

# CDH 中發展控股有限公司

Central Development Holdings Limited

Incorporated in the Cayman Islands with limited liability

Stock Code : 00475

INTERIM REPORT  
**2024/25**



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# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

Mr. Wu Hao (*Chairman*)  
Mr. Hu Yangjun  
Mr. Chan Wing Yuen, Hubert (*Chief Executive*)  
Mr. Zhang Bing

### Non-executive Director

Mr. Li Wei Qi, Jacky

### Independent non-executive Directors

Mr. Jin Qingjun  
Ms. Sun Ivy Connie  
Ms. Zhong Yingjie, Christina

## Audit Committee

Ms. Zhong Yingjie, Christina (*Chairman*)  
Mr. Jin Qingjun  
Ms. Sun Ivy Connie

## Remuneration Committee

Mr. Jin Qingjun (*Chairman*)  
Mr. Chan Wing Yuen, Hubert  
Ms. Sun Ivy Connie

## Nomination Committee

Mr. Jin Qingjun (*Chairman*)  
Mr. Chan Wing Yuen, Hubert  
Ms. Sun Ivy Connie

## Company Secretary

Mr. Chow Chi Shing

## Head Office and Principal Place of Business in Hong Kong

Room 2202, 22/F., Chinachem Century Tower  
178 Gloucester Road  
Wanchai  
Hong Kong

## Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Principal Share Registrar

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D,  
P.O. Box 1586,  
Gardenia Court, Camana Bay,  
Grand Cayman, KY1-1100,  
Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
17/F, Far East Finance Centre,  
16 Harcourt Road,  
Hong Kong

## Principal Bankers

The Hong Kong and Shanghai Banking  
Corporation Limited  
Hang Seng Bank Limited

## Legal Advisers

Angela Ho & Associates

## Auditor

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## Company Website

[www.475hk.com](http://www.475hk.com)

## Stock Code

475

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group was principally engaged in the energy business and jewelry business during the period ended 30 September 2024 (the “Current Period”). During the Current Period, the Group’s total revenue amounted to approximately HK\$86.7 million (2023: HK\$90.7 million), representing a decrease of approximately 4.4% compared to the period ended 30 September 2023 (the “Previous Period”). Following the recovery of the global economy, the market’s demand for our products steadily increased. Nevertheless, affected by factors such as fluctuating energy prices, geopolitical instability and intensifying competition in the market, the Group’s operating income experienced various degrees of shrinkage during the Current Period.

### Energy Business

Leveraging our proprietary technological products and continuous collaboration with experienced industry partners, the Group actively developed its energy business with the primary objective of providing a diversified range of energy products. Our principal businesses include the sale of liquefied natural gas (“LNG”) and refined oil, as well as the sale of solar photovoltaic (“PV”) intelligent technology products. During the Current Period, revenue from sales of LNG was similar compared to the corresponding period last year, while revenue from sales of refined oil at oil and gas filling station (the “Filling Station”) saw a decrease. Revenue for the Current Period has been impacted by ever-fluctuating energy prices and intense market competition, where revenue from the Group’s energy business decreased by 2.6% year-on-year from HK\$82.4 million for the Previous Period to HK\$80.3 million for the Current Period.

Driven by the strategic goal of “carbon peaking and carbon neutrality”, the emphasis on optimization and upgrading of the energy structure in the “14th Five-Year Plan” (2021-2025) of the People’s Republic of China (the “PRC”), and the policy guidance of the National Energy Administration of the PRC, energy transition is being conducted in an orderly and gradual manner. As an important source of clean energy, LNG is gaining prominence and influence in the market. However, this does not mean that conventional energy sources will be rapidly replaced, especially in the transportation sector, where refined oil products remain indispensable in the short term. As a result, market demand for both LNG and refined oil products remained strong during the Current Period.

The PRC government continued to promote its “dual-carbon” goals during the Current Period, emphasizing the development of renewable energy, particularly clean LNG. Support from a number of policies facilitated the production and use of LNG. As economic activity recovered, the demand for LNG increased accordingly during the Current Period. This growth trend gave a positive impetus to our LNG sales. Nevertheless, intense market competition and fluctuating energy prices posed challenges to our LNG sales business. However, we have successfully maintained close cooperation with our upstream suppliers to ensure the stability of LNG supply, while at the same time actively expanding into new sales territories and acquiring new customers. During the Current Period, we set up an office in Shenzhen to expand our LNG business to more cities in the PRC in order to broaden our market footprint and capitalize on business growth opportunities.



During the Current Period, refined oil products continued to play a significant role in the energy consumption structure of the PRC, particularly in the transportation sector, where demand remained substantial. The Group's Filling Station, located in a core logistics area in Qingbaijiang District, Chengdu City, is positioned near an international liner hub and surrounded by several expressways and major national highways. It is also the only gateway for accessing popular tourist attractions in the vicinity. In the Previous Period, as the epidemic subsided and the public yearned to travel, passenger traffic through the Filling Station significantly increased. However, during the Current Period, the public's desire to travel was relatively low, resulting in a year-on-year decline in passenger flow and sales of refined oil products at the Filling Station. In addition, the uncertainty of the global economic recovery had an impact on the demand for international trade and logistics transportation, which in turn affected the consumption of refined oil products and led to a decrease in sales during the Current Period. Nevertheless, we relied on close collaboration with our suppliers to maintain the stability of our supply chain, and added convenience stores and car wash services at the Filling Station to enhance the re-fueling experience for our customers. As a result, we have continued to strengthen our competitiveness in the face of changes in the energy market, enabling us to remain robust in the face of adversity.

The geopolitical situation remained tense during the Current Period, with trade barriers between countries adversely affecting solar PV products. This has continued to place significant pressure on our solar energy business, resulting in a significant setback to the business during the Current Period.

### **Acquisition of 35% Equity Interest in Chengdu Huahan Energy Co., Ltd. (成都華漢能源有限公司) ("Chengdu Huahan")**

Hainan Huagang New Energy Development Co., Ltd. (海南華港新能源開發有限公司) ("Hainan Huagang"), an indirect wholly-owned subsidiary of the Company, as the purchaser, entered into an equity transfer agreement (the "Equity Transfer Agreement") with Mr. Zhang Bing as the vendor (the "Vendor"), and Chengdu Huahan as the target company on 19 August 2022, and subsequently entered into a supplemental agreement to the Equity Transfer Agreement (the "First Supplemental Agreement") on 15 November 2022. Pursuant to the terms and conditions of the Equity Transfer Agreement and the First Supplemental Agreement, Hainan Huagang has agreed to purchase, and the Vendor has agreed to sell, 35% equity interest in the target company for a total consideration of HK\$52 million, which should be settled through the issue of interest-free convertible bonds in the principal amount of HK\$52 million with a maturity date falling on the third anniversary of the date of issuance (the "Convertible Bonds") by the Company to the Vendor (the "Acquisition").

The Acquisition was completed on 5 December 2022, pursuant to which Chengdu Huahan became an associate of the Group. The Company has also issued the Convertible Bonds to the Vendor in accordance with the terms and conditions of the Equity Transfer Agreement and the First Supplemental Agreement, and the Company shall issue and allot 70,270,270 new shares of the Company at a conversion price of HK\$0.74 per conversion share to the Vendor upon full conversion of the Convertible Bonds to settle the entire consideration of HK\$52 million in accordance with the terms of the Equity Transfer Agreement and the First Supplemental Agreement.

Subsequently, Chengdu Huahan advised the Company that Anhui Huagang cannot obtain the Gas Business License by the deadline of 30 June 2024, as originally stated in the First Supplemental Agreement, and anticipates that Anhui Huagang can only obtain the Gas Business License on or before 30 November 2025. Accordingly, on 12 June 2024, Hainan Huagang, the Vendor and Chengdu Huahan entered into the second supplemental agreement (the "Second Supplemental Agreement") to amend the Equity Transfer Agreement and the First Supplemental Agreement, pursuant to which the Convertible Bonds will be automatically cancelled on 1 December 2025, and the Company will re-transfer the shares of Chengdu Huahan to the Vendor and the Vendor will return the Convertible Bonds to the Company for nil consideration on or before 6 December 2025 if Anhui Huagang cannot obtain the Gas Business License on or before 30 November 2025.

The Vendor has worked in the energy industry for over 25 years. The Vendor is the ultimate beneficial owner of the entire equity interest in Chengdu Huahan. Chengdu Huahan is principally engaged in investment holding, and is the beneficial owner of a 55% equity interest in Anhui Huagang Bochen New Energy Co., Ltd. (安徽華港博臣新能源有限公司) (“Anhui Huagang”). Anhui Huagang is principally engaged in the construction and operation of natural gas pipeline networks, the operation and maintenance of pipeline corridors, provision of residential heating, and the procurement, transportation and sale of natural gas in Mengcheng County, Anhui Province, the PRC. It is currently building two distributed energy stations, multiple gas-fired steam boilers, natural gas gateways and heat supply networks. Anhui Huagang has entered into a licensing agreement with the Housing and Urban-Rural Development Bureau of Mengcheng County, under which it was granted a 30-year license to supply heat and steam to industrial, commercial and corporate entities and urban residents in the county planning area of Mengcheng County.

The Acquisition, including the Equity Transfer Agreement, the First Supplemental Agreement and the Second Supplemental Agreement, constitutes a discloseable and connected transaction of the Company. As at the date of the Second Supplemental Agreement (being 12 June 2024), the Vendor was (i) a Director of the Company; (ii) the ultimate beneficial owner of 49% equity interest in Chengdu Kaibangyuan Trading Co., Limited (成都凱邦源商貿有限公司) (“Chengdu Kaibangyuan”), an indirect non-wholly owned subsidiary of the Company; and (iii) the ultimate beneficial owner of 65% of the equity interest in Chengdu Huahan of which the Company has a 35% equity interest. As such, the Acquisition and the issuance of the Convertible Bonds as consideration constitute connected transactions of the Group, and are subject to the reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Rules Governing the Listing of Securities on the Main Board (the “Listing Rules”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Second Supplemental Agreement constitutes a material variation of the terms of the Acquisition and is therefore also subject to the reporting, announcement and the independent shareholders’ approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. Details of the Acquisition, including the Equity Transfer Agreement, the First Supplemental Agreement, and the Second Supplemental Agreement, are set out in the Company’s announcements dated 19 August 2022, 25 August 2022, 15 November 2022, 5 December 2022 and 12 June 2024, and the Company’s circulars dated 18 November 2022 and 3 July 2024.

