



EVERCHINA INT'L HOLDINGS COMPANY LIMITED

潤中國際控股有限公司

Stock Code : 202

**INTERIM
REPORT
2024**

CONTENTS

Corporate Information	2
Independent Review Report	3
Condensed Consolidated Statement of Profit or Loss	5
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	10
Notes to the Condensed Consolidated Financial Statements	11
Management Discussion and Analysis	35
Other Information	41

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Yi, Ethan (*Chief Executive Officer*)
Mr. Zhou Zhizhu (*Co-Chief Executive Officer*)
Mr. Jiang Xiao Heng Jason

Non-executive Director

Mr. Jiang Zhaobai (*Chairman*)

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. Chen Yi, Ethan

Nomination Committee

Mr. Ko Ming Tung, Edward (*Committee Chairman*)
Mr. Ho Yiu Yue, Louis
Mr. Chen Yi, Ethan

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

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 5 to 34, which comprise the condensed consolidated statement of financial position as of 30 September 2024 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 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 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.

INDEPENDENT REVIEW REPORT

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements, which indicates that the Group incurred a loss of approximately HK\$67,741,000 for the period ended 30 September 2024 and, as of that date, the Group has short-term bank and other borrowings amounting to approximately HK\$237,111,000. As at 30 September 2024, the Group had cash and cash equivalents amounting to HK\$109,865,000 which is insufficient to fully repay the bank and other borrowings expiring within 12 months. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Fong Ka Yiu

Practising Certificate Number: P08080

Hong Kong, 28 November 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024

	Notes	For the six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Continuing operations			
Revenue	4	46,130	44,605
Cost of sales		(30,206)	(23,732)
Gross profit		15,924	20,873
Other income and losses, net	5	9,473	(16,804)
Administrative costs		(26,472)	(29,605)
Impairment loss recognised on property, plant and equipment		(1,079)	–
(Allowance for)/reversal of expected credit losses (“ECL”) on trade and other receivables, net		(27,345)	98
Loss on change in fair value less costs to sell on biological assets		(5,632)	(10,892)
Loss on change in fair value of investment properties		(30,435)	(78,462)
Loss from operations	6	(65,566)	(114,792)
Finance costs	7	(14,481)	(13,861)
Share of losses of associate		(1,169)	–
Loss before taxation from continuing operations		(81,216)	(128,653)
Tax expenses	8	(15,854)	(29,186)
Loss for the period from continuing operations		(97,070)	(157,839)
Discontinued operations			
Profit/(loss) for the period from discontinued operations, net of income tax		29,329	(29,057)
Loss for the period		(67,741)	(186,896)
Attributable to:			
Owners of the Company			
— Continuing operations		(97,059)	(157,827)
— Discontinued operations		29,329	(29,057)
		(67,730)	(186,884)
Non-controlling interests			
— Continuing operations		(11)	(12)
		(67,741)	(186,896)
Loss per share attributable to the owners of the Company			
From continuing and discontinued operations			
— Basic and diluted	10	HK(0.929) cents	HK(2.562) cents
From continuing operations			
— Basic and diluted	10	HK(1.331) cents	HK(2.164) 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 2024

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
Loss for the period	(67,741)	(186,896)
Other comprehensive income/(expense)		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	4,615	(56,159)
Total comprehensive expenses for the period	(63,126)	(243,055)
Total comprehensive expenses attributable to:		
Owners of the Company	(63,115)	(243,043)
Non-controlling interests	(11)	(12)
	(63,126)	(243,055)
Total comprehensive expenses attributable to owners of the Company:		
Continuing operations	(39,601)	(226,194)
Discontinued operations	(23,514)	(16,849)
	(63,115)	(243,043)

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			
Investment properties	12	695,556	718,682
Property, plant and equipment	13	357,708	367,025
Right-of-use assets		552	884
Mining rights		–	–
Interest in associates		47,269	549
		1,101,085	1,087,140
Current assets			
Inventories		7,496	9,862
Biological assets		24,008	30,325
Other receivables and prepayments	14	204,459	21,171
Cash and cash equivalents		109,865	24,918
		345,828	86,276
Assets classified as held for sale		–	391,260
		345,828	477,536
Total assets		1,446,913	1,564,676
Capital and reserves			
Share capital	15	2,664,298	2,664,298
Reserves		(1,587,737)	(1,524,622)
Equity attributable to owners of the Company		1,076,561	1,139,676
Non-controlling interests		29,090	29,101
Total equity		1,105,651	1,168,777
Non-current liabilities			
Lease liabilities		–	236
Deferred tax liabilities	17	30,052	59,381
		30,052	59,617
Current liabilities			
Trade and other payables and deposits received	18	67,284	82,208
Lease liabilities		578	671
Tax payable		6,237	6,237
Bank and other borrowings	19	237,111	247,166
		311,210	336,282
Total liabilities		341,262	395,899
Total equity and liabilities		1,446,913	1,564,676
Net current assets		34,618	141,254
Total assets less current liabilities		1,135,703	1,228,394

