 11 April 2012, the board of directors of Jiang Nan Property comprises four directors. Two of them were appointed by the wholly-owned subsidiary of More Cash Limited ("More Cash"), which is 60% owned by the Group and the other two were appointed by another joint venture partner and the major decisions regarding the relevant activities were decided by simple majority of directors' voting. Therefore, More Cash has no control over Jiang Nan Property but has joint control over Jiang Nan Property.
- (d) The principal activities of its subsidiaries are holding of a hotel property and hotel operation in Hong Kong. On 4 April 2022, More Star, a joint venture held as to 40% by the Group, entered into a conditional sale and purchase agreement with, amongst others, an independent third party in relation to the disposal of its entire interests in Fortress State International Limited (a then direct wholly-owned subsidiary of More Star), which owned Rosedale Hotel Kowloon, at an aggregate consideration of HK\$1,374,900,000. The disposal was completed on 2 June 2022, resulting in a share of gain on disposal attributable to the Group of HK\$223,193,000. During the six months ended 30 September 2022, the Group received dividend of HK\$220,000,000 from More Star.

The above table lists the joint ventures of the Group which, in the opinion of the Directors, principally affected the results for the period or formed a substantial portion of the net assets of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

13. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES

	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Cost of investment in associates, unlisted	927,012	932,826
Share of post-acquisition results and other comprehensive income, net of dividend or other return	<u>329,776</u>	<u>299,374</u>
	<u>1,256,788</u>	<u>1,232,200</u>
Amounts due from associates (note (a))	<u>2,850</u>	<u>11,116</u>
Amount due to an associate (note (b))	<u>(98,050)</u>	<u>–</u>

Notes:

- (a) The amounts were non-trade in nature, unsecured, non-interest bearing and had no fixed repayment date. As at 30 September 2023, the management of the Group did not expect to receive the amounts within twelve months from the end of the reporting period (31 March 2023: except for an amount of HK\$8,283,000).
- (b) The amount was unsecured and non-interest bearing and will be offset with the dividend to be distributed by the associate in the coming financial years. During the year ended 31 March 2023, an associate of the Group distributed a dividend of HK\$611,100,000, of which an amount of HK\$602,848,000 was offset with the amount to the associate and the remaining balance of HK\$8,252,000, which has not yet been received by the Group, has been recognised as amount due from an associate. During the six months ended 30 September 2023, the balance of HK\$8,252,000 has been settled.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

13. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES (Continued)

All of the Group's associates are accounted for using the equity method in these condensed consolidated financial statements. Details of the Group's material associates at the end of the reporting period are as follows:

Name of entity	Place of incorporation/ establishment	Class of shares/ capital held	Nominal value of issued and fully paid share capital	Proportion of ownership interest held by the Group		Proportion of voting power held		Principal activity
				30.9.2023	31.3.2023	30.9.2023	31.3.2023	
				%	%	%	%	
Orient Town Limited ("Orient Town")	Hong Kong	Ordinary	HK\$700	45	45	45	45	Investment holding (note (a))
Empresa de Fomento Industrial e Comercial Concórdia, S.A. ("Concordia")	Macau	Quota capital (note (b))	Macau Patacas 100,000,000	8.7 (note (c))	8.7 (note (c))	8.7 (note (c))	8.7 (note (c))	Property development
Premier Maker Limited	BVI	Ordinary	US\$100	49	49	49	49	Investment holding (note (d))
Rosedale Hotel Beijing Co., Ltd.	PRC	Registered capital	US\$86,000,000	20	20	20	20	Property holding in Beijing
True Fame Enterprises Limited	BVI	Ordinary	US\$1,000	20	20	20	20	Investment holding (note (e))

Notes:

- (a) The principal activities of its subsidiaries are mainly property development and property management in Macau.
- (b) Quota capital represents the Portuguese equivalence of registered capital as Portuguese is the official language of Macau.
- (c) As at 30 September 2023 and 31 March 2023, Orient Town held 59.5% effective interests in Concordia and a wholly-owned subsidiary of the Company held 8.7% direct interests in Concordia, thereby leading to the Group holding an effective equity interest of 35.5% in Concordia.
- (d) The principal activity of its subsidiary is holding a 50% interests in a sino-foreign cooperative joint venture, which holds a hotel in Shanghai, the PRC.
- (e) The principal activities of its subsidiaries are mainly property development in Hong Kong.