## Jewelry Business

During the Current Period, the Group was primarily engaged in providing products to jewelry distributors in the PRC and Hong Kong. However, affected by the prevailing market environment, revenue from our jewelry business decreased by approximately 22.1% from approximately HK\$8.3 million in the Previous Period to approximately HK\$6.5 million in the Current Period, which is mainly due to the decrease in sales in both Hong Kong and the PRC. In particular, sales in Hong Kong accounted for approximately 51.6% (2023: 59.9%) while sales in the PRC accounted for approximately 48.4% (2023: 40.1%).

The jewelry industry faced a multitude of tough challenges during the Current Period. Despite the emerging trend of economic growth in both Hong Kong and the PRC, the volatility and uncertainty of international politics caused the public to prioritize risk averse and defensive assets over the desire for consumption, with consumers placing more importance on value for money and functional versatility in their purchases of non-essential luxury goods compared to the past, which had an impact on the jewelry market. According to the information released by the Census and Statistics Department of the Hong Kong Government, the total retail sales of “jewelry, watches and clocks, and valuable gifts” continued to decline during the Current Period, showing a negative growth compared to the corresponding period last year. Furthermore, competition in the jewelry markets in the PRC and Hong Kong has been increasingly intense, with both local and international players fighting for market share. The intense competition has made it particularly difficult to obtain jewelry at lower costs, which in turn has led to a decline in the overall sales of our jewelry business. During the Current Period, we continued to maintain good relationships with our customers and suppliers and participated in major international jewelry fairs in both regions to actively explore potential customers and suppliers, in order to meet the challenges.

## PROSPECTS

### Growth Opportunities Amidst Stable Advancement of Energy Transition

With the continuous market demand for clean and efficient energy, the PRC's perseverance in its pursuit of environmental goals has been increasingly prominent. According to the information set out in the "2024 Blue Paper on Natural Gas Development in China" prepared by the PRC National Energy Administration, during the first half of 2024, domestic consumption of natural gas in the PRC has reached 210 billion cubic metres, representing a year-on-year growth of 8.7%, and the annual consumption is anticipated to reach 420 billion cubic metres.

With the promotion of environmental policies, it is anticipated that the LNG market will show a more stable trend. Accordingly, we will be based in our Chengdu office and our Shenzhen office, which was newly-established during the Current Period, to expand the business scope of LNG products, and the sales volume is expected to further increase. As regional collaboration deepens and our market share expands, our LNG business is poised for revenue growth. However, the uneven pace of global recovery and the volatility of the international political situation have increased the uncertainty of LNG supply, reminding every industry participant to remain vigilant of market volatility in the future.

During the energy transition, consumption demand for refined oil remains robust. The long-established energy consumption habits have placed conventional fuels on a leading position in Chinese energy consumption, where gasoline and diesel oil will remain necessities in the short term, especially for long-distance travel and heavy duty vehicles. In the coming years, the PRC will steadily facilitate its transition of energy structure while ensuring energy safety. Therefore, we will also capitalize on opportunities presented by the oil and gas business, and vitalize the business as a whole.

### New Energy Reform and Development Challenges midst "Dual Carbon" Goals

Setting its sights on the "dual carbon" goals, the PRC has actively facilitated the renewal of the energy structure. The 14th Five-Year Plan for National Urban Infrastructure Construction highlights the green upgrade of municipal heating system, and increases the share of clean energy in the municipal heating. In May 2024, the PRC National Development and Reform Commission issued "Measures for the Administration of Natural Gas Utilization", which stipulates that natural gas application projects are a priority area for development. With the steady increase in urban population and the popularization of municipal heating, the demand for natural gas is expected to further increase. Accordingly, we have acquired Chengdu Huahan to become an associate of the Group, to fully utilize our competitive advantage in operation and management, further integrate our natural gas business and solar PV business, enhance the overall efficiency of resource allocation, and explore the long-term development potential of the energy business. The addition of an associate forges a new path for our future development and enriches our business matrix, aiding us in realizing our goal to become a supplier of diversified energy products and solutions.

Amidst the global political and economic turmoil and international trade headwinds, the expansion of our solar energy business in the international market has faced many challenges. At the same time, the drastic price fluctuations in the industrial chain have intensified competition in the PRC's solar PV market. We will continue to optimize our business strategy and participate in fairs to explore potential projects. We will also carefully assess the situation and explore new growth areas. We will adhere to our business philosophy of seeking stability midst changes and striving for progress midst stability to ensure sustainable value growth for our shareholders and to further strengthen our position as a diversified energy supplier. At the same time, we will utilize our new Shenzhen office and the existing Chengdu office as our business development bases, together with the strong industry resources, brand influence and marketing experience of our associate, to facilitate the rapid development of our diversified businesses.

## Addressing Uncertainties in the Jewelry Market

The jewelry industry is faced with volatile international political situation and increased uncertainty in the global economy. Under such a backdrop, industry participants are encountering tough challenges in the market. In the foreseeable future, the market believes that consumers will continue to buy prudently, placing even more potential pressure on our jewelry business.

To address these challenges, our jewelry sales team will adopt a steady business strategy and consolidate our collaboration with existing suppliers to ensure the stability of the supply chain. Meanwhile, we will closely monitor trends in the market, and actively participate in jewelry fairs around the world, actively seeking collaboration with emerging boutique jewelry suppliers to expand our business network.

Looking ahead, we firmly believe that our core competitive advantages, based on our strong and long-standing relationships with existing customers and suppliers, the continuous development of new customer resources, and the outstanding expertise of our professional sales team and business consultants, will enable us to adopt flexibly to changing market demands, drive sustainable and robust business development, and meet market challenges.

## FINANCIAL REVIEW

### Revenue

Revenue of the Group for the Current Period was approximately HK\$86.7 million, representing a decrease of approximately 4.4% compared to approximately HK\$90.7 million for the Previous Period. The decrease was mainly due to the decline in turnover of both the energy business and the jewelry business.

Revenue of the energy business decreased by approximately 2.6% from approximately HK\$82.4 million for the Previous Period to approximately HK\$80.3 million for the Current Period. This was primarily attributable to the decrease in the sales of refined oil during the Current Period. The sales of LNG have increased during the Current Period but less than the decrease in sales of refined oil. The sales of our solar intelligent technology products continued to be impacted by escalating international trade conflicts and intense market competition.

Revenue of the jewelry business decreased by approximately 22.1% from approximately HK\$8.3 million for the Previous Period to approximately HK\$6.5 million for the Current Period. This was primarily attributable to intensified market competition and economic instability during the Current Period.

### Cost of Sales and Gross profit

Cost of sales of the Group for the Current Period was approximately HK\$80.9 million, representing a decrease of approximately 7.2% compared to approximately HK\$87.2 million for the Previous Period. Gross profit increased from approximately HK\$3.5 million for the Previous Period to approximately HK\$5.9 million for the Current Period, representing an increase of approximately 65.4%. The increase was mainly attributable to the combination of increased in profit margin of the products of both the jewelry business and energy business and a write-down of inventories in cost of sales amounting to HK\$0.7 million recorded in the Previous Period but none in the Current Period.



## Other income

Other income maintained at approximately HK\$2.6 million for the Current Period (2023: HK\$2.6 million), which mainly represented the rental income arising from the investment properties.

## Other gains and losses, net

The Group recorded net other gains of approximately HK\$1.4 million for the Current Period (2023: net other gains of approximately HK\$0.5 million). The gains represented the combined effect of the loss from a change in the fair value of investment properties of approximately HK\$7.6 million (2023: approximately HK\$0.5 million gain) and the gain on fair value change of derivative financial instruments in relation to the Convertible Bonds of approximately HK\$9.0 million (2023: Nil) during the Current Period.

## Selling and distribution costs

Selling and distribution costs decreased from approximately HK\$1.2 million for the Previous Period to approximately HK\$1.1 million for the Current Period, representing an decrease of approximately 11.6%, which was mainly attributable to the decreased transportation costs along with decreased sales of refined oil in the Current Period.

## Administrative expenses

Administrative expenses for the Current Period primarily comprised staff costs, directors' remuneration, auditor's remuneration, legal and professional fees, rent, rates and management fees, and other administrative expenses including depreciation and amortisation. The administrative expenses increased from approximately HK\$10.7 million for the Previous Period to approximately HK\$11.1 million for the Current Period, representing an increase of approximately 3.7%, which was mainly due to the expenses incurred in setting up the new Shenzhen office during the Current Period.

## Finance costs

Finance costs represented the imputed interests derived from the long-term loans from a controlling shareholder and a shareholder amounting to approximately HK\$2.4 million (2023: HK\$2.3 million), the imputed interests derived from the interest-free convertible bonds amounting to approximately HK\$3.9 million (2023: HK\$3.2 million), the interest derived from lease liabilities amounting to approximately HK\$0.1 million (2023: HK\$0.1 million) and the interest derived from the bank loans amounting to approximately HK\$0.7 million (2023: HK\$0.5 million) for the Current Period.

## Share of result of an associate

Share of result of an associate represented the share of losses of Chengdu Huahan amounting to HK\$0.4 million (2023: HK\$0.4 million) during the Current Period.

### Income tax credit (expense)

Income tax credit of the Group recorded for the Current Period amounted to approximately HK\$1.5 million (2023: income tax expense of HK\$0.5 million), which was mainly attributable to the deferred tax credit arising from the investment properties of the Group during the Current Period.