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 2024

For the six months ended 30 September 2024

	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 2024 (Audited)	2,664,298	571,996	1,342,477	110,246	(4,296)	871	(3,545,916)	1,139,676	29,101	1,168,777
Exchange differences on translation of foreign operations	-	-	-	-	4,615	-	-	4,615	-	4,615
Loss for the period	-	-	-	-	-	-	(67,730)	(67,730)	(11)	(67,741)
Total comprehensive income/(expenses) for the period	-	-	-	-	4,615	-	(67,730)	(63,115)	(11)	(63,126)
At 30 September 2024 (Unaudited)	2,664,298	571,996	1,342,477	110,246	319	871	(3,613,646)	1,076,561	29,090	1,105,651

For the six months ended 30 September 2023

	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 2023 (Audited)	2,664,298	571,996	1,342,477	110,246	26,121	871	(3,226,070)	1,489,939	31,777	1,521,716
Exchange differences on translation of foreign operations	-	-	-	-	(56,159)	-	-	(56,159)	-	(56,159)
Loss for the period	-	-	-	-	-	-	(186,884)	(186,884)	(12)	(186,896)
Total comprehensive expenses for the period	-	-	-	-	(56,159)	-	(186,884)	(243,043)	(12)	(243,055)
At 30 September 2023 (Unaudited)	2,664,298	571,996	1,342,477	110,246	(30,038)	871	(3,412,954)	1,246,896	31,765	1,278,661

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

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 2024

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	(228,718)	14,324
Investing activities		
Purchase of property, plant and equipment	(1,103)	(3,866)
Investment in associates	(46,867)	–
Proceed from disposal of property, plant and equipment classified as asset held for sale	387,008	–
Proceed from disposal of financial assets at fair value through profit or loss	–	45,407
Net cash generated from investing activities	339,038	41,541
Financing activities		
Interest paid	(16,956)	(13,243)
New bank and other borrowings raised	–	2,730
Repayment of bank and other borrowings	(10,019)	(33,037)
Repayment of lease liabilities	(360)	(358)
Net cash used in financing activities	(27,335)	(43,908)
Net increase in cash and cash equivalents	82,985	11,957
Cash and cash equivalents at beginning of the period	24,918	60,746
Effect of change in foreign exchange rate	1,962	(415)
Cash and cash equivalents at end of the period	109,865	72,288
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	109,865	72,288

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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) agricultural operation and (ii) property investment operation.

In the opinions of the directors of the Company, as at 30 September 2024, Mr. Jiang Xiao Heng Jason ("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 PRINCIPAL ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Group for the six months ended 30 September 2024 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 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 2024.

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 March 2024, 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 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Going concern

The Group incurred a net loss approximately HK\$67,741,000 (six months ended 30 September 2023: HK\$186,896,000) for the six months ended 30 September 2024 and, as of that date, the Group has short-term bank and other borrowings of approximately HK\$237,111,000 (31 March 2024: HK\$247,166,000). As at 30 September 2024, the Group had cash and cash equivalents of approximately HK\$109,865,000 (31 March 2024: HK\$24,918,000) which is insufficient to fully repay the bank and other borrowings expiring within 12 months. These indicates that the Group's ability to meet these liquidity requirements depends on its ability to generate sufficient net cash inflows from future operations and other sources.

These facts and circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. In preparing the condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. The Directors adopted the going concern basis for the preparation of the condensed consolidated financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

- (1) The management will endeavor the collection of loan receivables of approximately HK\$192,480,000 according to the terms of the loan agreement in order to enhance the future operating cash flows;
- (2) At 30 September 2024, the bank and other borrowings to the extent of approximately HK\$237,111,000 will be due for repayment within twelve months. The Company is actively negotiating with the lenders of the Group on the renewal of bank and other borrowings;
- (3) A substantial shareholder of the Company has agreed to continuously provide financial support for the operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the next twelve months from date of approval for issue of these condensed consolidated financial statements;
- (4) Soliciting for further financing arrangements which include funding from related companies of the Group; and
- (5) The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.