The above table lists the associates of the Group which, in the opinion of the Directors, principally affected the results for the period or formed a substantial portion of the net assets of the Group.

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For the six months ended 30 September 2023

14. OTHER LOAN RECEIVABLES

	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Unsecured fixed-rate loan receivables (note (a))	405,084	405,084
Secured fixed-rate loan receivable (note (b))	47,500	47,500
Unsecured variable-rate loan receivables (note (c))	33,248	68,248
Secured variable-rate loan receivable (note (d))	–	39,046
	485,832	559,878
Less: Allowance for credit loss	(356,576)	(355,943)
	129,256	203,935
Analysed as:		
Current	129,256	156,494
Non-current	–	47,441
	129,256	203,935

Before granting any new loans and approving credit limits, the Group carries out a detailed review of the credit quality of the borrowers. Under the risk assessment and approval process, the Group conducts an in-depth due diligence to (i) assess the borrowers' background by conducting background searches, (ii) understand the purposes of the loans by discussing with the borrowers about their businesses, operation and financial status, and (iii) assess their repayment ability by evaluating the sources of funds for repayment, the availability and value of collaterals, if any, and any other pertinent information. For loans that are secured with collaterals, the Group will further assess the pledged assets based on their market values and marketability, and the rights to repossess the assets. This assessment is essential for determining the terms of the loans.

Exposure to credit risk is managed through regular analysis of the ability of borrowers to meet the loan principal and interest repayment obligations. The Group performs ongoing evaluation of collectability in assessing the ultimate realisation of other loan receivables. The dedicated team implements monitoring procedures, which allows the Group to evaluate the potential losses. If the other loan receivables and/or the related interest receivables become overdue, the Group initiates actions such as issuing reminder letters and legal demand letters to address the situation. The dedicated team ensures appropriate follow-up actions are undertaken to recover the overdue debts, thereby minimising the potential credit risk.

In addition, the Group performs ongoing evaluation of loss rates in assessing the expected credit loss ("ECL"), including the repayment history, financial conditions, current creditworthiness and underlying collaterals, if any, of each borrower and the forward-looking information.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

14. OTHER LOAN RECEIVABLES *(Continued)*

The Group performs impairment assessment under ECL model by individual assessment. The Group recognises impairment loss on other loan receivables by applying the ECL model to individual exposures by considering the financial background of the debtors and measuring the impairment loss based on the probability of default and loss given default with reference to international credit-rating agencies' data, if applicable, adjusted for forward-looking factors. The measurement of ECL is a function of the exposure at default, probability of default and loss given default, which involves key estimates from the management. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information which has been incorporated into the determination of expected credit losses, including the use of macroeconomic information. The management has assessed the impact of economic environment on default rate by taking into consideration the gross domestic growth rate under different situations, including economic upturn and downturn.

The credit policy is dynamically reviewed and updated to reflect the current credit environment, business landscape and economic conditions, in order to minimise the credit risk of the Group.

Notes:

