



**EVERCHINA INT'L HOLDINGS COMPANY LIMITED**  
**潤中國國際控股有限公司**

Stock Code : 202

The background features a bright sun in the upper left, with soft white clouds scattered across a light blue sky. Below the sky, a green landscape with a repeating circular pattern is visible. Four green cranes are shown in flight, moving from left to right across the middle of the page.

INTERIM  
REPORT  
2022



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Jiang Zhaobai (*Chairman*)  
Mr. Lam Cheung Shing, Richard  
Mr. Chen Yi, Ethan

#### Independent Non-executive Directors

Mr. Ho Yiu Yue, Louis  
Mr. Ko Ming Tung, Edward  
Mr. Ng Ge Bun

### BOARD COMMITTEES

#### Audit Committee

Mr. Ho Yiu Yue, Louis (*Committee Chairman*)  
Mr. Ko Ming Tung, Edward  
Mr. Ng Ge Bun

#### Remuneration Committee

Mr. Ho Yiu Yue, Louis (*Committee Chairman*)  
Mr. Ko Ming Tung, Edward  
Mr. Lam Cheung Shing, Richard

#### Nomination Committee

Mr. Ko Ming Tung, Edward (*Committee Chairman*)  
Mr. Ho Yiu Yue, Louis  
Mr. Lam Cheung Shing, Richard

### COMPANY SECRETARY

Mr. Lau Chi Lok, Freeman

### LISTING INFORMATION

Stock Code: 202  
Board Lot: 5,000 shares

### REGISTERED OFFICE

Unit 1506, 15/F.,  
Capital Centre  
151 Gloucester Road  
Wanchai, Hong Kong

### WEBSITE

[www.everchina202.com.hk](http://www.everchina202.com.hk)

### AUDITORS

HLB Hodgson Impey Cheng Limited  
Certified Public Accountants  
31/F., Gloucester Tower  
The Landmark, 11 Pedder Street  
Central  
Hong Kong

### SOLICITORS

K&L Gates  
Patrick Mak & Tse

### SHARE REGISTRAR

Tricor Tengis Limited  
17th Floor, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
China Construction Bank (Asia) Corporation Limited

## INDEPENDENT REVIEW REPORT



31/F., Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

### INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF EVERCHINA INT'L HOLDINGS COMPANY LIMITED

*(incorporated in Hong Kong with limited liability)*

#### INTRODUCTION

We have reviewed the condensed consolidated financial statements of EverChina Int'l Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 4 to 34, which comprise the condensed consolidated statement of financial position as of 30 September 2022 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and certain explanatory notes. 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 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 Hong Kong Institute of Certified Public Accountants. 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.

#### **HLB Hodgson Impey Cheng Limited**

Certified Public Accountants

#### **Kwok Tsz Chun**

Practising Certificate Number: P06901

Hong Kong, 29 November 2022

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2022

	Notes	For the six months ended	
		2022	2021
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	<b>73,748</b>	64,898
Cost of sales		<b>(27,647)</b>	(27,190)
Gross profit		<b>46,101</b>	37,708
Other income and gain, net	5	<b>998</b>	3,792
General and administrative costs		<b>(39,048)</b>	(45,044)
Finance costs	7	<b>(25,034)</b>	(13,182)
(Allowance for)/reversal of expected credit losses ("ECL") on trade and other receivables and loan receivables, net		<b>(4,930)</b>	7,597
(Loss)/gain on change in fair value less costs to sell on biological assets		<b>(8,125)</b>	757
Loss on change in fair value of investment properties		<b>(70,588)</b>	(9,639)
Gain/(loss) on change in fair value of financial assets at fair value through profit or loss	15	<b>42,788</b>	(2,738)
Loss before taxation		<b>(57,838)</b>	(20,749)
Tax credit	8	<b>3,666</b>	2,659
<b>Loss for the period</b>	6	<b>(54,172)</b>	(18,090)
<b>Attributable to:</b>			
Owners of the Company		<b>(54,156)</b>	(18,078)
Non-controlling interests		<b>(16)</b>	(12)
		<b>(54,172)</b>	(18,090)
<b>Loss per share attributable to the owners of the Company</b>	9		
— Basic and diluted		<b>HK(0.742) cents</b>	HK(0.248) cents

The accompanying notes form an integral part of these condensed consolidated financial statements.

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

For the six months ended 30 September 2022

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Loss for the period</b>	<b>(54,172)</b>	(18,090)
<b>Other comprehensive (loss)/income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	<b>(128,681)</b>	11
<b>Total comprehensive loss for the period</b>	<b>(182,853)</b>	(18,079)
<b>Total comprehensive loss attributable to:</b>		
Owners of the Company	<b>(182,837)</b>	(18,067)
Non-controlling interests	<b>(16)</b>	(12)
	<b>(182,853)</b>	(18,079)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

	Notes	At 30 September 2022 HK\$'000 (Unaudited)	At 31 March 2022 HK\$'000 (Audited)
<b>Non-current assets</b>			
Investment properties	11	998,863	1,159,259
Property, plant and equipment	12	823,541	868,371
Right-of-use assets		560	895
Mining rights	13	69,555	69,555
Interest in an associate		568	610
		<b>1,893,087</b>	2,098,690
<b>Current assets</b>			
Inventories		6,137	8,237
Biological assets		31,221	35,201
Trade and other receivables and prepayments	14	40,247	51,127
Financial assets at fair value through profit or loss	15	656,107	667,906
Cash and cash equivalents		48,370	40,926
		<b>782,082</b>	803,397
<b>Total assets</b>		<b>2,675,169</b>	2,902,087
<b>Capital and reserves</b>			
Share capital	16	2,664,298	2,664,298
Reserves		(1,033,047)	(850,210)
Equity attributable to owners of the Company		1,631,251	1,814,088
Non-controlling interests		32,636	32,652
<b>Total equity</b>		<b>1,663,887</b>	1,846,740
<b>Non-current liabilities</b>			
Lease liabilities		–	235
Amount due to a related company	20	230,486	238,124
Deferred tax liabilities	18	72,470	80,594
		<b>302,956</b>	318,953
<b>Current liabilities</b>			
Trade and other payables and deposits received	19	69,722	73,907
Lease liabilities		579	678
Tax payable		6,237	6,237
Borrowings	21	284,000	266,000
Amount due to a related company	20	347,788	389,572
		<b>708,326</b>	736,394
<b>Total liabilities</b>		<b>1,011,282</b>	1,055,347
<b>Total equity and liabilities</b>		<b>2,675,169</b>	2,902,087
<b>Net current assets</b>		<b>73,756</b>	67,003
<b>Total assets less current liabilities</b>		<b>1,966,843</b>	2,165,693

The accompanying notes form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

### For the six months ended 30 September 2022

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Special reserve	Contributed surplus	Capital reserve	Exchange reserve	Statutory surplus reserve	Accumulated losses	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022 (Audited)	2,664,298	571,996	1,342,477	110,246	153,726	871	(3,029,526)	1,814,088	32,652	1,846,740
Exchange differences on translation of foreign operations	-	-	-	-	(128,681)	-	-	(128,681)	-	(128,681)
Loss for the period	-	-	-	-	-	-	(54,156)	(54,156)	(16)	(54,172)
Total comprehensive loss for the period	-	-	-	-	(128,681)	-	(54,156)	(182,837)	(16)	(182,853)
At 30 September 2022 (Unaudited)	2,664,298	571,996	1,342,477	110,246	25,045	871	(3,083,682)	1,631,251	32,636	1,663,887