Based on the Group's cash flow projections, taking into account of the above measures covering a period of twelve months from the date of issue of these condensed consolidated financial statements, the directors of the Company consider that the Group would be able to finance its operations and to meet its financial obligations as and when they fall due.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(Continued)*

The financial information relating to the year ended 31 March 2024 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:

The Company has delivered the financial statements for the year ended 31 March 2024 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 auditor has reported on those financial statements for the year ended 31 March 2024. The auditors' report was unqualified; but include a reference to a matter to which the auditor drew attention by way of emphasis under the heading "Material Uncertainty Related to Going Concern" 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 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

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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:

Continuing operations:

Agricultural operation	—	Agricultural farming and sales of crops and cattle raising and sales of cattle in the Plurinational State of Bolivia ("Bolivia")
Property investment operation	—	Leasing of rental property in the PRC

In addition to the above reportable segments, other operating segments include resource operations, of which resource operations were reported as separate segments in prior years. None of these segments met the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these were grouped in "Unallocated". Prior year segment disclosures have been represented to conform with the current year's presentation.

Discontinued operations:

Hotel operation	—	Hotel operation in the PRC
Securities investment and financing operation	—	Provision of securities investment and financing operation in Hong Kong and the PRC

Information regarding the above segments is reported below.

(a) Segment revenue and result

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

Continuing operations:

	Segment revenue		Segment result	
	For the six months ended		For the six months ended	
	30 September		30 September	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
Agricultural operation	30,829	30,151	(9,870)	(11,242)
Property investment operation	15,301	14,454	(20,603)	(71,031)
Total	46,130	44,605	(30,473)	(82,273)
Other income and losses, net			9,473	(16,804)
Finance costs			(14,481)	(13,861)
Unallocated expenses			(45,735)	(15,715)
Loss before taxation			(81,216)	(128,653)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3. SEGMENT INFORMATION *(Continued)*

(a) Segment revenue and result *(Continued)*

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

Segment result represents the result generated from each segment without allocation of central administration costs including directors' salaries, other income and losses, net, finance costs and allowance for expected credit losses ("ECL") on trade and other receivables. This is the measure reported to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance.

(b) Segment assets and liabilities

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Segment assets		
Agricultural operation	408,012	428,142
Property investment operation	788,813	726,048
Total segment assets	1,196,825	1,154,190
Assets relating to discontinued operations	–	398,378
Unallocated assets	250,088	12,108
Consolidated total assets	1,446,913	1,564,676
	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Segment liabilities		
Agricultural operation	41,915	47,852
Property investment operation	18,509	17,103
Total segment liabilities	60,424	64,955
Liabilities relating to discontinued operations	–	40,884
Unallocated borrowings	237,111	247,166
Unallocated liabilities	37,490	36,657
Tax payable	6,237	6,237
Consolidated total liabilities	341,262	395,899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 reportable segments other than certain property, plant and equipment, certain right-of-use asset, interest in associates, certain other receivables, certain prepayments and certain cash and cash equivalents that are not attributable to individual segments.

All liabilities related to reportable segments other than certain other payables, certain borrowings and certain lease liabilities that are not attributable to individual segments.

(c) Other segment information

For the six months ended 30 September 2024 (Unaudited)

Continuing operations:

	Agricultural operation HK\$'000	Property investment operation HK\$'000	Unallocated HK\$'000	Consolidated total HK\$'000
Other segment information				
Depreciation of property, plant and equipment	3,017	185	101	3,303
Depreciation of right-of-use assets	–	–	332	332
Capital expenditure (Note)	1,103	–	–	1,103
Impairment loss recognised on property, plant and equipment	1,079	–	–	1,079
Loss on change in fair value of investment properties	–	30,435	–	30,435
Loss on change in fair value less costs to sell on biological assets	5,632	–	–	5,632
Allowance for ECL on trade and other receivables, net	–	–	27,345	27,345

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 2024

3. SEGMENT INFORMATION *(Continued)*

(c) Other segment information *(Continued)*

For the six months ended 30 September 2023 (Unaudited) (Restated)

Continuing operations:

	Agricultural operation HK\$'000	Property investment operation HK\$'000	Unallocated HK\$'000	Consolidated total HK\$'000
Other segment information				
Depreciation of property, plant and equipment	3,797	183	385	4,365
Depreciation of right-of-use assets	–	–	335	335
Capital expenditure (Note)	3,859	7	–	3,866
Loss on change in fair value of investment properties	–	78,462	–	78,462
Loss on change in fair value less costs to sell on biological assets	10,892	–	–	10,892
Reversal of ECL on trade and other receivables, net	(33)	–	(65)	(98)