- (a) At 30 September 2023, one of the fixed-rate loan receivables was nil (31 March 2023: nil), net of credit loss allowance for ECL of HK\$320,000,000 (31 March 2023: HK\$320,000,000). It represented the unsecured and unlisted loan notes issued by a company incorporated in Bermuda prior to the delisting of its shares from the Stock Exchange and carried interest at the fixed rate of 9.5% per annum (31 March 2023: fixed rate of 9.5% per annum) and were due to repay on 27 November 2019. Such company was ordered to be wound up by the High Court of Hong Kong in June 2020 and its shares were delisted from the Stock Exchange with effect from 8 February 2021. The other fixed-rate loan receivables of HK\$64,324,000 (31 March 2023: HK\$64,324,000), net of credit loss allowance for ECL of HK\$20,760,000 (31 March 2023: HK\$20,760,000), were unsecured, carried interest at fixed rates ranging from 7% to 12% per annum (31 March 2023: fixed rates ranging from 7% to 12% per annum) and were repayable on demand.
- (b) At 30 September 2023, the secured fixed-rate loan receivable of HK\$44,871,000 (31 March 2023: HK\$47,441,000), net of credit loss allowance for ECL of HK\$2,629,000 (31 March 2023: HK\$59,000), was secured by two residential properties and two carparks in Hong Kong, carried interest at a fixed rate of 7% per annum (31 March 2023: fixed rate of 7% per annum) and was repayable on 13 September 2024.
- (c) At 30 September 2023, the unsecured variable-rate loan receivables of HK\$20,061,000 (31 March 2023: HK\$53,124,000), net of credit loss allowance for ECL of HK\$13,187,000 (31 March 2023: HK\$15,124,000), were unsecured, carried interest at variable rate at Hong Kong Prime Rate plus 2% per annum (31 March 2023: variable rates ranging from Hong Kong Prime Rate to Hong Kong Prime Rate plus 2% per annum) and were repayable on demand.
- (d) At 31 March 2023, the secured variable-rate loan receivable represented drawn loan facility of CAD6,730,000 (equivalent to HK\$39,046,000), net of credit loss allowance for ECL of nil, granted to Caufield Investments Limited, a shareholder of Bayshore. The loan receivable was secured by 16.67% equity interests in Bayshore, carried interest at CAD Prime Rate plus 1.25% per annum and was repayable on 31 May 2022. During the year ended 31 March 2023, the maturity date of the loan receivable was extended to 31 October 2022 and further extended to 31 October 2024. During the six months ended 30 September 2023, the loan receivable was fully settled.

The above loan receivables are accounted for as financial assets carried at amortised cost. As at 30 September 2023, there were 5 borrowers (31 March 2023: 7 borrowers) and the effective interest rate of the variable-rate loan receivables was 7.26% per annum (31 March 2023: 6.15% per annum). The management of the Group has concluded that an additional impairment loss of HK\$633,000 under ECL model for other loan receivables was recognised during the six months ended 30 September 2023 (six months ended 30 September 2022: HK\$1,192,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

15. STOCK OF PROPERTIES

	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Properties under development for sale	905,819	866,347
Completed properties held for sale	66,405	156,405
	972,224	1,022,752

At 30 September 2023, stock of properties included an amount of approximately HK\$428,345,000 (31 March 2023: HK\$427,677,000) which is expected to be realised after more than twelve months from the end of the reporting period.

16. DEBTORS, DEPOSITS AND PREPAYMENTS

	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Trade debtors	645	1,695
Refundable earnest money (note (i))	23,212	23,220
Other debtors, deposits and prepayments (note (ii))	60,033	88,648
	83,890	113,563

Notes:

- (i) This represented the amount paid by the Group for the possible acquisition of interests in properties located in Canada.
- (ii) The other debtors, deposits and prepayments mainly represented interest receivables generated from other loan receivables and customers' deposits under escrow accounts.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

16. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

The Group's credit terms are negotiated at terms determined and agreed with its trade customers. The Group allows an average credit period of 60 days (31 March 2023: 60 days) to its trade customers.

The following is an aged analysis of trade debtors, net of loss allowance, presented based on the invoice date at the end of the reporting period:

	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Trade debtors aged:		
0 – 60 days	645	1,446
61 – 90 days	–	249
	645	1,695

The management of the Group has concluded that an additional impairment allowance of HK\$352,000 under ECL model for other receivables included in debtors, deposits and prepayments was provided for the six months ended 30 September 2023 (six months ended 30 September 2022: HK\$630,000).

17. CREDITORS, DEPOSITS AND ACCRUED CHARGES

	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Creditors, deposits and accrued charges	231,292	242,512

At 30 September 2023, creditors, deposits and accrued charges included advances from non-controlling interests of HK\$187,825,000 (31 March 2023: HK\$189,176,000) which were non-trade in nature, unsecured, interest-free and repayable on demand.