### For the six months ended 30 September 2021

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Special reserve	Contributed surplus	Capital reserve	Exchange reserve	Statutory surplus reserve	Accumulated losses	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2021 (Audited)	2,664,298	571,996	1,342,477	80,674	112,385	871	(2,796,140)	1,976,561	37,902	2,014,463
Exchange differences on translation of foreign operations	-	-	-	-	11	-	-	11	-	11
Loss for the period	-	-	-	-	-	-	(18,078)	(18,078)	(12)	(18,090)
Total comprehensive income/(loss) for the period	-	-	-	-	11	-	(18,078)	(18,067)	(12)	(18,079)
Deemed capital contribution arising from a substantial shareholder	-	-	-	4,271	-	-	-	4,271	-	4,271
At 30 September 2021 (Unaudited)	2,664,298	571,996	1,342,477	84,945	112,396	871	(2,814,218)	1,962,765	37,890	2,000,655



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

Notes:

### Special reserve

The special reserve represented the difference between the nominal value of shares of Burlingame International Company Limited (“Burlingame”) and the nominal value of shares issued for the swap of the shares of Burlingame pursuant to the scheme of arrangement as set out in the document issued by the Company and Burlingame dated 27 July 2000.

### Contributed surplus

Pursuant to a special resolution by the shareholders of the Company at a special general meeting held on 18 September 2009 and upon all conditions precedents to the capital reorganisation have been fulfilled on 9 April 2010, (i) the nominal value of each share was reduced from HK\$0.10 to HK\$0.01 by cancelling the Company’s paid up capital to the extent of HK\$0.09 on each share, (ii) part of the credit arising from capital reduction was utilised to set off accumulated losses of the Company and (iii) the remaining credit balance in the contributed surplus of the Company will be utilised in accordance with the articles of association of the Company and all applicable laws.

### Capital reserve

The capital reserve represents the deemed capital contribution from a substantial shareholder. It was aroused from the provision of an unsecured and unguaranteed interest-free loan. The balance represented the difference between the principal and the fair value of the loan at initial recognition.

### Exchange reserve

Exchange reserve represents exchange differences relating to the translation of the net assets of the Group’s foreign operations from their functional currencies to the Group’s presentation currency (i.e. Hong Kong dollars) are recognised directly in the consolidated statement of profit or loss and other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to the consolidated statement of profit or loss on the disposal of the foreign operations.

### Statutory surplus reserve

Statutory surplus reserve represents the appropriation of 10% of profit after taxation, calculated in accordance with the accounting standards and regulations applicable to subsidiaries of the Company established in the People’s Republic of China (the “PRC”). When the balance of such reserve reaches 50% of the entity’s capital, any further appropriation is optional.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Net cash generated from operating activities</b>	<b>17,266</b>	56,711
<b>Investing activity</b>		
Purchase of property, plant and equipment	(2,729)	(1,781)
<b>Net cash used in investing activity</b>	<b>(2,729)</b>	(1,781)
<b>Financing activities</b>		
Interest paid	(13,309)	(2,472)
New borrowings raised	18,000	150,000
Repayment of amount due to a related company	(11,177)	(141,686)
Repayment of borrowings	–	(2,817)
Repayment of lease liabilities	(356)	(883)
<b>Net cash (used in)/generated from financing activities</b>	<b>(6,842)</b>	2,142
<b>Net increase in cash and cash equivalents</b>	<b>7,695</b>	57,072
Cash and cash equivalents at beginning of the period	40,926	33,413
Effect of change in foreign exchange rate	(251)	11
<b>Cash and cash equivalents at end of the period</b>	<b>48,370</b>	90,496
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	48,370	90,496

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 1. GENERAL INFORMATION

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Unit 1506, 15th Floor, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in (i) property investment operation, (ii) hotel operation, (iii) agricultural operation, (iv) securities investment and financing operation and (v) resources operation.

In the opinions of the directors of the Company, as at 30 September 2022, Mr. Jiang Zhaobai ("Mr. Jiang") is the ultimate controlling party of the Company.

The condensed consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK\$'000) except otherwise indicated.

## 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 September 2022 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The unaudited interim condensed consolidated financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2022.

The accounting policies and basis of preparation adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 March 2022, except for the adoption of the revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (collectively, "HKFRSs") as disclosed below.

The condensed consolidated financial statements have been prepared on historical cost basis except that the following assets and liabilities are stated at their fair value:

- investment properties;
- biological assets; and
- certain financial instruments that are measured at fair value at the end of reporting period.

The financial information relating to the year ended 31 March 2022 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The Company has delivered the financial statements for the year ended 31 March 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

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

#### 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 current period for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRS 2018-2020

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

### 3. SEGMENT INFORMATION

For management purpose, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Particulars of the Group's reportable operating segments are summarised as follows:

Property investment operation	— Leasing of rental property in the PRC
Hotel operation	— Hotel operation in the PRC
Agricultural operation	— Agricultural farming and sales of crops and cattle raising and sales of cattle in the Plurinational State of Bolivia ("Bolivia")
Securities investment and financing operation	— Provision of securities investment and financing operation in Hong Kong and the PRC
Resources operation	— Mining and production of manganese products in Republic of Indonesia ("Indonesia")

Information regarding the above segments is reported below.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

#### (a) Segment revenue and result

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

	Segment revenue		Segment result	
	For the six months ended		For the six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Property investment operation	<b>13,573</b>	15,350	<b>(59,850)</b>	(451)
Hotel operation	<b>17,992</b>	18,305	<b>(566)</b>	(493)
Agricultural operation	<b>42,183</b>	31,243	<b>4,842</b>	2,458
Securities investment and financing operation	–	–	<b>42,767</b>	3,945
Resources operation	–	–	<b>(376)</b>	(288)
<b>Total</b>	<b>73,748</b>	64,898	<b>(13,183)</b>	5,171
Interest income and other revenue			<b>998</b>	3,792
Finance costs			<b>(25,034)</b>	(13,182)
Unallocated expenses			<b>(20,619)</b>	(16,530)
Loss before taxation			<b>(57,838)</b>	(20,749)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

Segment result represents the result generated from each segment without allocation of central administration costs including directors' salaries, interest income and other revenue and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

#### (b) Segment assets and liabilities

	At 30 September 2022 HK\$'000 (Unaudited)	At 31 March 2022 HK\$'000 (Audited)
<b>Segment assets</b>		
Property investment operation	1,026,381	1,202,604
Hotel operation	436,079	478,993
Securities investment and financing operation	656,111	667,911
Agricultural operation	442,039	437,119
Resources operation	70,060	70,063
Total segment assets	2,630,670	2,856,690
Unallocated assets	44,499	45,397
Consolidated total assets	2,675,169	2,902,087

	At 30 September 2022 HK\$'000 (Unaudited)	At 31 March 2022 HK\$'000 (Audited)
<b>Segment liabilities</b>		
Property investment operation	24,851	38,719
Hotel operation	46,440	44,912
Securities investment and financing operation	12	180
Agricultural operation	44,088	44,265
Resources operation	1,214	1,174
Total segment liabilities	116,605	129,250
Unallocated borrowings	284,000	266,000
Unallocated liabilities	604,440	653,860
Tax payable	6,237	6,237
Consolidated total liabilities	1,011,282	1,055,347

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

#### (b) Segment assets and liabilities *(Continued)*

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

All assets related to property investment operation, hotel operation, securities investment and financing operation, agricultural operation and resources operation are allocated to reportable segments other than certain property, plant and equipment, certain right-of-use asset, certain other receivables, certain prepayments and certain cash and cash equivalents that are not attributable to individual segments.