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 2024

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 and right-of-use assets (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
	2024	2023	2024	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong	–	–	1,239	1,670
The PRC	15,301	14,454	699,114	728,463
Bolivia	30,829	30,151	353,463	356,458
	46,130	44,605	1,053,816	1,086,591

* Specified non-current assets exclude interest in associates

(e) Information about major customers

Continuing operations

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	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Agricultural operation — Customer A	24,289	27,592

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. REVENUE

Revenue is analysed as follow:

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Continuing operations:		
Timing of revenue recognition		
A point of time:		
Agricultural operation	30,829	30,151
Revenue from other sources		
Property rental income	15,301	14,454
	46,130	44,605

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.

5. OTHER INCOME AND LOSSES, NET

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Continuing operations		
Bank interest income	477	274
Other interest income	8,932	214
Net foreign exchange gain	–	69
Loss on early repayment of amount due to a related company	–	(17,444)
Sundry income	64	83
	9,473	(16,804)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

6. LOSS FROM OPERATIONS

Loss from operations has been arrived at after charging/(crediting):

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Continuing operations		
Depreciation of property, plant and equipment (note 13)	3,303	4,365
Depreciation of right-of-use assets	332	335
Allowance for/(reversal of) ECL on trade and other receivables, net	27,345	(98)
Impairment loss recognised on property, plant and equipment (note 13)	1,079	–
Short-term lease payment	–	124
Expenses relating to leases of low value assets	17	17
Gross rental income from investment properties	(15,301)	(14,454)
Less: direct operating expenses from investment properties that generated rental income during the period	468	607
	(14,833)	(13,847)

7. FINANCE COSTS

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Continuing operations		
Interests on:		
— Bank borrowings	280	144
— Other borrowings	14,170	12,776
— Lease liabilities	31	20
Imputed interest on amount due to a related company	–	921
	14,481	13,861

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

8. TAX EXPENSES

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Continuing operations		
Current tax		
— Enterprise Income Tax	9,157	29,918
— Bolivia Corporate Tax	5,806	—
— Bolivia Withholding Tax	891	1,114
	15,854	31,032
Deferred tax credit	—	(1,846)
Tax expenses	15,854	29,186

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 2024 (six months ended 30 September 2023: Nil).

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 2024 (six months ended 30 September 2023: 22%). 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 the six months ended 30 September 2024 (six months ended 30 September 2023: 25%). Bolivia Corporate Tax was recognised as the subsidiary in Bolivia has estimated assessable profit for the six months ended 30 September 2024. The Bolivia withholding tax represents tax charged by the Bolivia tax authority on dividends at 12.5% of distribution by the Group's Bolivia subsidiaries during the six months ended 30 September 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. DISCONTINUED OPERATIONS/ASSETS HELD FOR SALE

The results of the discontinued operations for the current and prior period were as follows:

Securities investment and financing operation

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
Revenue	–	–
Cost of sales	–	–
Gross profit	–	–
Administrative costs	–	(28)
Loss from operation	–	(28)
Finance costs	–	–
Loss before taxation	–	(28)
Tax expenses	–	–
Loss for the period	–	(28)
Cash flows from securities and financing operation includes:		
Net cash used in operating activities	–	(5)
Net cash generated from investing activities	–	–
Net cash generated from financing activities	–	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. DISCONTINUED OPERATIONS/ASSETS HELD FOR SALE *(Continued)*

Hotel operation

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
Revenue	–	–
Cost of sales	–	–
Gross profit	–	–
Other income and losses, net	–	3
Administrative costs	–	(10,928)
Impairment loss recognised on property, plant and equipment	–	(20,545)
Reversal of expected credit loss on trade and other receivables, net	–	143
Loss from operation	–	(31,327)
Finance costs	–	(323)
Loss before taxation	–	(31,650)
Tax credit	29,329	2,621
Profit/(loss) for the period	29,329	(29,029)
Cash flows from hotel operation includes:		
Net cash generated from operating activities	–	1,121
Net cash generated from investing activities	–	3
Net cash used in financing activities	–	(323)

Assets held for sale

On 10 January 2024, Loyal Rich International Investment Limited (“Loyal Rich”), a wholly-owned subsidiary of the Company as the vendor entered into a disposal agreement with Shanghai Jingyao Ting Hotel Co., Ltd. (“Shanghai Jingyao Ting”), pursuant to which Loyal Rich has conditionally agreed to sell, and Shanghai Jingyao Ting has conditionally agreed to purchase, the Group’s hotel properties located at Nos. 1729 and 1737 Huangxing Road, Yangpu District, Shanghai, the PRC at a consideration of RMB360,000,000, which has included the value added tax of approximately RMB3,952,000. The disposal of hotel properties was completed on 11 April 2024.