18. BANK BORROWINGS

During the six months ended 30 September 2023, the Group has drawn new bank borrowings of HK\$45,115,000 (six months ended 30 September 2022: HK\$41,848,000) and repaid bank borrowings of HK\$165,768,000 (six months ended 30 September 2022: HK\$53,071,000). As at 30 September 2023, the range of effective interest rate of bank borrowings was 6.78% to 8.00% per annum (31 March 2023: 4.33% to 6.71% per annum).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

19. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2022 (audited), 30 September 2022 (unaudited), 1 April 2023 (audited) and 30 September 2023 (unaudited)	40,000,000,000	400,000
Issued and fully paid:		
At 1 April 2022 (audited)	960,175,410	9,602
Shares repurchased and cancelled (note (a))	(29,375,000)	(294)
At 30 September 2022 (unaudited)	930,800,410	9,308
Shares repurchased and cancelled (note (b))	(18,166,000)	(182)
At 31 March 2023 (audited)	912,634,410	9,126
Shares repurchased and cancelled (note (c))	(5,436,000)	(54)
At 30 September 2023 (unaudited)	907,198,410	9,072

Notes:

- (a) During the six months ended 30 September 2022, the Company repurchased its ordinary shares on the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares repurchased	Purchase price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
April 2022	3,000,000	1.04	1.03	3,104
July 2022	7,000,000	1.05	1.00	7,156
August 2022	4,809,000	1.03	1.00	4,909
September 2022	17,066,000	1.03	0.96	17,036
	31,875,000			32,205

During the six months ended 30 September 2022, the Company repurchased a total of 31,875,000 ordinary shares at an aggregate consideration, including direct expenses, of HK\$32,299,000.

A total of 29,375,000 ordinary shares were cancelled during the six months ended 30 September 2022 and the aggregate consideration incurred for the cancelled shares, including direct expenses, was HK\$29,864,000. The remaining 2,500,000 ordinary shares were subsequently cancelled in October 2022.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

19. SHARE CAPITAL (Continued)

Notes: (Continued)

- (b) During the second half of the year ended 31 March 2023, the Company repurchased its ordinary shares on the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares repurchased	Purchase price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
October 2022	2,784,000	0.96	0.95	2,666
November 2022	3,000,000	1.00	0.96	2,907
December 2022	9,882,000	1.00	0.96	9,579
	<u>15,666,000</u>			<u>15,152</u>

During the second half of the year ended 31 March 2023, the Company repurchased a total of 15,666,000 ordinary shares at an aggregate consideration, including direct expenses, of HK\$15,195,000.

A total of 18,166,000 ordinary shares, including 2,500,000 ordinary shares repurchased in September 2022, were cancelled during the second half of the year ended 31 March 2023. The aggregate consideration incurred for the cancelled shares, including direct expenses, was HK\$17,630,000.

- (c) During the six months ended 30 September 2023, the Company repurchased its ordinary shares on the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares repurchased	Purchase price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
July 2023	4,956,000	0.85	0.76	4,086
August 2023	480,000	0.80	0.71	356
	<u>5,436,000</u>			<u>4,442</u>

The aggregate consideration incurred in the repurchases, including direct expenses, was HK\$4,455,000. The above ordinary shares were cancelled upon repurchases.

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For the six months ended 30 September 2023

20. SHARE OPTION SCHEMES

On 10 September 2021, the Share Option Scheme was approved and adopted by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting for the primary purpose of providing incentives to eligible persons. The Share Option Scheme shall be valid and effective for a period of 10 years commencing from 10 September 2021 to 9 September 2031. Upon the adoption of the Share Option Scheme, the share option scheme adopted on 17 August 2012 (the "2012 Share Option Scheme") was terminated and ceased to have any further effect with effect from 10 September 2021 save and except that the 2012 Share Option Scheme remained in force to the extent necessary to give effect to the exercise of the share options granted thereunder prior to the termination thereof. On 4 April 2022, all the outstanding share options granted under the 2012 Share Option Scheme lapsed.

On 4 April 2018, the Company granted a total of 27,020,000 share options to the eligible participants to subscribe for the shares of the Company under the 2012 Share Option Scheme, with vesting period ranging from 1 year to 2 years. No share option expense was recognised for the six months ended 30 September 2022.