### Loss for the period attributable to the Owners of the Company

By reason of the factors as stated above, the loss for the period attributable to the owners of the Company decreased from approximately HK\$11.9 million for the Previous Period to approximately HK\$9.3 million for the Current Period, representing a decrease of approximately 22.0%. Basic loss per share was 2.4 HK cents (2023: 3.1 HK cents).

### Dividend

The Board has resolved not to recommend the payment of an interim dividend for the Current Period (2023: Nil).

### Liquidity and Financial Positions

As at 30 September 2024, the Group had net current assets and the current ratio stood at approximately HK\$16.5 million and 1.3 respectively (31 March 2024: HK\$12.7 million and 1.3 respectively).

As at 30 September 2024, the cash and cash equivalents amounted to approximately HK\$20.1 million (31 March 2024: HK\$16.3 million). As at 30 September 2024, the inventories amounted to approximately HK\$3.9 million (31 March 2024: HK\$2.7 million), mainly representing the refined oil and solar modules intelligent technology products. As at 30 September 2024, the trade receivables and trade payables amounted to approximately HK\$8.1 million and HK\$7.4 million respectively (31 March 2024: HK\$4.0 million and HK\$3.5 million respectively), both mainly derived from the energy and jewelry business. As at 30 September 2024, the Group's property, plant and equipment, right-of-use assets and investment properties amounted to approximately HK\$15.4 million, HK\$11.4 million and HK\$76.2 million respectively (31 March 2024: HK\$16.2 million, HK\$12.0 million and HK\$83.5 million respectively). The investment properties of the Group are located at No. 61, Haichao Road, Sino-Italy Ningbo Ecological Park (also known as Zhongyi Ningbo Shengtai Park), Yuyao City of Zhejiang Province for industrial use and are held under operating leases to earn rentals. The investment properties were valued by an independent firm of professional property valuers and the fair values of the investment properties were derived using the income approach for both periods.

As at 30 September 2024, the net carrying amount of the intangible assets was approximately HK\$46.1 million (31 March 2024: HK\$46.7 million), representing the operating rights in relation to the relevant certificates, licenses and approvals for the operations of the filling station and the sale of refined oil with finite useful lives. The intangible assets arose from the acquisition of the filling station in Chengdu.

## Capital Resources and Gearing

As at 30 September 2024, the Group had interest-bearing bank borrowings of approximately HK\$44.0 million (31 March 2024: HK\$23.0 million) and bore interest at Loan Prime Rate plus 0.5% or at fixed-rate of 4.5% (31 March 2024: at fixed rate of 4.5%) per annum, of which approximately HK\$24.9 million (31 March 2024: HK\$2.6 million) will be repayable within one year and approximately HK\$19.1 million (31 March 2024: HK\$20.4 million) will be repayable after one year. The Group's gearing ratio (which was expressed as a percentage of total bank borrowings over total equity) was approximately 123.4% as at 30 September 2024 (31 March 2024: 82.6%).

The bank borrowings were secured by the Group's assets, for details of the charges on the Group's assets, please refer to the section headed "Charges on Group Assets" in the "Management Discussion and Analysis" of this report. Save as disclosed above, the Group has no other banking facilities (31 March 2024: Nil). As at 30 September 2024, the Group had interest-free loans due to a controlling shareholder and a shareholder of approximately HK\$96.5 million (31 March 2024: HK\$101.9 million) and approximately HK\$3.8 million (31 March 2024: HK\$3.8 million) respectively, both were repayable after one year from the end of the reporting period.

The Group primarily met its working capital requirements and other liquidity requirements through a combination of operating cash flows, interest-free loans due from a shareholder and a controlling shareholder and the bank loans during the Current Period.

## Convertible bonds

On 5 December 2022, the Convertible Bonds were issued to the Vendor after the completion of the Acquisition. The Convertible Bonds can be converted into shares of the Company at a conversion price of HK\$0.74 per conversion share (subject to adjustment), during the 3-year conversion period from 5 December 2022. Upon exercise of the conversion rights attached to the Convertible Bonds in full, the Convertible Bonds can be converted into 70,270,270 new shares of the Company at a conversion price of HK\$0.74 per conversion share (subject to adjustment).

As at 30 September 2024, the entire principal amount of the Convertible Bonds remained outstanding. The management performed a fair value assessment and engaged an independent valuer to conduct an assessment on the Convertible Bonds at the end of the reporting period. As at 30 September 2024, the fair value of the debt component and derivative financial instrument derived from the Convertible Bonds was assessed at approximately HK\$41.0 million and HK\$8.0 million respectively (31 March 2024: HK\$36.9 million and HK\$17.0 million). The Convertible Bonds were classified as non-current liabilities as at 30 September 2024 with a maturity date of more than one year from the end of the reporting period.

## Capital Structure

The Group's total assets and total liabilities as at 30 September 2024 amounted to approximately HK\$282.0 million (31 March 2024: HK\$259.3 million) and approximately HK\$246.4 million (31 March 2024: HK\$231.5 million) respectively. The Group's debt ratio (which was expressed as a percentage of total liabilities over total assets) was approximately 87.4% as at 30 September 2024 (31 March 2024: 89.3%).

## Charges On Group Assets

As at 30 September 2024, the buildings with carrying amounts of approximately HK\$11.2 million (31 March 2024: HK\$3.5 million), the right-of-use assets with carrying amounts of approximately HK\$6.8 million (31 March 2024: HK\$5.0 million) and the investment properties with carrying amounts of approximately HK\$76.2 million (31 March 2024: HK\$83.5 million), were pledged to the banks in the PRC as collateral security for the bank borrowings amounted to approximately HK\$44.0 million (31 March 2024: HK\$23.0 million).

Save as disclosed above, there were no other charges on the Group's assets as of 30 September 2024.

## CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2024, the Group did not have any capital commitments (31 March 2024: Nil).

As at 30 September 2024, the Group did not have any significant contingent liabilities (31 March 2024: Nil).

## EMPLOYEE AND REMUNERATION POLICY

As at 30 September 2024, the Group had a total of 69 employees (31 March 2024: 64). The Group's remuneration policies are formulated based on the performance and work experience of individual employees and prevailing market rates, which will be reviewed regularly every year. Salaries of employees are maintained at competitive levels while bonuses are granted by reference to the performance of the Group and individual employees.

The Group also provides internal training to employees when necessary and other staff benefits including the share option schemes and corporate contribution to the statutory mandatory provident fund scheme for employees in Hong Kong and the statutory central pension schemes for employees in the PRC.

Furthermore, the remuneration committee of the Company will review and give recommendations to the Board as to the compensation package of the Directors and senior management of the Group, with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management of the Group.

## FOREIGN EXCHANGE FLUCTUATION AND HEDGES

The business operations of the Group's subsidiaries were conducted mainly in the PRC with sales and purchases of the Group's subsidiaries denominated mainly in Renminbi and United States dollars ("USD"). The Group's cash and bank deposits were denominated in Hong Kong dollars, Renminbi and USD. Any significant exchange rate fluctuation of Hong Kong dollars against Renminbi or USD may have a financial impact on the Group. While the Group would closely monitor the volatility of the Renminbi exchange rate, the Directors considered that the Group's current risk exposure to foreign exchange rate fluctuation remained minimal currently.

As at 30 September 2024 and 31 March 2024, no forward foreign currency contracts were designated in hedging accounting relationships.



## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

There were no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Current Period.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this report, the Group did not have any plans for material investments and capital assets as at 30 September 2024.

## **EVENT AFTER REPORTING PERIOD**

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2024 and up to the date of this report.

## **NO MATERIAL CHANGE**

Since the publication of the latest annual report for the year ended 31 March 2024, there have been no material changes to the Company's business.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, the interests and short positions of the Directors and their associates in the ordinary shares (the "Share(s)"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), 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 or short positions in which they were taken or deemed to have under such provisions of the SFO); or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, are as follows:

### Long Positions

Ordinary Shares of HK\$0.01 each

Name of Director	Capacity	Number of Shares held	Number of underlying Shares	Total interest	Approximate percentage of the total issued Shares
Mr. Hu Yangjun	Interests of controlled corporation and personal interest	208,171,000 <sup>(1)</sup>	–	208,171,000	50.52%
Mr. Wu Hao	Personal interest	9,836,000	–	9,836,000	2.39%
Mr. Chan Wing Yuen, Hubert	Personal interest	7,100,000	–	7,100,000	1.72%
Mr. Zhang Bing	Personal interest	–	74,070,270 <sup>(2)</sup>	74,070,270	17.97%
Mr. Li Wei Qi, Jacky	Personal interest	4,266,000	–	4,266,000	1.04%
Mr. Jin Qingjun	Personal interest	–	330,000 <sup>(3)</sup>	330,000	0.08%

Notes:

- (1) Mr. Hu Yangjun had a direct interest of 3,453,000 Shares and a deemed interest of 204,718,000 Shares held by Resources Rich Capital Limited ("Resources Rich"), a company 50% owned by Mr. Hu Yangjun, within the meaning of Part XV of the SFO.
- (2) The interests in underlying Shares are comprised of the Share Options granted by the Company to subscribe for 3,800,000 Shares at exercise price of HK\$0.574 per Share to Mr. Zhang Bing under the share options scheme adopted on 9 September 2016 and the convertible bond of the Company in the principal amount of HK\$52,000,000 issued by the Company to convert for 70,270,270 Shares at conversion price of HK\$0.74 per Share to Mr. Zhang Bing.
- (3) These interests represented the interests in underlying Shares in respect of share options granted to Mr. Jin Qingjun under the share option scheme adopted on 9 September 2016.