All liabilities related to property investment operation, hotel operation, securities investment and financing operation, agricultural operation and resources operation are allocated to reportable segments other than certain other payables, certain borrowings, certain lease liabilities and amount due to a related company that are not attributable to individual segments.

#### (c) Other segment information

For the six months ended 30 September 2022 (Unaudited)

	Property investment operation HK\$'000	Hotel operation HK\$'000	Securities investment and financing operation HK\$'000	Agricultural operation HK\$'000	Resources operation HK\$'000	Unallocated HK\$'000	Consolidated total HK\$'000
<b>Other segment information</b>							
Depreciation of property, plant and equipment	314	6,745	-	2,833	-	24	9,916
Depreciation of right-of-use assets	-	-	-	-	-	335	335
Capital expenditure (Note)	-	-	-	2,256	-	473	2,729
Loss on change in fair value of investment properties	70,588	-	-	-	-	-	70,588
Gain on change in fair value of financial assets at fair value through profit or loss	-	-	(42,788)	-	-	-	(42,788)
Loss on change in fair value less costs to sell on biological assets	-	-	-	8,125	-	-	8,125
Allowance for/(reversal of) ECL on trade and other receivables, net	-	82	-	(2)	-	4,850	4,930

Note: Capital expenditure includes addition to property, plant and equipment, excluding biological assets.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

#### (c) Other segment information *(Continued)*

For the six months ended 30 September 2021 (Unaudited)

	Property investment operation HK\$'000	Hotel operation HK\$'000	Securities investment and financing operation HK\$'000	Agricultural operation HK\$'000	Resources operation HK\$'000	Unallocated HK\$'000	Consolidated total HK\$'000
<b>Other segment information</b>							
Depreciation of property, plant and equipment	55	6,897	-	216	-	86	7,254
Depreciation of right-of-use assets	-	-	-	-	-	982	982
Capital expenditure (Note)	-	-	-	1,781	-	-	1,781
Loss on change in fair value of investment properties	9,639	-	-	-	-	-	9,639
Loss on change in fair value of financial assets at fair value through profit or loss	-	-	2,738	-	-	-	2,738
Gain on change in fair value less costs to sell on biological assets	-	-	-	(757)	-	-	(757)
Reversal of ECL on trade and other receivables and loan receivables, net	-	(9)	(6,788)	(127)	-	(673)	(7,597)

Note: Capital expenditure includes addition to property, plant and equipment, excluding biological assets.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

#### (d) Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's investment properties, property, plant and equipment, right-of-use assets and mining rights (collectively referred to as "Specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or goods were delivered. The geographical location of the specified non-current assets\* is based on the physical location of the asset or the location of the operation to which they are allocated.

	Revenue from external customers		Specified non-current assets	
	For the six months ended		At	
	30 September		30 September	31 March
	2022	2021	2022	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong	–	–	26,025	26,267
The PRC	31,565	33,655	1,422,507	1,626,612
Bolivia	42,183	31,243	374,432	375,646
Indonesia	–	–	69,555	69,555
	<b>73,748</b>	64,898	<b>1,892,519</b>	2,098,080

\* Specified non-current assets exclude interest in an associate

#### (e) Information about major customers

Revenue from a major customer which contributing over 10% of the Group's total revenue is set out below:

	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Agricultural operation — Customer A	<b>36,387</b>	27,372

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 4. REVENUE

Revenue is analysed as follow:

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Revenue from contracts with customers		
Hotel income	<b>17,992</b>	18,305
Agricultural operation	<b>42,183</b>	31,243
	<b>60,175</b>	49,548
Timing of revenue recognition		
A point of time:		
Agricultural operation	<b>42,183</b>	31,243
Hotel income — food and beverage	<b>5,584</b>	5,697
Over time:		
Hotel income — hotel room services	<b>12,408</b>	12,608
	<b>60,175</b>	49,548
Revenue from other sources		
Property rental income	<b>13,573</b>	15,350
	<b>73,748</b>	64,898

As permitted under HKFRS 15 paragraph 121, it does not disclose the (i) aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period, and (ii) information about when the Group expects to recognise as revenue, as the Group's contracts with customers generally have an original expected duration of one year or less.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 5. OTHER INCOME AND GAIN, NET

	For the six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	30	236
Net foreign exchange (loss)/gain	(171)	1,597
Interest income	321	421
Investment income	30	96
Government grant (note)	279	798
Sundry income	509	644
	<b>998</b>	<b>3,792</b>

Note: For the six months ended 30 September 2022, the Group recognised government grants of approximately HK\$279,000 provided by the Hong Kong Special Administrative Region Government (for the six months ended 30 September 2021: approximately RMB662,000 (equivalent to approximately HK\$798,000) in respect of government grants provided by the PRC's government).

### 6. LOSS FOR THE PERIOD

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

	For the six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment (note 12)	9,916	7,254
Depreciation of right-of-use assets	335	982
Allowance for/(reversal of) ECL on trade and other receivables and loan receivables, net	4,930	(7,597)
Short-term lease payment	134	136
Expenses relating to leases of low value assets	17	17
Gross rental income from investment properties	(13,573)	(15,350)
Less: direct operating expenses from investment properties that generated rental income during the period	611	489
	<b>(12,962)</b>	<b>(14,861)</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 7. FINANCE COSTS

	For the six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interests on:		
— Bank borrowings	–	144
— Borrowings	13,309	2,328
— Lease liabilities	22	20
Imputed interest on amount due to a related company	11,703	10,690
	<b>25,034</b>	13,182

### 8. TAX CREDIT

	For the six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax		
— Current tax expenses	785	416
Deferred tax credit (note 18)	(4,451)	(3,075)
Tax credit	<b>(3,666)</b>	(2,659)

#### Hong Kong Profits Tax

Under the two-tiered profits tax rates regime of Hong Kong Profit Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

No provision has been made as the Group had no assessable profit for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 8. TAX CREDIT *(Continued)*

#### The PRC Enterprise Income Tax

All the Company's subsidiaries established in the PRC are either subject to PRC Enterprise Income Tax at 25% for both periods or preferential enterprise income tax rate of the assessable income of each company for both periods, as determined in accordance with the relevant PRC income tax rules and regulations.

#### The Indonesia Corporate Tax

The corporate tax rate applicable to the subsidiary which is operating in the Indonesia is 22% for the six months ended 30 September 2022 (six months ended 30 September 2021: 25%). No Indonesia Corporate Tax was recognised as the subsidiary in the Indonesia has no estimated assessable profit for both periods.

#### The Bolivia Corporate Tax

The corporate tax rate applicable to the subsidiaries which are operating in Bolivia is 25% for both periods. No Bolivia Corporate Tax was recognised as the subsidiary in Bolivia has no estimated assessable profit for both periods.