The fair values of the share options granted to Directors, employees and other participants on 4 April 2018 were HK\$2,592,000, HK\$1,122,000 and HK\$520,000, respectively. The fair values were determined at the grant date on the basis of a valuation carried out by an independent professional valuer using Binomial Model and the following data and assumptions were used to calculate the fair values of the share options as at the grant date:

Closing price of the shares on the date of grant	HK\$2.57
Exercise price	HK\$2.57
Expected volatility	18.44%
Expected option life	4 years
Risk-free rate	1.743%
Expected dividend yield	8.56%

The expected volatility measured at the standard deviation is based on the historical data of the daily share price movement of the Company.

The value of an option varies with different variables of certain subjective assumptions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

20. SHARE OPTION SCHEMES (Continued)

The following table sets out the details of the Company's share options held by Directors, employees and other participants under the 2012 Share Option Scheme, and the movements in such holdings during the prior year:

Date of grant	Vesting proportion	Vesting period	Exercise period	Exercise price per share (subject to adjustments) HK\$	Number of share options under the 2012 Share Option Scheme			
					Outstanding at 1.4.2022	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at 31.3.2023
Directors:								
4.4.2018	50%	4.4.2018 – 3.4.2019	4.4.2019 – 3.4.2022	2.57	5,400,000	–	(5,400,000)	N/A
	50%	4.4.2018 – 3.4.2020	4.4.2020 – 3.4.2022	2.57	5,400,000	–	(5,400,000)	N/A
Employees:								
4.4.2018	50%	4.4.2018 – 3.4.2019	4.4.2019 – 3.4.2022	2.57	2,340,000	–	(2,340,000)	N/A
	50%	4.4.2018 – 3.4.2020	4.4.2020 – 3.4.2022	2.57	2,340,000	–	(2,340,000)	N/A
Other participants:								
4.4.2018	50%	4.4.2018 – 3.4.2019	4.4.2019 – 3.4.2022	2.57	2,650,000 (note)	–	(2,650,000)	N/A
	50%	4.4.2018 – 3.4.2020	4.4.2020 – 3.4.2022	2.57	2,650,000 (note)	–	(2,650,000)	N/A
					<u>20,780,000</u>	<u>–</u>	<u>(20,780,000)</u>	<u>N/A</u>
Exercisable at the end of year					<u>20,780,000</u>			<u>N/A</u>
Weighted average exercise price per share (HK\$)					<u>2.57</u>	<u>N/A</u>	<u>2.57</u>	<u>N/A</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

20. SHARE OPTION SCHEMES (Continued)

Note:

The other participants are:

- (i) consultants of the Group, who held an aggregate of 1,800,000 outstanding share options under the 2012 Share Option Scheme;
- (ii) Mr. Cheung Chi Kit, a former Director, who resigned with effect from 1 January 2022 and as at 31 March 2022 still held 2,000,000 outstanding share options pursuant to the 2012 Share Option Scheme; and
- (iii) Mr. Wong Lai Shun, Benny, a former Director (resigned with effect from 1 January 2022) and a former consultant (hotel division) of the Group (from 1 January 2022 to 30 June 2022), who as at 31 March 2022 held 1,500,000 outstanding share options under the 2012 Share Option Scheme.

Upon the expiry of exercised period ending on 3 April 2022, all the above outstanding share options granted under the 2012 Share Option Scheme lapsed on 4 April 2022.

On 28 September 2021, the Company granted a total of 16,660,000 share options to the eligible participants to subscribe for the shares of the Company under the Share Option Scheme with vesting period ranging from 0.5 year to 2 years. A total of 16,320,000 share options were duly accepted by the grantees. During the six months ended 30 September 2023, the Group recognised a total expense of HK\$104,000 (six months ended 30 September 2022: HK\$532,000).

The fair values of the share options granted to Directors, employees and other participants on 28 September 2021 were HK\$1,175,000, HK\$990,000 and HK\$152,000, respectively. The fair values were determined at the grant date on the basis of a valuation carried out by an independent professional valuer using Binomial Model and the following data and assumptions were used to calculate the fair values of the share options as at the grant date:

Closing price of the shares on the date of grant	HK\$1.01
Exercise price	HK\$1.03
Expected volatility	26.85%
Expected option life	4 years
Risk-free rate	0.66%
Expected dividend yield	3.96%

The expected volatility measured at the standard deviation is based on the historical data of the daily share price movement of the Company.