Save as disclosed above and so far as is known to the Directors, as at 30 September 2024, none of the Directors nor the chief executives of the Company had or were deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), 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 any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or to be notified to the Company and the Stock Exchange under the Model Code.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the six months ended 30 September 2024 was the Company or its holding companies, or any of its subsidiaries or its fellow subsidiaries, a party to any arrangement to enable the Directors (including their spouses and children under 18 years of age) to acquire benefits by means of the acquisition of the Shares in, or underlying Shares or debentures of, the Company or its associated corporations (within the meaning of Part XV of the SFO).

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2024, so far as is known to any Director or the chief executive of the Company, the following persons (except Mr. Hu Yangjun, other than a Director or the chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to section 336 of the SFO:

### Long Positions

Ordinary Shares of HK\$0.01 each

Name of Shareholders	Capacity	Total Number of Shares Held in the Company	Approximate percentage total issued Shares
Resources Rich <sup>Note 1</sup>	Beneficial interest	204,718,000	49.68%
Mr. Hu Yangjun <sup>Note 2</sup>	Interests of controlled corporation and personal interest	208,171,000	50.52%
Mr. Hu Yishi <sup>Note 3</sup>	Interests of controlled corporation and personal interest	207,454,000	50.34%
Ms. Zhang Qi <sup>Note 4</sup>	Interest of spouse	208,171,000	50.52%
Ms. Lin Min, Mindy <sup>Note 5</sup>	Interest of spouse	207,454,000	50.34%
Mr. Zhang Bing <sup>Note 6</sup>	Personal interest	74,070,270	17.97%

Notes:

- 50% of the entire issued share capital of Resources Rich is owned by Mr. Hu Yangjun while the other 50% is owned by Mr. Hu Yishi. Mr. Hu Yangjun and Mr. Hu Yishi are deemed to be interested in all the Shares in which Resources Rich is interested by virtue of the SFO.
- Mr. Hu Yangjun had a direct interest of 3,453,000 and a deemed interest of 204,718,000 Shares held by Resources Rich, a company 50% owned by Mr. Hu Yangjun, within the meaning of Part XV of the SFO.
- Mr. Hu Yishi had a direct interest of 2,736,000 Shares and a deemed interest of 204,718,000 Shares held by Resources Rich, a company 50% owned by Mr. Hu Yishi, within the meaning of Part XV of the SFO.
- Ms. Zhang Qi is the spouse of Mr. Hu Yangjun. Accordingly, she is deemed to be interested in the same number of Shares and underlying Shares in which Mr. Hu Yangjun is interested in pursuant to the SFO.

5. Ms. Lin Min, Mindy is the spouse of Mr. Hu Yishi. Accordingly, she is deemed to be interested in the same number of Shares and underlying Shares in which Mr. Hu Yishi is interested in pursuant to the SFO.
6. Mr. Zhang Bing had a direct interest of 74,070,270, of which 70,270,270 Shares are outstanding convertible bonds of the Company in the principal amount of HK\$52,000,000 issued by the Company to convert for 70,270,270 Shares at conversion price of HK\$0.74 per Share and 3,800,000 Shares are outstanding share options granted by the Company to subscribe for 3,800,000 Shares at exercise price of HK\$0.574 per Share.

Save as disclosed above, as at 30 September 2024, so far as is known to any Director or the chief executive of the Company, there were no other persons (other than a Director or the chief executive of the Company) who had, or were deemed or taken to have interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to section 336 of the SFO.

## SHARE OPTION SCHEMES

A share option scheme of the Company was adopted on 9 September 2016 (the “2016 Share Option Scheme”). The limit for granting options under the 2016 Share Option Scheme was refreshed on 6 September 2018 and 5 September 2019 respectively. The 2016 Share Option Scheme was terminated at the annual general meeting held on 7 September 2023 (the “2023 AGM”), and afterwards, no further options will be granted or accepted but the provisions of the 2016 Share Option Scheme shall remain in full force and effect in all other respects. At the 2023 AGM, an ordinary resolution was passed and a new share option scheme (the “2023 Share Option Scheme”) was adopted by the shareholders of the Company on 7 September 2023 (the “Adoption Date”). The principal terms of the 2023 Share Option Scheme were set out in the Company’s circular dated 21 July 2023 and the supplemental circular dated 23 August 2023.

Throughout the Current Period and as of 1 April 2024 and 30 September 2024, (i) there were no participants who had been granted or were to be granted options under the 2016 Share Option Scheme and the 2023 Share Option Scheme that exceed the 1% individual limit; and (ii) no related entity participants or service providers had been granted or were to be granted options in any 12-month period that exceed 0.1% of the relevant class of shares in issue.

During the Current Period, 24,517,000 share options were exercised and no share options were granted, cancelled, or lapsed pursuant to the 2016 Share Option Scheme. During the Current Period, no share options have been granted, exercised, cancelled, or lapsed under the 2023 Share Option Scheme. Further details are disclosed in note 19 to the condensed consolidated financial statements.

The number of share options available for grant under the 2016 Share Option Scheme as at 1 April 2024 and 30 September 2024 were nil. The number of share options available for grant under the 2023 Share Option Scheme as at 1 April 2024 and 30 September 2024 were 38,756,400 share options. There was no service provider sublimit adopted under the 2016 Share Option Scheme and the 2023 Share Option Scheme. The number of Shares available for issue under the 2023 Share Option Scheme at the beginning and the end of the Current Period were nil, both representing 0% of the issued Shares as at the date of this report.

As at 1 April 2024, the number of Shares which may be issued in respect of options granted under all schemes of the Company in aggregate was 34,947,000 Shares, representing 9.02% of the issued Shares at the beginning of the Current Period. As at 30 September 2024, the number of Shares which may be issued in respect of options granted under all schemes of the Company in aggregate were 10,430,000 Shares, representing 2.53% of the issued Shares as at the date of this report. The number of Shares that may be issued in respect of options granted under all schemes of the Company during the Current Period divided by the weighted average number of Shares of the relevant class in issue for the Current Period was 0.09%.



Details of the movements of share options granted, exercised or cancelled/lapsed during the Current Period and outstanding under the 2016 Share Option Scheme as at 30 September 2024 are as follows:

Category of eligible participants	Number of share options				At 30 September 2024	Date of grant <sup>(1)</sup>	Exercisable period (both dates inclusive)	Exercise price per Share (HK\$)
	At 1 April 2024	Granted during the Current Period	Exercised during the Current Period	Cancelled/ Lapsed during the Current Period				
<b>Directors</b>								
Mr. Hu Yangjun	387,000	–	(387,000)	–	–	15 December 2022	15 December 2022 to 14 December 2032	0.574 <sup>(2)</sup>
Mr. Wu Hao	3,800,000	–	(3,800,000)	–	–	15 December 2022	15 December 2022 to 14 December 2032	0.574 <sup>(2)</sup>
Mr. Chan Wing Yuen, Hubert	3,800,000	–	(3,800,000)	–	–	15 December 2022	15 December 2022 to 14 December 2032	0.574 <sup>(2)</sup>
Mr. Zhang Bing	3,800,000	–	–	–	3,800,000	15 December 2022	15 December 2022 to 14 December 2032	0.574 <sup>(2)</sup>
Mr. Li Wei Qi, Jacky	330,000	–	(330,000)	–	–	19 October 2018	1 January 2019 to 18 October 2028	0.636 <sup>(3)</sup>
	1,200,000	–	(1,200,000)	–	–	15 December 2022	15 December 2022 to 14 December 2032	0.574 <sup>(2)</sup>
Mr. Jin Qingjun	330,000	–	–	–	330,000	19 October 2018	1 January 2019 to 18 October 2028	0.636 <sup>(3)</sup>
	<b>13,647,000</b>	<b>–</b>	<b>(9,517,000)</b>	<b>–</b>	<b>4,130,000</b>			
<b>Five highest paid individuals (excluding Directors)<sup>(5)</sup></b>								
In aggregate	500,000	–	(500,000)	–	–	19 October 2018	1 January 2019 to 18 October 2028	0.636 <sup>(3)</sup>
	<b>500,000</b>	<b>–</b>	<b>(500,000)</b>	<b>–</b>	<b>–</b>			
<b>Employees</b>								
in aggregate	4,000,000	–	(4,000,000)	–	–	23 September 2021	23 September 2021 to 22 September 2031	1.12 <sup>(4)</sup>
	16,800,000 <sup>(6)</sup>	–	(10,500,000)	–	6,300,000	15 December 2022	15 December 2022 to 14 December 2032	0.574 <sup>(2)</sup>
	<b>20,800,000</b>	<b>–</b>	<b>(14,500,000)</b>	<b>–</b>	<b>6,300,000</b>			
<b>Total all categories</b>	<b>34,947,000</b>	<b>–</b>	<b>(24,517,000)</b>	<b>–</b>	<b>10,430,000</b>			

Notes:

- (1) The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- (2) The weighted average closing price of the Shares immediately before the grant dates of the share options was HK\$0.574 per Share. The closing price of the Shares immediately before the date on which the options were granted was HK\$0.520 per Share.
- (3) The weighted average closing price of the Shares immediately before the grant dates of the share options was HK\$0.636 per Share. The closing price of the Shares immediately before the date on which the options were granted was HK\$0.610 per Share.

- (4) The weighted average closing price of the Shares immediately before the grant dates of the share options was HK\$1.088 per share. The closing price of the Shares immediately before the date on which the options were granted was HK\$1.12 per share.
- (5) The five highest paid individuals for the Current Period included one employee who did not have outstanding share option and three existing Directors whose options are disclosed above.
- (6) The number of employees' outstanding share options during the Current Period included 3,800,000 share options held by one of the five highest paid individuals for the year ended 31 March 2024 who was not the five highest paid individuals for the Current Period.

## 2016 Share Option Scheme

A summary of the principal terms of the 2016 Share Option Scheme is set out as follows:

### (1) Purpose of the 2016 Share Option Scheme

The purpose of the 2016 Share Option Scheme was to facilitate the retention and the recruitment of high-calibre staff of the Group and/or any entities in which the Group holds any equity interests (if applicable) and attract resources that are valuable to the Group or those invested entities to the benefit of the Company's future business development.