### 9. LOSS PER SHARE

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

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<b>(54,156)</b>	(18,078)
	For the six months ended 30 September	
	2022	2021
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b>7,294,369,363</b>	7,294,369,363

The diluted loss per share is the same as basic loss per share as the Company has no dilutive potential shares outstanding for the six months ended 30 September 2022 and 2021.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 10. INTERIM DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the six months ended 30 September 2022 and 2021.

### 11. INVESTMENT PROPERTIES

The fair value of the Group's investment properties at 30 September 2022 have been arrived at on the basis of a valuation carried out on that date by Cushman & Wakefield Limited and International Valuation Limited, both are independent professional valuers not connected with the Group with recent experience in the valuation of similar properties in relevant locations. Both of them are members of the Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in similar locations and conditions.

#### Fair value measurements

The table below analyses recurring fair value measurements for investment properties located in the PRC. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>At 30 September 2022 (Unaudited)</b>				
The PRC	–	–	998,863	998,863
	–	–	998,863	998,863
<b>At 31 March 2022 (Audited)</b>				
The PRC	–	–	1,159,259	1,159,259
	–	–	1,159,259	1,159,259

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 12. PROPERTY, PLANT AND EQUIPMENT

	HK\$'000
<b>Carrying amounts:</b>	
At 1 April 2021	847,506
Additions	7,156
Transfer from investment property	25,100
Exchange alignment	11,363
Depreciation	(21,686)
Impairment	(342)
Written-off	(726)
At 31 March 2022 and 1 April 2022 (Audited)	<b>868,371</b>
Additions	<b>2,729</b>
Exchange alignment	<b>(37,006)</b>
Written-off	<b>(637)</b>
Depreciation	<b>(9,916)</b>
<b>At 30 September 2022 (Unaudited)</b>	<b>823,541</b>

At 30 September 2022 and 31 March 2022, the carrying amounts of property, plant and equipment comprise the followings:

	At 30 September 2022 HK\$'000 (Unaudited)	At 31 March 2022 HK\$'000 (Audited)
<b>Carrying amounts:</b>		
Freehold land	<b>345,213</b>	345,213
Building	<b>24,159</b>	24,472
Hotel property	<b>417,089</b>	460,733
Leasehold improvements	<b>9,067</b>	6,926
Furniture and fixtures	<b>476</b>	595
Equipment, motor vehicles and others	<b>27,537</b>	30,432
	<b>823,541</b>	868,371

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Note:

Freehold land with the carrying amount of approximately HK\$152,084,000 (31 March 2022: HK\$152,084,000) have been pledged to secure undrawn bank facilities granted to the Group.

Building with the carrying amount of approximately HK\$24,159,000 (31 March 2022: HK\$Nil) have been pledged to secure borrowings granted to the Group.

During the six months ended 30 September 2022 and year ended 31 March 2022, hotel property of the Group is held under medium-term leases in the PRC.

### 13. MINING RIGHTS

	<b>At 30 September 2022 HK\$'000 (Unaudited)</b>	<b>At 31 March 2022 HK\$'000 (Audited)</b>
At beginning of the period/year	<b>69,555</b>	178,664
Impairment	–	(109,109)
At end of the period/year	<b>69,555</b>	69,555

The mining rights represent the rights to conduct mining activities in East Nusa Tenggara, Kupang, Indonesia.

### 14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	<b>At 30 September 2022 HK\$'000 (Unaudited)</b>	<b>At 31 March 2022 HK\$'000 (Audited)</b>
Trade receivables	<b>10,795</b>	4,398
Other receivables and deposits	<b>169,275</b>	181,254
	<b>180,070</b>	185,652
Less: allowance for ECL, net	<b>(145,358)</b>	(146,062)
	<b>34,712</b>	39,590
Prepayments	<b>5,535</b>	11,537
	<b>40,247</b>	51,127



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

The Group's trade and other receivables and prepayments are determined in the following currencies:

	<b>At</b> <b>30 September</b> <b>2022</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>At</b> <b>31 March</b> <b>2022</b> <b>HK\$'000</b> <b>(Audited)</b>
Hong Kong dollar	<b>11,322</b>	12,852
Renminbi ("RMB")	<b>24,752</b>	30,521
Indonesian Rupiah ("IDR")	<b>470</b>	315
US dollar ("USD")	<b>3,703</b>	7,439
	<b>40,247</b>	51,127

The following is an aging analysis of trade receivables based on invoice date and before allowance for ECL:

	<b>At</b> <b>30 September</b> <b>2022</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>At</b> <b>31 March</b> <b>2022</b> <b>HK\$'000</b> <b>(Audited)</b>
0 to 30 days	<b>2,844</b>	4,374
31 to 60 days	<b>2,922</b>	–
61 to 90 days	<b>2,945</b>	–
91 to 180 days	<b>2,084</b>	–
Over 180 days	<b>–</b>	24
	<b>10,795</b>	4,398

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

Movement in the allowances for ECL of trade receivables were as follow:

	<b>At 30 September 2022 HK\$'000 (Unaudited)</b>	<b>At 31 March 2022 HK\$'000 (Audited)</b>
At beginning of the period/year	27	166
Allowance for/(reversal of) ECL	80	(139)
Exchange alignment	(5)	–
At end of the period/year	<b>102</b>	27

The average credit period granted to customers is 60 to 90 days (31 March 2022: 60 to 90 days).

Movement in the allowances for ECL of other receivables were as follow:

	<b>At 30 September 2022 HK\$'000 (Unaudited)</b>	<b>At 31 March 2022 HK\$'000 (Audited)</b>
At beginning of the period/year	146,035	150,572
Written off	–	(14,747)
Allowance for ECL	4,850	8,614
Exchange alignment	(5,629)	1,596
At end of the period/year	<b>145,256</b>	146,035

The Group's other receivables as at 30 September 2022 and 31 March 2022, include an approximately of HK\$126,570,000 (31 March 2022: HK\$131,480,000) paid for acquisition and construction of several potential water plant projects in the PRC.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 September 2022 HK\$'000 (Unaudited)	At 31 March 2022 HK\$'000 (Audited)
Held for trading:		
Listed equity securities — the PRC, at fair value	<b>656,107</b>	667,906

Included in the gain on change in fair value of financial assets at fair value through profit or loss for the six months ended 30 September 2022 of approximately HK\$42,788,000 was derived from investment in Heilongjiang Interchina Water Treatment Company Limited (“Heilongjiang Interchina”) (six months ended 30 September 2021: loss of approximately HK\$2,738,000).

At 30 September 2022, no financial asset at fair value through profit or loss have been pledged to secure loan facilities granted to the Group (31 March 2022: Nil).

The fair value of the listed equity securities as at 30 September 2022 is based on the price of RMB2.54 (equivalent to approximately HK\$2.89) per share pursuant to the disposal agreements dated 9 August 2022 entered into between Interchina (Tianjin) Water Treatment Company Limited, a wholly-owned subsidiary of the Company, Mr. Jiang and Shanghai Pengxin (Group) Company Limited, respectively whereas the fair value of the listed equity securities as at 31 March 2022 is based on the closing prices in an active market.