The value of a share option varies with different variables of certain subjective assumptions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

20. SHARE OPTION SCHEMES (Continued)

The following table sets out the details of the Company's share options held by Directors, employees and other participants under the Share Option Scheme, and the movements in such holdings during the current period and prior year:

Date of grant	Vesting proportion	Vesting period	Exercise period	Exercise price per share (subject to adjustments) HK\$	Number of share options under the Share Option Scheme							
					Outstanding at 1.4.2022	Exercised during the year	Cancelled/lapsed during the year	Outstanding at 31.3.2023	Exercised during the period	Cancelled/lapsed during the period	Outstanding at 30.9.2023	
Directors:												
28.9.2021	25%	28.9.2021 – 31.3.2022	1.4.2022 – 30.9.2025	1.03	1,475,000	-	-	1,475,000	-	-	1,100,000	(note 1(i) and 2(v))
	25%	28.9.2021 – 30.9.2022	1.10.2022 – 30.9.2025	1.03	1,475,000	-	-	1,475,000	-	-	1,100,000	(note 1(i) and 2(v))
	25%	28.9.2021 – 31.3.2023	1.4.2023 – 30.9.2025	1.03	1,475,000	-	-	1,475,000	-	-	1,100,000	(note 1(i) and 2(v))
	25%	28.9.2021 – 30.9.2023	1.10.2023 – 30.9.2025	1.03	1,475,000	-	-	1,475,000	-	-	1,100,000	(note 1(i) and 2(v))
Employees (note 1):												
28.9.2021	25%	28.9.2021 – 31.3.2022	1.4.2022 – 30.9.2025	1.03	1,705,000	-	(485,000)	1,220,000	-	(75,000)	1,445,000	(note 1(i))
	25%	28.9.2021 – 30.9.2022	1.10.2022 – 30.9.2025	1.03	1,705,000	-	(485,000)	1,220,000	-	(75,000)	1,445,000	(note 1(i))
	25%	28.9.2021 – 31.3.2023	1.4.2023 – 30.9.2025	1.03	1,705,000	-	(485,000)	1,220,000	-	(75,000)	1,445,000	(note 1(i))
	25%	28.9.2021 – 30.9.2023	1.10.2023 – 30.9.2025	1.03	1,705,000	-	(485,000)	1,220,000	-	(75,000)	1,445,000	(note 1(i))
Other participants:												
28.9.2021	25%	28.9.2021 – 31.3.2022	1.4.2022 – 30.9.2025	1.03	900,000 (note 2(i) to (iv))	-	(625,000) (note 2(ii) and (iv))	275,000 (note 2(i) and (ii))	-	-	350,000 (note 2(i), (ii) and (v))	
	25%	28.9.2021 – 30.9.2022	1.10.2022 – 30.9.2025	1.03	900,000 (note 2(i) to (iv))	-	(625,000) (note 2(ii) and (iv))	275,000 (note 2(i) and (ii))	-	-	350,000 (note 2(i), (ii) and (v))	
	25%	28.9.2021 – 31.3.2023	1.4.2023 – 30.9.2025	1.03	900,000 (note 2(i) to (iv))	-	(625,000) (note 2(ii) and (iv))	275,000 (note 2(i) and (ii))	-	-	350,000 (note 2(i), (ii) and (v))	
	25%	28.9.2021 – 30.9.2023	1.10.2023 – 30.9.2025	1.03	900,000 (note 2(i) to (iv))	-	(625,000) (note 2(ii) and (iv))	275,000 (note 2(i) and (ii))	-	-	350,000 (note 2(i), (ii) and (v))	
					16,320,000	-	(4,440,000)	11,880,000	-	(300,000)	11,580,000	
Exercisable at the end of year/period					-			5,940,000			8,685,000	
Weighted average exercise price per share (HK\$)					1.03	N/A	1.03	1.03	N/A	1.03	1.03	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