### (2) Participants of the 2016 Share Option Scheme

The participants of the 2016 Share Option Scheme included any employee (whether full-time or part time including any executive Director), officer (including any non-executive Director and independent non-executive Director) and substantial shareholder, consultant, agent, adviser, customer, business partner, joint venture partner, strategic partner, landlord or tenant of, or any supplier or provider of goods or services to, any member of or any invested entity of the Group, or any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the above mentioned category(ies) of persons, or any other person who the Board considers, in its sole discretion, has contributed or will contribute to the Group (the "2016 Scheme Eligible Participant").

### (3) Maximum number of Shares

The maximum number of Shares which may be issued upon exercise of all share options could be granted under the 2016 Share Option Scheme and any other share option scheme adopted by the Company shall not in aggregate exceed 10% limit, unless with the prior approval from the shareholders of the Company. There was no service provider sublimit adopted under the 2016 Share Option Scheme. The total number of the Shares available for issue in respect of all options granted and vested under the 2016 Share Option Scheme was 10,430,000 Shares, representing 2.53% of the issued Shares as at the date of this report.

### (4) Maximum entitlement of each 2016 Scheme Eligible Participant

The maximum number of Shares issued and to be issued upon exercise of the options granted to each participant under the 2016 Share Option Scheme and any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the Shares in issue as at the date of grant unless otherwise approved by the shareholders of the Company.

**(5) Period within which the securities must be taken up under the 2016 Share Option Scheme**

Subject to the terms of the 2016 Share Option Scheme, there was no minimum period for which an option granted must be held before it can be exercised. In respect of any particular option, the options can be vested at any time after the expiry of a period which may be determined by the Board from the date of grant of the relevant option, provided that such period of time did not exceed a period of ten years commencing on the date on which the share option was granted. There was no specific vesting period for the options granted prescribed in the 2016 Share Option Scheme.

**(6) Amount payable on acceptance of option offer**

Options granted must be taken up by the 2016 Scheme Eligible Participant within 28 days from the date of offer, upon payment of HK\$10 by way of consideration for the grant.

**(7) Basis of determining the subscription price**

The exercise price per Share under the 2016 Share Option Scheme is determined by the Board and notified to the 2016 Scheme Eligible Participant at the time the grant of the options is made to (and subject to acceptance by) the 2016 Scheme Eligible Participant and will be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date of the grant (subject to acceptance) of the option, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant (subject to acceptance) of the option; and (c) the nominal value of the Shares.

**(8) Termination of the 2016 Share Option Scheme**

The 2016 Share Option Scheme had a life of 10 years and was terminated on 7 September 2023 in the 2023 AGM. No further options will be granted under the 2016 Share Option Scheme after its termination. In respect of all options which remained exercisable on such date, the provisions of the 2016 Share Option Scheme remained in full force and effect.

## **2023 Share Option Scheme**

A summary of the principal terms of the 2023 Share Option Scheme is set out as follows:

**(1) Purpose of the 2023 Share Option Scheme**

The purpose of the 2023 Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the 2023 Scheme Eligible Participants (as defined below) to the Group and/or, to motivate the 2023 Scheme Eligible Participants to optimize their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the 2023 Scheme Eligible Participants whose contributions are or may be beneficial to the growth of the Group.

**(2) Participants of the 2023 Share Option Scheme**

The participants of the 2023 Share Option Scheme include any employees and Directors (including executive, non-executive and independent non-executive Directors) (both collectively, the “Employee Participant(s)”) and any employees and the directors of the holding companies, fellow subsidiaries or associated companies of the Company (both collectively, the “Related Entity Participant(s)”) (the “2023 Scheme Eligible Participant(s)”).

**(3) Maximum number of Shares**

The maximum number of Shares which may be issued upon exercise of all share options granted and to be granted under the 2023 Share Option Scheme and any other schemes adopted by the Company must not in aggregate exceed 10% of the Shares as at the Adoption Date (the “Scheme Mandate Limit”), unless approval has been obtained from the shareholders of the Company. There was no service provider sublimit adopted under the 2023 Share Option Scheme.

No share option has been granted under 2023 Share Option Scheme since the Adoption Date and as at the date of this report. The total number of the Shares available for issue in respect of all share options granted and vested under the 2023 Share Option Scheme was nil, representing 0% of the issued Shares as at the date of this report.

**(4) Maximum entitlement of each 2023 Scheme Eligible Participant**

The maximum number of Shares issued and to be issued upon exercise of the options granted to each participant under the 2023 Share Option Scheme and any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the Shares in issue as at the date of grant unless otherwise approved by the shareholders of the Company. Where any grant of options to a substantial shareholder, an independent non-executive Director, or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted to such person in any 12-month period up to and including the date of the grant representing in aggregate over 0.1% of the total number of Shares in issue then such grant of option shall be subject to prior approval of the shareholders of the Company who are not a grantee, his associates, or any connected person of the Company as defined in the Listing Rules.

**(5) Period within which the securities must be taken up under the 2023 Share Option Scheme**

The period within which the 2023 Share Options must be exercised will be specified by the Company at the time of grant, provided that such period of time shall not exceed a period of ten years commencing on the date on which the 2023 Share Option is deemed to be granted and accepted. Under the 2023 Share Option Scheme, the vesting period of the options granted to any 2023 Share Scheme Participant shall not be less than 12 months, unless otherwise determined by the Board and prescribed in the 2023 Share Option Scheme.

**(6) Amount payable on acceptance of Share Option offer**

HK\$10.00 is payable by the 2023 Scheme Eligible Participant of the 2023 Share Option Scheme to the Company upon acceptance of the share option offered as consideration for the grant.



**(7) Basis of determining the exercise price**

The exercise price per Share under the 2023 Share Option Scheme is determined by the Board and notified to the 2023 Scheme Eligible Participant at the time the grant of the options is made to (and subject to acceptance by) the 2023 Scheme Eligible Participant and will be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date of the grant (subject to acceptance) of the option, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant (subject to acceptance) of the option; and (c) the nominal value of the Shares.

**(8) Remaining life of the 2023 Share Option Scheme**

The 2023 Share Option Scheme has a life of 10 years and will remain valid until 7 September 2033 after which no further share options shall be granted or accepted under the 2023 Share Option Scheme. However, the provisions of the 2023 Share Option Scheme shall in all other respects remain in full force and effect.

## **Convertible Bonds**

The Company issued the 3-year convertible bonds in the aggregate principal amount of HK\$52,000,000 with 0% interest per annum to Mr. Zhang Bing, an executive Director, on 5 December 2022, which upon exercise of the conversion rights attached to the convertible bonds in full, the convertible bonds are convertible into 70,270,270 Shares at conversion price of HK\$0.74 per conversion share (subject to adjustment). Save as disclosed above, there were no other convertible bonds issued by the Company during the Current Period.

As at 30 September 2024, no convertible bonds were converted into Shares by Mr. Zhang Bing.

## **Equity-Linked Agreement**

Save as disclosed in the section headed "Share Option Scheme" and "Convertible Bonds" above, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Current Period or subsisted at the said period.

## **CORPORATE GOVERNANCE PRACTICES**

The Board and the management of the Company are committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize effective internal control, accountability and transparency of the Board and are adopted in the best interest of the Company and its shareholders.

Accordingly, the Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules. The Company has applied the principles and complied with all the applicable code provisions set out in the CG Code throughout the Current Period.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code throughout the Current Period.

## UPDATE ON DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company and based on the confirmation from the Directors, the change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company’s last published annual report are set out below:

Mr. Jin Qingjun, an independent non-executive Director, has been appointed as an independent director of Zhongtai Securities Company Limited, a company listed on the Shanghai Stock Exchange (stock code: 600918) with effect from 4 April 2024. He also retired from the position of independent non-executive director of Sino-Ocean Group Holding Limited (stock code: 3377), with effect from 29 August 2024.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

Save as disclosed in this report, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed shares during the six months ended 30 September 2024.

## REVIEW BY AUDIT COMMITTEE AND INDEPENDENT EXTERNAL AUDITOR

The Company has established the audit committee of the Company (the “Audit Committee”) with written terms of reference in compliance with the code provisions under the CG Code. The primary duty of the Audit Committee is to review and supervise the financial reporting process, risk management and internal control systems of the Group. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Ms. Zhong Yingjie, Christina (Chairman), Mr. Jin Qingjun and Ms. Sun Ivy Connie. The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed with the management the internal control and financial reporting matters, including the review of the unaudited interim results for the six months ended 30 September 2024. The Group’s external auditor, Deloitte Touche Tohmatsu, has been appointed to review the interim financial information. On the basis of their review, they are not aware of any material modifications that should be made to the interim financial information for the six months ended 30 September 2024.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed percentage of public float under the Listing Rules.

## APPRECIATION

Our Board would like to take this opportunity to express its gratitude to our shareholders, our business associates and all our employees for their continuous support.