Details of the Group’s financial assets at fair value through profit or loss are as follows:

#### At 30 September 2022 (Unaudited)

Stock Code	Name of investee company	Number of shares held	Percentage shareholding held by the Group	Investment cost HK\$'000 (Note (1))	Fair value as at 30 September 2022 HK\$'000 (Note (1))	Percentage to the Group's total assets as at 30 September 2022	Unrealised gain on change in fair value for the six months ended 30 September 2022 HK\$'000 (Note (1))
600187	Heilongjiang Interchina (Note (2))	227,312,500	14.09%	<b>276,584</b>	<b>656,107</b>	<b>24.53%</b>	<b>42,788</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

At 31 March 2022 (Audited)

Stock Code	Name of investee company	Number of shares held	Percentage shareholding held by the Group	Investment cost	Fair value as at 31 March 2022	Percentage to the Group's total assets as at 31 March 2022	Unrealised
							loss on change in fair value for the year ended 31 March 2022
				HK\$'000 (Note (1))	HK\$'000 (Note (1))		HK\$'000 (Note (1))
600187	Heilongjiang Interchina (Note (2))	227,312,500	13.74%	300,486	667,906	23.01%	(68,883)

Notes:

- (1) The investment costs and fair value as at 30 September 2022 and 31 March 2022 and unrealised gain/(loss) of the investments in the above table have been subject to foreign exchange adjustments and rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them. The fair value of investment for Heilongjiang Interchina is approximately RMB577,373,750 (equivalent to approximately HK\$656,107,000) as at 30 September 2022 (31 March 2022: approximately RMB541,004,000 (equivalent to approximately HK\$667,906,000)). The cost of investment in Heilongjiang Interchina was approximately RMB243,394,000 (equivalent to approximately HK\$276,584,000) as at 30 September 2022 (31 March 2022: RMB243,394,000 (equivalent to approximately HK\$300,486,000)).
- (2) Heilongjiang Interchina is principally engaged in sewage water treatment, water supply and the provision of environmental technology services and its issued shares are listed on the Shanghai Stock Exchange. There was no movement in the number of shares held by the Group during the six months ended 30 September 2022 and year ended 31 March 2022. No dividend was received during the six months ended 30 September 2022 and year ended 31 March 2022. According to the latest published unaudited financial statements of Heilongjiang Interchina, it had net assets value of approximately RMB3,256,243,000 (equivalent to approximately HK\$3,700,276,000), as at 30 June 2022 (31 December 2021: RMB3,329,298,000) (equivalent to approximately HK\$4,110,244,000). Heilongjiang Interchina recorded revenue of approximately RMB147,754,000 (equivalent to approximately HK\$167,902,000) and net loss of approximately RMB44,987,000 (equivalent to approximately HK\$51,122,000) for the six months ended 30 June 2022 (for the six months ended 30 June 2021: revenue of approximately RMB165,336,000 (equivalent to approximately HK\$204,119,000) and net profit of approximately RMB1,797,000 (equivalent to approximately HK\$2,219,000)).
- (3) At 30 September 2022, no financial assets at fair value through profit or loss has been pledged to secure loan facilities granted to the Group.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 16. SHARE CAPITAL

	Number of shares			
	At 30 September 2022 (Unaudited)	At 31 March 2022 (Audited)	At 30 September 2022 (Unaudited) HK\$'000	At 31 March 2022 (Audited) HK\$'000
<b>Issued and fully paid ordinary shares:</b>				
At beginning and end of the reporting period/year	<b>7,294,369,363</b>	7,294,369,363	<b>2,664,298</b>	2,664,298

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

### 17. SHARE OPTION

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 3 September 2021, the Company adopted a new share option scheme (the "New Share Option Scheme"). The New Share Option Scheme became effective for a period of 10 years commencing on 3 September 2021. Under the New Share Option Scheme, the board is authorised, at their discretion, invite a wider category of participants as defined in the Company's circular issued on 28 July 2021 (the "Participants"), to take up options to subscribe for fully paid ordinary shares in the Company subject to the terms and conditions stipulated therein.

The subscription price for shares in respect of any options granted under the New Share Option Scheme will be a price determined by the Board, in its absolute discretion, but in any case will not be lower than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant.

The total number of Shares issued and to be issued upon exercise of all options granted and to be granted (including both exercised and outstanding Options) in any 12-month period up to the date of the proposed grant to such participant would exceed 1% of the total number of shares in issue unless the proposed grant has been separately approved by the shareholders in general meeting with the proposed participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

No share option was granted under the share option scheme during the six months ended 30 September 2022 and 2021.

At the end of the reporting period, the number of shares in respect of which may be issued upon exercise of share options granted and remain outstanding under the share option scheme was Nil (30 September 2021: Nil).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 18. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities recognised by the Group and movements thereon:

	Revaluation of investment properties HK\$'000	Fair value adjustments arising on acquisition of subsidiaries HK\$'000	Total HK\$'000
At 1 April 2021	24,396	69,113	93,509
Exchange alignment	367	870	1,237
Credit to the consolidated statement of profit or loss	(12,727)	(1,425)	(14,152)
At 31 March 2022 and 1 April 2022 (Audited)	12,036	68,558	80,594
Exchange alignment	<b>(827)</b>	<b>(2,846)</b>	<b>(3,673)</b>
Credit to the condensed consolidated statement of profit or loss (note 8)	<b>(3,823)</b>	<b>(628)</b>	<b>(4,451)</b>
<b>At 30 September 2022 (Unaudited)</b>	<b>7,386</b>	<b>65,084</b>	<b>72,470</b>

Under the Enterprise Income Tax of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of the temporary differences attributable to the profits earned by the PRC subsidiaries of the Group because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

### 19. TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED

The following is an analysis of trade and other payables and deposits received:

	At 30 September 2022 HK\$'000 (Unaudited)	At 31 March 2022 HK\$'000 (Audited)
Trade payables	<b>13,277</b>	11,495
Other payables and deposits received	<b>56,445</b>	62,412
	<b>69,722</b>	73,907

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 19. TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED *(Continued)*

The Group's trade and other payables and deposits received are determined in the following currencies:

	At 30 September 2022 HK\$'000 (Unaudited)	At 31 March 2022 HK\$'000 (Audited)
Hong Kong dollar	25,601	27,292
RMB	31,597	35,596
IDR	1,212	1,140
USD	11,312	9,879
	<b>69,722</b>	<b>73,907</b>

The aging analysis of trade payables based on invoice date is as follows:

	At 30 September 2022 HK\$'000 (Unaudited)	At 31 March 2022 HK\$'000 (Audited)
0 to 30 days	1,191	1,702
31 to 60 days	8,605	3,142
Over 60 days	3,481	6,651
	<b>13,277</b>	<b>11,495</b>

The average credit period granted by supplier is 30 to 60 days (31 March 2022: 30 to 60 days).