20. SHARE OPTION SCHEMES (Continued)

Notes:

1. The employees include:
 - (i) existing employees, including a former Director who resigned from the position with effect from 1 April 2023 and remained as an employee throughout the period; and
 - (ii) former employees.
2. The other participants are:
 - (i) a consultant of the Group, who held 800,000 outstanding share options under the Share Option Scheme;
 - (ii) a senior executive of a principal associate of the Company, who held 300,000 outstanding share options under the Share Option Scheme. He is also a director of certain associates;
 - (iii) Mr. Cheung Chi Kit, a former Director, who resigned with effect from 1 January 2022 and as at 31 March 2022 still held 1,500,000 outstanding share options pursuant to the Share Option Scheme. Such share options eventually lapsed during the year ended 31 March 2023;
 - (iv) Mr. Wong Lai Shun, Benny, a former Director (resigned with effect from 1 January 2022) and a former consultant (hotel division) of the Group (from 1 January 2022 to 30 June 2022), who as at 31 March 2022 still held 1,000,000 outstanding share options pursuant to the Share Option Scheme. Such share options eventually lapsed during the year ended 31 March 2023; and
 - (v) Mr. Chan Pak Cheong Afonso, a former Director, who resigned with effect from 18 September 2023 and as at 30 September 2023 still held 300,000 outstanding share options pursuant to the Share Option Scheme.

21. RECOGNITION OF IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Impairment losses recognised in respect of		
– Other loan receivables (Note 14)	633	1,192
– Other receivables included in debtors, deposits and prepayments (Note 16)	352	630
	985	1,822

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those used in the preparation of the Group's consolidated financial statements for the year ended 31 March 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: fair value measurements are those derived from unobservable inputs for the asset or liability.

Set out below is the information about how the fair values of the Group's financial instruments that are measured at fair value are determined, including the valuation techniques and inputs used:

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)				
Financial assets at FVTPL						
Listed equity securities in Hong Kong	19,750	30,797	Level 1	Quoted closing prices in an active market	N/A	N/A
Listed equity securities in Hong Kong (note (iii))	-	-	Level 3	N/A	N/A	N/A
Unlisted investment funds in overseas (note (i))	50,677	56,800	Level 3	note (ii)	Net asset value (note (ii))	An increase in the net asset value would result in an increase in fair value, and vice versa
Financial asset at FVTOCI						
Unlisted equity securities in overseas (note (i))	-	-	Level 3	Market approach which uses relevant information generated by certain companies with comparable businesses	Minority and marketability discount	A significant increase in the minority and marketability discount would result in a significant decrease in fair value, and vice versa
Listed equity securities in Hong Kong (note (iii))	-	-	Level 3	N/A	N/A	N/A

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Notes:

(i) Reconciliation of Level 3 fair value measurement of financial assets is as follows:

	Financial assets at FVTPL	Financial asset at FVTOCI	Total
	Unlisted investment funds	Unlisted equity securities	
	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2022 (audited)	93,803	19,620	113,423
Total losses, recognised in:			
– profit or loss	(7,269)	–	(7,269)
– other comprehensive expense	–	(340)	(340)
Redemption	(6,889)	–	(6,889)
As at 30 September 2022 (unaudited)	79,645	19,280	98,925
As at 1 April 2023 (audited)	56,800	–	56,800
Total losses, recognised in:			
– profit or loss	(6,123)	–	(6,123)
As at 30 September 2023 (unaudited)	50,677	–	50,677
Unrealised losses, recognised in profit or loss or other comprehensive income for the six months ended 30 September 2022 (unaudited)	(1,473)	(340)	(1,813)
Unrealised losses, recognised in profit or loss or other comprehensive income for the six months ended 30 September 2023 (unaudited)	(6,123)	–	(6,123)

(ii) The fair values of the unlisted investment funds in overseas as at 30 September 2023 and 31 March 2023 are determined with reference to the net asset value of the unlisted equity and partnership investments which are the deemed resale price of the investments provided by the external counter-parties. The Directors have determined that the reported net asset values represent fair values of these investments. A 5% increase/decrease in the net asset value per share holding all other variables constant would increase/decrease the carrying amounts of the unlisted investment funds in overseas by HK\$2,534,000 (31 March 2023: increase/decrease by HK\$2,840,000).