On behalf of the Board

**Wu Hao**

*Chairman and Executive Director*

Hong Kong, 21 November 2024

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Deloitte.**

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**TO THE BOARD OF DIRECTORS OF  
CENTRAL DEVELOPMENT HOLDINGS LIMITED**

中發展控股有限公司

*(Incorporated in Cayman Islands with limited liability)*

## Introduction

We have reviewed the condensed consolidated financial statements of Central Development Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 24 to 50, which comprise the condensed consolidated statement of financial position as of 30 September 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**

Certified Public Accountants

Hong Kong

21 November 2024

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	NOTES	Six months ended 30 September	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	3	86,745	90,717
Cost of sales		(80,891)	(87,178)
Gross profit		5,854	3,539
Other income	5	2,554	2,645
Other gains and losses, net	6	1,358	478
Selling and distribution costs		(1,066)	(1,206)
Administrative expenses		(11,060)	(10,661)
Finance costs	7	(7,212)	(6,050)
Share of result of an associate		(365)	(378)
Loss before taxation		(9,937)	(11,633)
Income tax credit (expense)	8	1,478	(455)
Loss for the period	9	(8,459)	(12,088)
<b>Other comprehensive income (expense) for the period</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		634	(4,797)
Total comprehensive expense for the period		(7,825)	(16,885)
(Loss) profit for the period attributable to:			
– Owners of the Company		(9,291)	(11,908)
– Non-controlling interests		832	(180)
		(8,459)	(12,088)
Total comprehensive (expense) income attributable to:			
– Owners of the Company		(8,790)	(15,686)
– Non-controlling interests		965	(1,199)
		(7,825)	(16,885)
Loss per share	10		
Basic (HK cents)		(2.39)	(3.07)
Diluted (HK cents)		(3.13)	(3.07)



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	NOTES	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	12	15,417	16,189
Right-of-use assets	12	11,431	12,024
Investment properties	12	76,199	83,485
Intangible assets		46,125	46,730
Interest in an associate		51,263	51,366
Rental deposits		246	239
		<b>200,681</b>	210,033
Current assets			
Inventories		3,852	2,704
Trade receivables	13	8,050	3,962
Other receivables, deposits and prepayments	13	49,320	26,333
Cash and cash equivalents		20,130	16,290
		<b>81,352</b>	49,289
Current liabilities			
Trade payables	14	7,409	3,531
Other payables and accruals	14	30,704	28,682
Bank borrowings	16	24,890	2,639
Lease liabilities		1,843	1,705
		<b>64,846</b>	36,557
Net current assets		<b>16,506</b>	12,732
Total assets less current liabilities		<b>217,187</b>	222,765

Condensed Consolidated Statement of Financial Position (Continued)

	NOTES	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Non-current liabilities			
Loans from a shareholder and a controlling shareholder	15	100,356	105,751
Deferred tax liabilities		10,321	11,852
Bank borrowings	16	19,090	20,356
Lease liabilities		2,900	3,030
Convertible bonds	17	40,893	36,948
Derivative financial instruments	17	8,000	17,000
		181,560	194,937
Net assets		35,627	27,828
Capital and reserves			
Share capital	18	4,121	3,876
Reserves		6,652	63
Equity attributable to owners of the Company		10,773	3,939
Non-controlling interests		24,854	23,889
Total equity		35,627	27,828

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share options reserve HK\$'000	Property revaluation reserve HK\$'000	Exchange reserve HK\$'000	Shareholders' contribution reserve HK\$'000 (note i)	Accumulated losses HK\$'000	Total HK\$'000	
1 April 2024 (audited)	3,876	213,132	8,485	19,547	4,629	40,498	(286,228)	3,939	27,828
(Loss) profit for the period	-	-	-	-	-	-	(9,291)	(9,291)	(8,459)
Other comprehensive income for the period	-	-	-	-	501	-	-	501	634
Total comprehensive income (expense) for the period	-	-	-	-	501	-	(9,291)	(8,790)	(7,825)
Exercise of share options	245	22,400	(6,337)	-	-	-	-	16,308	16,308
Deemed capital contribution from a controlling shareholder (Note 15)	-	-	-	-	-	414	-	414	414
Deemed capital contribution from a controlling shareholder and a shareholder upon modification of loans (Note 15)	-	-	-	-	-	(1,098)	-	(1,098)	(1,098)
At 30 September 2024 (unaudited)	4,121	235,532	2,148	19,547	5,130	39,814	(295,519)	10,773	35,627
1 April 2023 (audited)	3,876	213,132	8,485	19,547	7,551	32,447	(255,178)	29,860	54,413
Loss for the period	-	-	-	-	-	-	(11,908)	(11,908)	(12,088)
Other comprehensive expense for the period	-	-	-	-	(3,778)	-	-	(3,778)	(4,797)
Total comprehensive expense for the period	-	-	-	-	(3,778)	-	(11,908)	(15,686)	(16,885)
Deemed capital contribution from a controlling shareholder (Note 15)	-	-	-	-	-	2,256	-	2,256	2,256
Deemed capital contribution from a controlling shareholder upon modification of loans (Note 15)	-	-	-	-	-	(497)	-	(497)	(497)
At 30 September 2023 (unaudited)	3,876	213,132	8,485	19,547	3,773	34,206	(267,086)	15,933	39,287

**Note:**

- (i) The shareholders' contribution reserve represents adjustments of interest-free loans granted by a shareholder and a controlling shareholder of Central Development Holdings Limited (the "Company") to the Company and certain of its subsidiaries.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(9,937)	(11,633)
Adjustments for:		
Interest income	(11)	(13)
Finance costs	7,212	6,050
Depreciation of property, plant and equipment	846	861
Depreciation of right-of-use assets	989	261
Amortisation of intangible assets	839	844
Loss (gain) on fair value changes of investment properties	7,642	(478)
Gain on fair value changes of derivative financial instruments	(9,000)	–
Share of result of an associate	365	378
Write-down of inventories	–	674
Operating cash flows before movements in working capital	(1,055)	(3,056)
Other working capital items	(22,204)	2,430
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(23,259)</b>	<b>(626)</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	11	13
Purchases of property, plant and equipment	–	(64)
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>11</b>	<b>(51)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from exercise of share options	16,308	–
Advances from a controlling shareholder	2,645	15,308
Repayments to a controlling shareholder	(11,387)	(5,524)
Repayments to a shareholder	(97)	–
New bank loans raised	21,962	–
Repayments of bank borrowings	(1,299)	(1,299)
Repayments of leases liabilities	(479)	(225)
Interest paid	(728)	(536)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>26,925</b>	<b>7,724</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,677</b>	<b>7,047</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>16,290</b>	<b>13,122</b>
Effect of foreign exchange rate changes	163	(750)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>20,130</b>	<b>19,419</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 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 (the “HKICPA”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and derivative financial instruments in relation to convertible bonds, which are measured at fair value.

Other than the additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual consolidated financial statements for year ended 31 March 2024.

### 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 annual period beginning on 1 April 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, 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.



## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Application of amendments to HKFRSs (Continued)

#### 2.1 Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

##### 2.1.1 Accounting policies

Convertible bonds (with conversion options not meeting “fixed for fixed criterion”)

When determining the classification of convertible bonds (including the host liability and the related derivative financial instruments) as current or non-current, the Group considers both the redemption through cash settlement and the transfer of the Group’s own equity instruments as a result of exercise of conversion options by holders as settlement of the convertible bonds.

##### 2.1.2 Transition and summary of impact

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements. The Group’s outstanding convertible bonds and the related derivative financial instruments include counterparty conversion options that do not meet equity instruments classification by applying HKAS 32 *Financial Instruments: Presentation*. The host debt component is measured at amortised cost and derivative component (including the conversion options) is measured at fair value. Upon the application of the 2020 Amendments, given that the Group has the right to defer the settlement for at least twelve months after 1 April 2024 as agreed with the holder of the convertible bonds, the convertible bonds and the related derivative financial instruments continues to be classified as non-current liabilities upon application of the 2020 and 2022 Amendments.

Except as described above, the application of the 2020 and 2022 Amendments has no other material impact on the classification of the Group’s other liabilities.

### 3. REVENUE

#### (i) Disaggregation of revenue from contracts with customers

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue from sales of goods:		
Jewelry products	6,478	8,321
Refined oil	29,079	31,878
Liquefied natural gas ("LNG")	51,188	50,518
Total revenue	86,745	90,717
Timing of revenue recognition:		
A point in time	86,745	90,717

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

For six months ended 30 September 2024 (unaudited)

	Jewelry business HK\$'000	Energy business HK\$'000	Total HK\$'000
Sales of jewelry products	6,478	–	6,478
Sales of refined oil	–	29,079	29,079
Sales of LNG	–	51,188	51,188
	6,478	80,267	86,745

### 3. REVENUE (Continued)

#### (i) Disaggregation of revenue from contracts with customers (Continued)

For six months ended 30 September 2023 (unaudited)

	Jewelry business HK\$'000	Energy business HK\$'000	Total HK\$'000
Sales of jewelry products	8,321	–	8,321
Sales of refined oil	–	31,878	31,878
Sales of LNG	–	50,518	50,518
	8,321	82,396	90,717

#### (ii) Performance obligations for contracts with customers

##### (a) Sales of jewelry products and LNG

The Group recognises revenue from the sales of jewelry products and LNG when the performance obligations are satisfied which refers to delivery of goods to the customers, at this point, the Group has no unfulfilled obligation that could affect the customers' acceptance of the products. Performance obligations are satisfied at a point in time once control of the goods has been transferred to the customers. The customers have obtained control on the goods through their ability to direct the use of and obtain substantially all the benefits from the goods, and, at the same time, the customers have accepted the risks of obsolescence and loss of the products. Revenue from sales of jewelry products and LNG is recognised based on the price specified in the contracts with customers. No element of financing is deemed present as the sales are made with an average credit term of 5 to 365 days.

The Group has no particular policy on the amounts received prior to the delivery of jewelry products and LNG and it is negotiated with customers on contract by contract basis. The advance payments received from customers are recognised as contract liabilities throughout the period before the control of the goods is transferred to customers.

##### (b) Sales of refined oil

The Group recognised revenue from sales of refined oil when control of refined oil has transferred, being at the point the customer purchases the refined oil at filling station. Payment of the transaction price is due immediately at the point the customer purchases the goods.

#### (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All transactions in respect of sales of goods take place within a year and, thus, the transaction prices allocated to the unsatisfied contracts are not disclosed according to the practical expedient of HKFRS 15 "Revenue from Contracts with Customers".

## 4. SEGMENT INFORMATION

Information regularly reviewed by the chief operating decision maker (the “CODM”), represented by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance focuses on nature of the Group’s businesses and operations. The Group’s operating and reportable segments are therefore as follows:

- (i) Jewelry business (wholesale of jewelry products); and
- (ii) Energy business including i) sales of refined oil; and ii) sales of LNG.