The Group's other payables and deposits received as at 30 September 2022 and 31 March 2022, inter alia, the following:

- (i) interest payable of approximately HK\$5,535,000 (31 March 2022: HK\$5,545,000);
- (ii) deposit of decoration expenses received from Heilongjiang Interchina of approximately HK\$6,023,000 (31 March 2022: HK\$6,543,000);
- (iii) amount due to a director of the Company amounted to approximately HK\$13,605,000 (31 March 2022: HK\$12,494,000) represents an unsecured, unguaranteed, interest-free and repayable on demand to a director;
- (iv) deposit received for hotel acquisition from potential buyer of approximately HK\$Nil (31 March 2022: HK\$6,173,000); and
- (v) rental deposit received from customers of approximately HK\$3,198,000 (31 March 2022: HK\$5,360,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 20. AMOUNT DUE TO A RELATED COMPANY

As at 30 September 2022, the amount due to a related company denominated in RMB represents an unsecured and unguaranteed amount from Shanghai Pengxin (Group) Company Limited ("Shanghai Pengxin"), which is controlled by Mr. Jiang Zhaobai ("Mr. Jiang"), who is a substantial shareholder and the executive director and chairman of the Company. The amounts are repayable on demand except for HK\$230,486,000 (31 March 2022: HK\$238,124,000) are repayable after one year. The borrowing is carried at amortised cost using the effective interest method. The effective interest rate applied was 10.6% (31 March 2022: 10.6%) per annum.

As at 30 September 2022, the principal amount of amount due to a related company of approximately HK\$347,788,000 (31 March 2022: HK\$389,572,000) is unsecured, unguaranteed, interest-free and repayable on demand from Shanghai Pengxin.

### 21. BORROWINGS

	At 30 September 2022 HK\$'000 (Unaudited)	At 31 March 2022 HK\$'000 (Audited)
Borrowings, secured (Note (i))	268,000	250,000
Borrowings, unsecured (Note (i))	16,000	16,000
<b>Total borrowings</b>	<b>284,000</b>	266,000
Carrying amounts repayable: (Note (ii))		
Within one year	284,000	266,000

Notes:

- (i) The borrowings bear fixed interest rate ranging from 5.25% to 11.00% per annum for the six months ended 30 September 2022 (31 March 2022: 5.25% to 10.00% per annum).

During the year ended 31 March 2022, the Company had been entered to raise new borrowings of HK\$250,000,000. The borrowings with carrying amount of HK\$250,000,000 are secured by the share of certain subsidiaries of the Company. The borrowings with carrying amount of HK\$16,000,000 is unsecured and repayable on demand.

During the six months ended 30 September 2022, the Company had been entered to raise new borrowings of HK\$18,000,000. The borrowings with carrying amount of HK\$268,000,000 are secured by the Group's property, plant and equipment with carrying amount of HK\$24,159,000 and the share of certain subsidiaries of the Company. The borrowings with carrying amount of HK\$16,000,000 is unsecured and repayable on demand.

The Group's borrowings are denominated in Hong Kong dollar.

- (ii) The amounts due are based on scheduled repayment dates set out in the loan agreements.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### Financial assets measured at fair value

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>At 30 September 2022 (Unaudited)</b>				
Financial assets at fair value through profit or loss	<b>656,107</b>	–	–	<b>656,107</b>
At 31 March 2022 (Audited)				
Financial assets at fair value through profit or loss	667,906	–	–	667,906

During the six months ended 30 September 2022, there have been no significant transfers between Level 1, 2 and 3 (31 March 2022: Nil).

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

### 23. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated financial statements, during the period, the Group had entered into the following transactions with related parties:

#### (a) Compensation of key management personnel

Compensation for key management personnel, including amounts paid to the directors of the Company and the senior executives are as follows:

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Salaries and other short-term benefits	<b>6,283</b>	5,462
Pension scheme contributions	<b>276</b>	276
	<b>6,559</b>	5,738

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 23. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

#### (b) Imputed interest on amount due to a related company

Imputed interest recognised on the amount due to a related company is as follow:

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Shanghai Pengxin (note)	<b>11,703</b>	10,690

Note: Mr. Jiang has beneficial interest in Shanghai Pengxin.

#### (c) Management fee paid to a related company

Management fee payable to a related company is as follow:

	For the six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Management fee</b>		
Shanghai Chun Chuan Property Service Company Limited ("Shanghai Chun Chuan") (note)	<b>576</b>	1,784

Note: Mr. Jiang has beneficial interest in Shanghai Chun Chuan.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

### 24. CAPITAL COMMITMENT

The Group had the following capital commitment at the end of the reporting period:

	At 30 September 2022 HK\$'000 (Unaudited)	At 31 March 2022 HK\$'000 (Audited)
Contracted but not provided for		
— Capital contribution to an associate	5,114	5,488

### 25. EVENTS AFTER THE REPORTING PERIOD

There was no significant event took place subsequent to the end of the reporting period.

### 26. APPROVAL AND AUTHORISATION FOR ISSUE OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the board of directors on 29 November 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS OF OPERATIONS

For the six months ended 30 September 2022, the Group's revenue amounted to approximately HK\$73,748,000 (six months ended 30 September 2021: HK\$64,898,000), representing an increase of approximately 13.6% as compared with the corresponding period last year. Such increase was mainly due to the increase in revenue from agricultural operation by approximately HK\$10,940,000 as a result of the increase in average selling price of soybean as compared with the corresponding period last year.

The Group recorded a loss of approximately HK\$54,172,000 for the six months ended 30 September 2022 (six months ended 30 September 2021: HK\$18,090,000). The loss was mainly due to the net effect of (i) the recognition of the gain on changes in fair value of financial assets at fair value through profit and loss of approximately HK\$42,788,000 (six months ended 30 September 2021: loss of approximately HK\$2,738,000); (ii) loss on changes in fair value of the Group's investment properties of approximately HK\$70,588,000 (six months ended 30 September 2021: HK\$9,639,000); (iii) an increase in finance cost by 89.9% to approximately HK\$25,034,000 (six months ended 30 September 2021: HK\$13,182,000), attributable to increase in the total borrowings.

Loss for the period attributable to shareholders of the Company amounted to approximately HK\$54,156,000 (six months ended 30 September 2021: HK\$18,078,000). The basic and diluted loss per share amounted to HK0.742 cents (six months ended 30 September 2021: HK0.248 cents).

### BUSINESS REVIEW

#### Property Investment Operation

The Group's property investment operation mainly comprise two investment properties located in the centre of Beijing and Shanghai (collectively referred to as the "Beijing Property" and "Shanghai Property") respectively. At 30 September 2022, the Beijing Property was valued at approximately HK\$554,545,000 (31 March 2022: HK\$618,518,000) and the Shanghai Property was valued at approximately HK\$444,318,000 (31 March 2022: HK\$540,741,000). Based on the independent valuation performed, loss on changes in fair value of investment properties of approximately HK\$70,588,000 was recorded for the period (six months ended 30 September 2021: HK\$9,639,000). The downward adjustment in the re-valuation was mainly due to the dropping of passing rent and uncertainty of market environment in the PRC.

During the period, rental income generated from property investment operation decreased by 11.6% to approximately HK\$13,573,000 (six months ended 30 September 2021: HK\$15,350,000), which accounted for 18.4% of total revenue. The average occupancy rate of the Shanghai Property increased from 43% at 31 March 2022 to 54% at 30 September 2022. The average occupancy rate of the Beijing Property decreased from 99% at 31 March 2022 to 91% at 30 September 2022. The segment loss amounted to approximately HK\$59,850,000 (six months ended 30 September 2021: HK\$451,000). The loss was mainly attributable to increase in the loss on changes in fair value of the Group's investment properties for the period.

The Group will from time to time review its investment properties portfolio and make every endeavour to increase its rental income.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Agricultural Operation

The Group's agricultural operation engages in agricultural farming and cattle raising in Bolivia. As at 30 September 2022, the Group totally owns approximately 18,730 hectares of farmland in Bolivia with carrying value of approximately HK\$345,213,000 (31 March 2022: HK\$345,213,000).