(iii) As a result of the winding up and delisting of the related equity securities, the management of the Group considered the fair values of such unlisted equity securities to be zero as at 30 September 2023 and 31 March 2023.

There was no other transfer amongst Level 1, Level 2 and Level 3 for both periods.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

23. CAPITAL AND OTHER COMMITMENTS

	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
– construction of property, plant and equipment	642	1,721
– equity and fund investments	34,352	34,436
	34,994	36,157
Other commitments:		
– stock of properties	20,196	20,882
– investment in a joint venture	4,584	6,536
– loans to joint ventures	17,189	24,509
– formation of a joint venture for a proposed land development in Vietnam	73,621	84,985
	115,590	136,912
	150,584	173,069

24. FINANCIAL GUARANTEE CONTRACTS

At the end of the reporting period, the Group entered into financial guarantee contracts by provision of corporate guarantees in respect of the credit facilities granted by the banks to its joint ventures and an associate, with the respective granted amounts as follows:

	30.9.2023 HK\$'000 (unaudited)	31.3.2023 HK\$'000 (audited)
a 20% owned associate	312,800	312,800
a 50% owned joint venture	35,642	35,642
a 28% owned joint venture in Canada	227,478	227,556
a 50% owned joint venture in Canada	541,848	542,075
	1,117,768	1,118,073

The amounts disclosed above represent the aggregate amounts that could be required to be paid if the guarantees were called upon in entirety as at 30 September 2023, of which HK\$1,010,312,000 (31 March 2023: HK\$1,010,541,000) have been utilised by the joint ventures and associate.

The ECL for outstanding financial guarantees are assessed to be immaterial as at 30 September 2023 and 31 March 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

25. RELATED PARTY DISCLOSURES

(i) Compensation of key management personnel

The remuneration of key management personnel, representing the Directors, during the period was as follows:

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Short-term benefits	6,851	12,693
Equity-settled share-based payment expense	42	225
	6,893	12,918

The remuneration of Directors is determined by the remuneration committee, with reference to the prevailing market conditions, their duties and responsibilities and time spent on the affairs of the Group as well as their performance.

(ii) Related party transactions

During the period, the Group entered into the following transactions with related parties:

Related party	Notes	Nature of transaction	Six months ended 30 September	
			2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Joint ventures:				
1488 Alberni LPDH (as defined in Note 12)		Interest income	9,186	9,000
1488 Alberni LPI (as defined in Note 12)		Interest income	483	474
Pro Gain Limited		Hotel management fee income	–	40
Associates:				
Concordia (as defined in Note 13)		Management fee income	–	60
Macau Properties Holdings Limited		Rental income	587	587
Other related companies:				
Hi Park Limited ("Hi Park")	(a)	Licence fee income	300	300
		Rental income and management fee income	503	587
		Short-term lease expense	14	13
Vectr Ventures Limited ("Vectr")	(b)	Rental income and management fee income	59	281

Notes:

- (a) Mr. Cheung Hon Kit, an executive Director, is a shareholder of Hi Park.
- (b) Vectr is controlled by Mr. Chan Yiu Lun, Alan, an executive Director.

DEFINITIONS

In this interim report, the following expressions have the following meanings unless otherwise specified:

Board	the board of Directors
CG Code	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
Company	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 199)
Director(s)	the director(s) of the Company
Group	collectively, the Company and its subsidiaries
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
Macau	Macau Special Administrative Region of the PRC
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
Period	the six months ended 30 September 2023
PRC	the People's Republic of China, and for the purpose of this interim report, excluding Hong Kong, Macau and Taiwan
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
Share Option Scheme	the share option scheme of the Company adopted on 10 September 2021
Share(s)	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
Shareholder(s)	holder(s) of the Share(s)
sq. ft.	square feet
Stock Exchange	The Stock Exchange of Hong Kong Limited
%	per cent.

In case of any inconsistency, the English version of this interim report shall prevail over the Chinese version.



德祥地產集團有限公司

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