The accounting policies of the operating and reportable segments are the same as the Group’s accounting policies described in the Group’s annual consolidated financial statements for the year ended 31 March 2024. Segment results represent the profit or loss by each segment without allocation of gain or loss on fair value changes of investment properties and derivative financial instruments, unallocated corporate expenses which include central administration costs, directors’ remuneration at the head office, unallocated corporate income which include rental income, interest income and sundry income and finance costs which include certain interest on lease liabilities and imputed interest on loans from a shareholder and a controlling shareholder. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

### Segment revenue and results

The following is an analysis of the Group’s revenue and results by operating and reportable segment:

*For six months ended 30 September 2024 (unaudited)*

	<b>Jewelry business HK\$'000</b>	<b>Energy business HK\$'000</b>	<b>Total HK\$'000</b>
Revenue	<b>6,478</b>	<b>80,267</b>	<b>86,745</b>
Segment loss	<b>(81)</b>	<b>(5,337)</b>	<b>(5,418)</b>
Unallocated corporate other gains or losses			<b>1,358</b>
Unallocated corporate income			<b>2,554</b>
Unallocated corporate expenses			<b>(5,958)</b>
Finance costs			<b>(2,473)</b>
Loss before taxation			<b>(9,937)</b>

## 4. SEGMENT INFORMATION (Continued)

### Segment revenue and results (Continued)

For six months ended 30 September 2023 (unaudited)

	Jewelry business HK\$'000	Energy business HK\$'000	Total HK\$'000
Revenue	8,321	82,396	90,717
Segment loss	(85)	(6,905)	(6,990)
Unallocated corporate other gains			478
Unallocated corporate income			2,645
Unallocated corporate expenses			(5,441)
Finance costs			(2,325)
Loss before taxation			(11,633)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both periods.



## 4. SEGMENT INFORMATION (Continued)

### Segment assets and liabilities

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

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Jewelry business	6,682	3,422
Energy business	176,947	153,628
Total segment assets	183,629	157,050
Cash and cash equivalents	20,130	16,290
Other unallocated assets	78,274	85,982
Consolidated assets	282,033	259,322
Jewelry business	6,329	3,304
Energy business	111,714	85,053
Total segment liabilities	118,043	88,357
Loans from a shareholder and a controlling shareholder	100,356	105,751
Other unallocated liabilities	28,007	37,386
Consolidated liabilities	246,406	231,494

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

- all assets are allocated to reportable segments other than certain property, plant and equipment, certain right-of-use assets, certain other receivables, deposits and prepayments, investment properties and cash and cash equivalents.
- all liabilities are allocated to reportable segments other than certain other payables and accruals, certain lease liabilities, loans from a shareholder and a controlling shareholder, derivative financial liabilities and deferred tax liabilities.

## 4. SEGMENT INFORMATION (Continued)

### Geographical information

The Group's operations are mainly carried out in the People's Republic of China ("the PRC"), the country of domicile, and Hong Kong.

The revenue of the Group is mainly derived from external customers located in the PRC and Hong Kong.

The Group's revenue from external customers based on the location of customers are set out below:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
The PRC	83,403	85,735
Hong Kong	3,342	4,982
	86,745	90,717

Information about the Group's non-current assets (excluding rental deposits) based on the geographical location of the assets is set out below:

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
The PRC	198,921	209,753
Hong Kong	1,514	41
	200,435	209,794

## 5. OTHER INCOME

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest income	11	13
Rental income	2,543	2,632
	2,554	2,645

## 6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
(Loss) gain on fair value changes of investment properties	(7,642)	478
Gain on fair value changes of derivative financial instruments	9,000	–
	1,358	478

## 7. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest on bank borrowings	728	512
Interest on lease liabilities	116	24
Interest on convertible bonds (note 17)	3,945	3,211
Imputed interest on loans from a controlling shareholder and a shareholder	2,423	2,303
	7,212	6,050

## 8. INCOME TAX CREDIT (EXPENSE)

Income tax credit (expense) in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
PRC Enterprise Income Tax	(100)	–
Deferred taxation	1,578	(455)
Income tax credit (expense) for the period	1,478	(455)

No provision for Hong Kong Profits Tax has been made for both periods as either tax losses are incurred for the subsidiaries operating in Hong Kong or their assessable profits are wholly absorbed by tax losses brought forward from previous years.

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

## 9. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Depreciation of property, plant and equipment	846	861
Depreciation of right-of-use assets	989	261
Amortisation of intangible assets	839	844
Cost of inventories recognised as an expense (including write-down of inventories amounting to nil (for the six months ended 30 September 2023: HK\$674,000))	80,891	87,178
Staff costs (including directors' remuneration)	4,622	4,680

## 10. LOSS PER SHARE

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

	<b>Six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Loss for the period attributable to owners of the Company for the purposes of calculating basic loss per share	<b>(9,291)</b>	(11,908)
Effect of dilutive potential ordinary shares:		
– Gain on fair value changes of derivative financial instruments	<b>(9,000)</b>	–
– Interest on convertible bonds	<b>3,945</b>	–
Loss for the period attributable to owners of the Company for the purposes of calculating diluted loss per share	<b>(14,346)</b>	(11,908)
	<b>'000</b>	<b>'000</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<b>388,100</b>	387,564
Effect of dilutive potential ordinary shares:		
– Convertible bonds	<b>70,270</b>	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	<b>458,370</b>	387,564

The computation of diluted loss per share for both periods does not assume the exercise of share options because the exercise prices of those share options were higher than the average market price for shares or it would result in a decrease in loss per share for both periods.

The computation of diluted loss per share for six months ended 30 September 2023 does not assume the conversion of the Company's convertible bonds since it would result in a decrease in loss per share.

## 11. DIVIDENDS

No dividend was paid or proposed during the current interim period (six months ended 30 September 2023: nil), nor has any dividend been proposed since the end of the reporting period.



## 12. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

During the six months ended 30 September 2024, the Group acquired property, plant and equipment of nil (six months ended 30 September 2023: HK\$64,000).

During the six months ended 30 September 2024, the Group recognised right-of-use assets of HK\$349,000 and lease liabilities of HK\$354,000 with remaining lease term of 2.6 years upon an acquisition of a subsidiary (which is inactive before the acquisition).

During the six months ended 30 September 2023, the Group renewed a lease agreement with lease term of 3 years. On the date of lease commencement, the Group recognised right-of-use assets of HK\$2,421,000 (including fair value adjustment to a rental deposit) and lease liabilities of HK\$2,379,000.

The fair value of the Group's investment properties as at 30 September 2024 and 31 March 2024 have been arrived at on the basis of valuation carried out by Valplus Consulting Limited ("Valplus"), an independent qualified professional valuer not connected to the Group. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair values are arrived at by using income approach which capitalises the net rental income derived from the existing lease and/or achievable in the existing market with due allowance for the reversionary income potential of the lease, which has been then capitalised to determine the market value at an appropriate capitalisation rate. The management of the Group works closely with Valplus to establish and determine the appropriate valuation inputs for fair value measurements, by using input of capitalisation rate at approximately 8.8% (31 March 2024: approximately 6.0%) derived from market rent.

### 13. TRADE RECEIVABLES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

#### Trade receivables

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Trade receivables from contracts with customers	8,669	4,578
Less: Allowance for credit losses	(619)	(616)
	<b>8,050</b>	3,962

The Group allows an average credit period ranging from 30 to 180 days to its customers of jewelry business and average credit period ranging from 5 to 365 days to its customers of energy business. The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period:

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Within 30 days	2,118	3,962
31 to 90 days	1,660	–
91 to 180 days	3,066	–
Over 180 days	1,206	–
	<b>8,050</b>	3,962

As at 30 September 2024 and 31 March 2024, no trade receivables of the Group are past due.

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 2024 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 March 2024.

### 13. TRADE RECEIVABLES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

#### Other receivables, deposits and prepayments

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Other receivables	4,396	4,454
Deposits paid for purchasing LNG	33,267	11,032
Other deposits	327	276
Prepayments	11,330	10,571
	49,320	26,333

### 14. TRADE AND OTHER PAYABLES AND ACCRUALS

#### Trade payables

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Within 30 days	2,017	1,908
31 to 90 days	1,537	1,339
91 to 180 days	2,959	–
Over 180 days	896	284
	7,409	3,531

The average credit period on purchase of goods is 365 days.

## 14. TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

### Other payables and accruals

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Other payables	7,690	6,992
Refundable deposit to a supplier	14,804	14,728
Accruals	8,210	6,962
	<b>30,704</b>	28,682

## 15. LOANS FROM A SHAREHOLDER AND A CONTROLLING SHAREHOLDER

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Non-current liabilities		
– Loans from a shareholder	3,831	3,807
– Loans from a controlling shareholder	96,525	101,944
	<b>100,356</b>	105,751

### Loans from a shareholder

As at 30 September 2024, the loans from a shareholder were classified as non-current liabilities, and were unsecured, interest-free and repayable for the period from September 2026 to September 2027 (31 March 2024: classified as non-current liabilities, and were unsecured, interest-free and repayable for the period from September 2026 to September 2027).

During the six months ended 30 September 2024, the Group made an early repayment of HK\$98,000. At inception of modification of repayment dates, adjustments to this loan amounting to HK\$14,000 were debited to reserve under the heading of “shareholders’ contribution reserve” in the Group’s condensed consolidated statement of changes in equity.

During the six months ended 30 September 2023, there was no addition to, repayment of and modification of loans from a shareholder.

## 15. LOANS FROM A SHAREHOLDER AND A CONTROLLING SHAREHOLDER (Continued)

### Loans from a controlling shareholder

As at 30 September 2024, the loans from a controlling shareholder were classified as non-current liabilities, and were unsecured, interest-free and repayable for the period from March 2026 to September 2027 (31 March 2024: classified as non-current liabilities, and were unsecured, interest-free and repayable for the period from June 2025 to September 2027).