During the period, revenue generated from agricultural operation increased by 35% to approximately HK\$42,183,000 (six months ended 30 September 2021: HK\$31,243,000), which account for 57.2% of total revenue. The major crops of the farm is soybean. During the period, approximately 4,200 hectare of soybeans was planted, the average yield was 2.4 ton per hectare with a grain production of approximately 10,100 tonnes. The average selling price of soybean was US\$460/MT, representing an increase of 18% as compared to the same period of last year. The segment profit amounted to approximately HK\$4,842,000 (six months ended 30 September 2021: HK\$2,458,000).

In view of the global demand and supply of soybean have been rising, we are confident that this segment will continue to make stable contribution to the Group's revenue and cash-flow stream in the time ahead.

### Hotel Operation

At 30 September 2022, the sole hotel property held by the Group, is the Holiday Inn Express Shanghai Wujiaochang (the "Hotel") located in Yangpu District, Shanghai, the PRC, which is a 20-storey hotel with total gross floor area of approximately 15,900 sq. m., and 296 guest rooms. The Hotel participates the medical observation program organised by the Health Commission of Yangpu District, Shanghai and becomes quarantine hotel by the end of March 2021. The average occupancy rate of the Hotel was maintained at approximately the same level as the same period of last year i.e. 95%.

During the period, revenue generated from hotel operation slightly decreased by 1.7% to approximately HK\$17,992,000 (six months ended 30 September 2021: HK\$18,305,000), which accounted for 24.4% of total revenue. The segment loss amounted to approximately HK\$566,000 (six months ended 30 September 2021: HK\$493,000).

The construction of the hotel properties was completed in 2007 and the Hotel has been in operation since December 2007. Except for minor facilities upgrade/improvement carried out regularly, a material renovation of the Hotel has not been conducted. It is expected the Hotel has a strong need to upgrade its facilities to tailor for the demand and expectation of its guests. However, the pandemic situation continues to change, and it has increased the investment risk to the Group's hotel operation. Timetable of full recovery remains uncertain.

The Company is of the view that the business outlook of the Hotel is less optimistic. The Group has been in active discussion on the possibility of disposal of the Hotel with potential purchasers. However, no agreement has been entered. The Group will closely monitor the market condition and will not eliminate the possibility of realising the Hotel in order to enhance the Group's working capital if necessary and when timing is appropriate.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Securities Investment and Financing Operation

During the period, the Group did not make any new securities investment nor grant any new loan. This segment did not contribute any revenue to the Group for the period (six months ended 30 September 2021: Nil). The segment profit amounted to approximately HK\$42,767,000 for the period, as compared to approximately HK\$3,945,000 for the same period of last year. The increase in profit was mainly due to the gain of HK\$42,788,000 on change in fair value of the financial assets at fair value through profit or loss recognised for the period (six months ended 30 September 2021: loss of HK\$2,738,000).

As at 30 September 2022, total securities investment, which was booked under financial assets at fair value through profit and loss amounted to approximately HK\$656,107,000 (31 March 2022: HK\$667,906,000), representing 24.5% (31 March 2022: 23%) of the Group's total assets of HK\$2,675,169,000 (31 March 2022: HK\$2,902,087,000). The Group through Interchina (Tianjin) Water Treatment Company Limited ("Interchina Tianjin"), a wholly-owned subsidiary of the Company solely held 227,312,500 shares of Heilongjiang Interchina Water Treatment Company Limited ("Heilongjiang Interchina", whose shares are listed on Shanghai Stock Exchange, stock code: 600187), representing 14.09% (31 March 2022: 13.74%) Heilongjiang Interchina's total issued shares. The cost of investment in Heilongjiang Interchina's share was approximately RMB1.1059 at 30 September 2022 (31 March 2022: RMB1.1059).

Heilongjiang Interchina and its subsidiaries are principally engaged in the provision of sewage water treatment, water supply and the provision of environmental technology services. As disclosed in the latest interim report of Heilongjiang Interchina for the six months ended 30 June 2022, Heilongjiang Interchina recorded revenue of approximately RMB147,754,000 (equivalent to approximately HK\$167,902,000), loss for the period of approximately RMB44,987,000 (equivalent to approximately HK\$51,122,000) and net assets of approximately RMB3,256,243,000 (equivalent to approximately HK\$3,700,276,000). Heilongjiang Interchina currently operates eight sewage projects and one water supply project with aggregate daily processing capacity of approximately 515,700 tonnes and a clean energy project in the PRC.

On 9 August 2022, Interchina Tianjin entered into disposal agreements (the "Disposal Agreements") with Shanghai Pengxin (Group) Company Limited ("Shanghai Pengxin"), a company owned as to 99% by Mr. Jiang Zhaobai ("Mr. Jiang"), an executive Director, the Chairman and a substantial shareholder of the Company and Mr. Jiang, pursuant to which Interchina Tianjin has conditionally agreed to sell and Shanghai Pengxin and Mr. Jiang have conditionally agreed to purchase total 227,312,500 shares in Heilongjiang Interchina Water Treatment Company Limited ("Heilongjiang Interchina") at an aggregate consideration of RMB577,373,750 (equivalent to approximately HK\$656,107,000). The transaction constitutes a major and connected transaction of the Company under the Listing Rules. Details of the transaction were set out in the Company's circular dated 23 September 2022. The transaction was approved by the shareholders of the Company at the general meeting held on 20 October 2022. The Group has decided to cease the operation of this segment in order to allocate more resources in other segment of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Resources Operation

The Group holds a mining licence to conduct the activities of construction, production, sales transportation and processing/refinery of manganese ore in the district of Kupang City Nusantara Timor Tenggara, Indonesia for a period of 20 years which should expire on 4 November 2031, with estimated resources of approximately 18,800,000 tonnes (the "Mining Right"). Production has not been commenced since the Group acquired the Mining Right in November 2011.

This segment did not contribute any revenue to the Group for the period (six months ended 30 September 2021: Nil). The segment loss amounted to approximately HK\$376,000 for the period, as compared to approximately HK\$288,000 from the same period of last year.

The Group will keep a conservative attitude in the operation and closely monitor the market conditions as well as consider other options such as cooperation with other party which has experience in the development and investment in resource operation and/or realisation of the investment should the opportunities arise.

### OUTLOOK

Amid the political and economic instability, the business outlook will remain difficult and challenging. The post-pandemic economy is still recovering. The Group will maintain a prudent approach in managing its businesses and strategies, as well as strengthen risk control and capital control to ensure the steady development of the Group.

While ensuring the stable operation of the existing businesses, the Group will also grasp investment opportunities to diversify the Group's business with an aim to improving its profitability, increasing shareholder returns, and laying a solid foundation for its future development.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Liquidity and Financial Resources

At 30 September 2022, the equity reached approximately HK\$1,663,887,000 (31 March 2022: approximately HK\$1,846,740,000). At 30 September 2022, the Group's cash on hand and deposits in bank was approximately HK\$48,370,000 (31 March 2022: approximately HK\$40,926,000), mainly denominated in Renminbi ("RMB") and Hong Kong dollars. At 30 September 2022, the Group's net current assets were approximately HK\$73,756,000 (31 March 2022: net current assets of approximately HK\$67,003,000). The current ratio of the Group as at 30 September 2022 was 1.10 (31 March 2022: 1.09). The gearing ratio (total outstanding borrowings over total assets) of the Group as of 30 September 2022 was 32.2% (31 March 2022: 30.8%).

At 30 September 2022, the Group's total borrowings including the amount due to a related company of approximately HK\$862,274,000 (31 March 2022: approximately HK\$893,696,000), which mainly comprised secured other borrowings of approximately HK\$268,000,000 (31 March 2022: approximately HK\$250,000,000) and unsecured other borrowings of approximately HK\$16,000,000 (31 March 2022: approximately HK\$16,000,000). As at 30 September 2022, the Group's borrowings were denominated in RMB and HKD, amounting to approximately RMB508,881,000 (31 March 2022: approximately RMB508,434,000) and approximately HK\$284,000,000 (31 March 2022: approximately HK\$266,000,000) respectively.

There has been no change in the share capital of the Company during the period. As at 1 April 2022 and 30 September 2022, the number of issued shares of the Company was 7,294,369,363.

#### Pledged of Assets

At 30 September 2022, the Group's freehold land with carrying amounts of approximately HK\$152,084,000 (31 March 2022: approximately HK\$152,084,000) were secured for undrawn bank facilities. At 30 September 2022, the Group's borrowings were secured by charges on (i) the Group's property, plant and equipment with carrying amounts of approximately HK\$24,159,000 (31 March 2022: Nil); and (ii) certain subsidiaries of the Group with carrying amounts of approximately HK\$248,544,000 (31 March 2022: HK\$279,769,000).

#### Material Acquisition and Disposal

Save for the information disclosed in other parts of this section, the Group did not have any material acquisition or disposal of subsidiaries or associates during the six months ended 30 September 2022.

#### Contingent Liability

As at 30 September 2022, the Group had no material contingent liabilities (31 March 2022: Nil).

#### Capital Commitment

As at 30 September 2022, the Group had approximately HK\$5,114,000 (31 March 2022: HK\$5,488,000) capital commitment in respect of capital contribution to an associate.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Foreign Exchange Exposure

The majority of the Group's assets and liabilities are denominated in Renminbi, Hong Kong dollars and US dollars which are the functional currencies of respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

### Financial Risks Management

The Group continues to closely manage financial risks to safeguard the interests of the shareholders of the Company. The Group applies its cash flows generated from operation and bank and other borrowings to its operational and investment needs.

The Group set out in its 2022 annual report and financial statements the principal risks that could impact its performance; these have remained unchanged since the annual report was published. The main risks arising from the Group's financial instruments are equity securities price risk, credit risk, liquidity risk and interest rate risk. The Group reviews and monitors each of these risks closely at all times.

### HUMAN RESOURCES

As at 30 September 2022, the Group employed approximately 155 employees (31 March 2022: approximately 160). The Group maintains a policy of paying competitive remuneration packages and employees are also rewarded on performance related basis including salary and bonus.

### INTERIM DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2022, the relevant interests or short positions of the Directors and chief executive of the Company in the ordinary shares and underlying shares of the Company or its associated corporations (with the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO")), which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange to be notified to the Company and the Stock Exchange were as follows:

#### Long positions in shares

Name of Shareholders	Number of shares in the Company			Approximate percentage of shareholding
	Beneficial owner	Interest in controlled corporation	Total	
Jiang Zhaobai	–	1,742,300,000 (Note)	1,742,300,000	23.89%
Lam Cheung Shing, Richard	7,700,000	–	7,700,000	0.11%

Note: As at 30 September 2022, of the 1,742,300,000 shares, 1,033,300,000 shares are held by Rich Monitor Limited and 709,000,000 shares are held by Pengxin Holdings Company Limited, all of which are wholly and beneficially owned by Mr. Jiang Zhaobai ("Mr. Jiang"). Therefore, Mr. Jiang is deemed to be interested in 1,742,300,000 shares of the Company under the SFO.

Save as disclosed above, none of the Directors or chief executive had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 September 2022.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS

As at 30 September 2022, to the best knowledge of the Directors of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the ordinary shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO:

#### Long positions in shares

Name of Shareholders	Number of shares in the Company			Approximate percentage of shareholding
	Beneficial owner	Interest in controlled corporation	Total	
Rich Monitor Limited	1,033,300,000 (Note 1)	–	1,033,300,000	14.17%
Pengxin Holdings Company Limited	709,000,000 (Note 1)	–	709,000,000	9.72%
Ansheng Holdings Company Limited	641,135,000 (Note 2)	–	641,135,000	8.79%
Tong Yung Ling	–	641,135,000 (Note 2)	641,135,000	8.79%

Notes:

- (1): Each of these corporations are wholly and beneficially owned by Mr. Jiang. The interests of Mr. Jiang in the Company is stated under the section headed "Directors' and Chief Executive's interests and short positions in shares" above.
- (2): Ansheng Holdings Company Limited is wholly and beneficially owned by Mr. Tong Yung Ling. Therefore, he is deemed to be interested in 641,135,000 shares of the Company under the SFO.

Save as disclosed above, as at 30 September 2022, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the ordinary shares or underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

## OTHER INFORMATION

### SHARE OPTION SCHEME

The Company's share option scheme (the "Old Scheme") was expired on 12 August 2021. Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 3 September 2021, the New Share Option Scheme (the "New Scheme") was approved and adopted by the Company.

As at 30 September 2022, the total number of ordinary shares available for issue pursuant to the grant of share options under the New Scheme was 729,436,936, representing approximately 10% of the ordinary shares in issue as at 30 September 2022 and date of this Interim Report.

For the six months ended 30 September 2022, no share options were granted or agreed to be granted under the Old Scheme or the New Scheme by the Company. As at 30 September 2022, there are no outstanding options.

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

During the six months ended 30 September 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

### CORPORATE GOVERNANCE CODE

Throughout the period under review, the Company had complied, to the extent applicable and permissible, with the code provision as set out in the Corporate Governance Code (the "CG Code") except for the deviations as stated below:

- (i) The Code Provision C.3.3 of the CG Code stipulates that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. All Directors, except independent non-executive Directors, have formal letters of appointment. The independent non-executive Directors have followed the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. The independent non-executive Directors clearly understand role and responsibilities of independent non-executive Directors. The Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those prescribed by code provisions C.3.3 of the CG Code and therefore does not intend to take any steps in this regard at the moment.
- (ii) The Code Provision F.2.2 of the CG Code stipulates that the chairman of the Board should attend the AGM to answer questions at the AGM. Mr. Jiang Zhaobai, the chairman of the Board did not attend the AGM held on 23 September 2022 due to other business engagements. Mr. Lam Cheung Shing, Richard, being the executive director of the Company who took the chair of the AGM, together with other members of the Board who attended the AGM, were of sufficient calibre for answering questions at the AGM and had answered questions at the AGM competently.

## OTHER INFORMATION

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the Company's code of conduct regarding securities transactions by its Directors. Specific enquiry has been made to all directors, who have confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 September 2022.

### AUDIT COMMITTEE

The Company's audit committee has reviewed this interim report for the six months ended 30 September 2022.

By order of the Board of  
**EverChina Int'l Holdings Company Limited**  
**Lam Cheung Shing, Richard**  
*Executive Director and Chief Executive Officer*

Hong Kong, 29 November 2022