During the six months ended 30 September 2024, at inception of new loans from a controlling shareholder, early repayment of certain loans from a controlling shareholder and extension of repayment dates of certain loans from a controlling shareholder, adjustments to these loans amounting to HK\$414,000, HK\$1,479,000 and HK\$395,000, respectively (six months ended 30 September 2023: HK\$2,256,000, HK\$497,000 and nil, respectively), were debited or credited to a reserve under the heading of "shareholder's contribution reserve" in the Group's condensed consolidated statement of changes in equity.

## 16. BANK BORROWINGS

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Secured bank borrowings repayable:		
Within one year	24,890	2,639
Within a period of more than one year but not exceeding two years	2,836	2,760
Within a period of more than two years but not exceeding five years	9,314	7,464
Within a period of more than five years	6,940	10,132
	43,980	22,995
Less: Amount due for settlement within 12 months shown under current liabilities	(24,890)	(2,639)
Amount due for settlement after 12 months shown under non-current liabilities	19,090	20,356

During the current interim period, the Group obtained a new bank borrowing amounting to HK\$21,962,000 (six months ended 30 September 2023: nil).

The Group's bank borrowings bore interest at Loan Prime Rate plus 0.5% or at fixed-rate of 4.5% (31 March 2024: at fixed rate of 4.5%) per annum as at 30 September 2024.

As at 30 September 2024, the Group pledged certain property, plant and equipment, investment properties and right-of-use assets with an aggregate carrying amount of HK\$94,196,000 (31 March 2024: HK\$91,939,000) to the bank as the collateral for the bank borrowings.

## 17. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

The Company issued convertible bonds with a principal amount of HK\$52,000,000 on 5 December 2022 for the acquisition of the Group's associate, which principally holds 50% equity interest of Anhui Huagang Bochen New Energy Co., Ltd. (安徽華港博臣新能源有限公司) ("Anhui Huagang").

The convertible bonds are denominated in Hong Kong dollars (other than the Group's functional currency), unsecured and interest-free.

The holder of the convertible bonds will have the right to convert the whole or part of the principal amount of the convertible bonds (in integral multiple of HK\$1 million or such lesser amount representing the entire outstanding principal amount of the convertible bond) into the ordinary shares of the Company at any time after Anhui Huagang has obtained the gas business license (the "Gas Business License"), on the date of the grant of the Gas Business License up to the close of business on the date falling 5 business days prior to the date falling on the third anniversary of the date of issuance of the convertible bonds (the "Maturity Date"), provided that such conversion would not render ordinary shares of the Company in the public hands being less than the minimum public float defined under Rule 8.08 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") or other relevant requirements under the Listing Rules and the holder of the convertible bonds shall not exercise any conversion right unless it provides evidence to the reasonable satisfaction of exercising the conversion right that the holder of the convertible bonds and persons acting in concert with it (as defined in the Hong Kong Code on Takeovers and Mergers ("Takeovers Code")) will not beneficially own 30% or more of the issued ordinary shares and/or voting rights of the Company immediately after the conversion and/or trigger any mandatory general offer obligations under the Takeovers Code. As agreed with the holder of the convertible bonds, the Group have the right to defer the settlement of the convertible bonds, either in shares or cash, up to 30 November 2025 (being the deadline for obtaining the Gas Business License by Anhui Huagang).

The initial conversion price is HK\$0.74 per ordinary share of the Company (subject to adjustment for events which may have a diluting effect on the share capital of the Company or change the capital structure of the Company, such as consolidation, subdivision or reclassification of ordinary shares of the Company, capitalisation of profits and reserves, rights issue of ordinary shares of the Company or options over ordinary shares of the Company) and convertible bonds are convertible into 70,270,270 ordinary shares of the Company.

Unless previously converted, purchased and cancelled, the Company shall pay the outstanding principal amount under the convertible bonds by cash on the Maturity Date, the Company may redeem the convertible bonds at any time and from time to time before the Maturity Date upon mutual agreement with the holder of the convertible bonds.

Subject to all applicable laws and regulations and prior notification to the Company on the condition that no transfer and/or assignment shall take place before Anhui Huagang obtains the Gas Business License, the convertible bonds may be assigned or transferred in whole or in part of its principal amount outstanding (in integral multiple of HK\$1 million or such lesser amount representing the entire outstanding principal amount of the convertible bonds) to independent third parties, other than the connected person(s) of the Company. The convertible bonds are comprised of convertible bonds (debt component) and derivative financial instruments (derivative component including conversion and early redemption options).

At initial recognition, both the convertible bonds and the derivative financial instruments are recognised at fair values amounting to HK\$28,000,000 and HK\$24,000,000 respectively.

The convertible bonds are subsequently measured at amortised cost with effective interest rate of 22.9% per annum while the derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss.

## 17. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The movement of the convertible bonds and derivative financial instruments for the six months ended 30 September 2024 and 2023 are set out as below:

	Convertible bonds HK\$'000	Derivative financial instruments HK\$'000
As at 1 April 2024 (audited)	36,948	17,000
Interest on convertible bonds	3,945	–
Gain on fair value change	–	(9,000)
As at 30 September 2024 (unaudited)	40,893	8,000
As at 1 April 2023 (audited)	30,053	13,000
Interest on convertible bonds	3,211	–
As at 30 September 2023 (unaudited)	33,264	13,000

## 18. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares with nominal value of HK\$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024 and 30 September 2024	10,000,000	100,000
Issued and fully paid:		
At 1 April 2023 and 31 March 2024	387,564	3,876
Exercise of share options	24,517	245
At 30 September 2024	412,081	4,121



## 19. SHARE OPTIONS SCHEMES

The Company adopted share option schemes (the “Share Option Schemes”) for the purpose of recognising and acknowledging the contributions made by the participants to the Company, motivating the participants to optimise their performance and efficiency for the benefits of the Group and to maintain or attract business relationship with the participants whose contributions are beneficial to the growth of the Group.

The following table discloses details of the share options held by directors of the Company and eligible employees and movements in such holdings during the period.

### (a) Share options granted on 19 October 2018

Grantee	Date of grant	Exercise price HK\$	Exercisable period	Number of share options		
				Outstanding at 1 April 2024	Exercised during the period	Outstanding at 30 September 2024
Directors	19 October 2018	0.636	1 January 2019 to 18 October 2028	660,000	(330,000)	330,000
Employees	19 October 2018	0.636	1 January 2019 to 18 October 2028	500,000	(500,000)	–
				1,160,000	(830,000)	330,000
Exercisable at the beginning/end of the period				1,160,000		330,000
Weighted average exercise price				HK\$0.636		HK\$0.636

## 19. SHARE OPTIONS SCHEMES (Continued)

### (b) Share options granted on 23 September 2021

Grantee	Date of grant	Exercise price HK\$	Exercisable period	Number of share options		
				Outstanding at 1 April 2024	Exercised during the period	Outstanding at 30 September 2024
Employees	23 September 2021	1.12	23 September 2021 to 22 September 2031	4,000,000	(4,000,000)	–
				4,000,000	(4,000,000)	–
Exercisable at the beginning/end of the period				4,000,000		–
Weighted average exercise price				HK\$1.12		HK\$1.12

### (c) Share options granted on 15 December 2022

Grantee	Date of grant	Exercise price HK\$	Exercisable period	Number of share options		
				Outstanding at 1 April 2024	Exercised during the period	Outstanding at 30 September 2024
Directors	15 December 2022	0.574	15 December 2022 to 14 December 2032	12,987,000	(9,187,000)	3,800,000
Employees	15 December 2022	0.574	15 December 2022 to 14 December 2032	16,800,000	(10,500,000)	6,300,000
				29,787,000	(19,687,000)	10,100,000
Exercisable at the beginning/end of the period				29,787,000		10,100,000
Weighted average exercise price				HK\$0.574		HK\$0.574

## 20. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these condensed consolidated financial statements, the Group entered into the following related party transactions during both periods:

### Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the periods were as follows:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Short-term employee benefits	1,344	1,189
Post-employment benefit	78	60
	<b>1,422</b>	<b>1,249</b>

## 21. MAJOR NON-CASH TRANSACTIONS

- (a) During the six months ended 30 September 2024, the Group recognised right-of-use assets of HK\$349,000 and lease liabilities of HK\$354,000 upon an acquisition of a subsidiary with remaining lease term of 2.6 years that is a non-cash transaction.

During the six months ended 30 September 2023, the Group entered into a new lease agreement for the use of leased properties. On the lease commencement, the Company recognised rights-of-use assets and lease liabilities of HK\$2,421,000 (including fair value adjustment to a rental deposit) and lease liabilities of HK\$2,379,000 that is a non-cash transaction.

- (b) During the six months ended 30 September 2024, the Group obtained new loans from a controlling shareholder, early repayment of certain loans from a controlling shareholder and a shareholder and extension of repayment dates of certain loans from a controlling shareholder that resulted in non-cash adjustments to these loans amounting to HK\$414,000, HK\$1,493,000 and HK\$395,000, respectively.

During the six months ended 30 September 2023, the Group obtained new loans from a controlling shareholder and early repaid certain loans from a controlling shareholder that resulted in non-cash adjustments to these loans amounting to HK\$2,256,000 and HK\$497,000, respectively.

## 22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

The Group's derivative financial instruments in relation to convertible bonds are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of the derivative financial instruments 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)			
<b>Financial liabilities</b>					
Derivative financial instruments	<b>Liabilities – 8,000</b>	Liabilities – 17,000	Level 3	Binomial option pricing model	Expected volatility of 52.97% (31 March 2024: 59.80%) (Note)

Note: A slight increase in the expected volatility used in isolation would result in a significant increase in the fair value of the derivative financial instruments, and vice versa.

Reconciliation of Level 3 fair value measurement of the derivative financial instruments are presented in Note 17.

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

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