As at 31 March 2024, the Group’s hotel properties of carrying amount of approximately HK\$391,260,000 are expected to be sold within twelve months, have been classified as assets classified as held for sale and are presented separately in the consolidated statement of financial position. The hotel properties are included in the Group’s hotel operation for segment reporting purposes. For the six months ended 30 September 2023, an impairment of approximately HK\$20,545,000 was recognised in statement of profit or loss to reduce the carrying amount of hotel properties to the expected net proceeds of disposal.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

10. LOSS PER SHARE

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

From continuing and discontinued operations

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(67,730)	(186,884)

	For the six months ended 30 September	
	2024	2023
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	7,294,369,363	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 2024 and 2023.

From continuing operations

	For the six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Restated)
Loss for the period attributable to owners of the Company from continuing operations	(97,059)	(157,827)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

10. LOSS PER SHARE *(Continued)*

From discontinued operations

	For the six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (Restated)
Profit/(loss) for the period attributable to owners of the Company from discontinued operations	29,329	(29,057)

11. INTERIM DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the six months ended 30 September 2024 and 2023.

12. INVESTMENT PROPERTIES

The fair value of the Group's investment properties at 30 September 2024 have been arrived at on the basis of a valuation carried out on that date by Colliers Appraisal & Advisory Services Co. Ltd 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
At 30 September 2024 (Unaudited)				
The PRC	–	–	695,556	695,556
	–	–	695,556	695,556
At 31 March 2024 (Audited)				
The PRC	–	–	718,682	718,682
	–	–	718,682	718,682

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

13. PROPERTY, PLANT AND EQUIPMENT

	HK\$'000
Carrying amounts:	
At 1 April 2023 (Audited)	812,721
Additions	4,369
Disposal	(25,224)
Classified as held for sale	(391,260)
Impairment	(11,985)
Exchange alignment	(188)
Depreciation	(21,408)
At 31 March 2024 and 1 April 2024 (Audited)	367,025
Additions	1,103
Exchange alignment	(6,038)
Impairment	(1,079)
Depreciation	(3,303)
At 30 September 2024 (Unaudited)	357,708

At 30 September 2024 and 31 March 2024, the carrying amounts of property, plant and equipment comprise the followings:

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Carrying amounts:		
Freehold land	333,253	334,057
Other property	3,405	3,367
Leasehold improvements	7,627	8,030
Furniture and fixtures	171	195
Equipment, motor vehicles and others	13,252	21,376
	357,708	367,025

Note:

Freehold land with the carrying amount of approximately HK\$145,860,000 (31 March 2024: HK\$145,860,000) have been pledged to secure bank facilities granted to the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

14. OTHER RECEIVABLES AND PREPAYMENTS

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Other receivables and deposits	372,263	160,414
Less: allowance for ECL, net	(183,113)	(154,291)
	189,150	6,123
Prepayments	15,309	15,048
	204,459	21,171

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

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Hong Kong dollar	9,518	9,088
Renminbi ("RMB")	187,327	3,957
Indonesian Rupiah ("IDR")	331	316
US dollar ("USD")	7,283	7,810
	204,459	21,171

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

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
At beginning of the period/year	–	186
Reversal of ECL	–	(181)
Exchange alignment	–	(5)
At end of the period/year	–	–

The average credit period granted to customers is 60 to 90 days (31 March 2024: 60 to 90 days).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

14. OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

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

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
At beginning of the period/year	154,291	157,226
Allowance for/(reversal of) ECL	27,345	(265)
Exchange alignment	1,477	(2,670)
At end of the period/year	183,113	154,291

The Group's other receivables and deposits as at 30 September 2024 and 31 March 2024, mainly include (i) other receivables of approximately HK\$125,307,000 (31 March 2024: HK\$124,697,000) paid for acquisition and construction of several potential water plant projects in the PRC and (ii) loan receivable of approximately HK\$190,000,000 (31 March 2024: HK\$nil). The loan receivable were unsecured, interest bearing at 13% per annum and repayable within one year.

15. SHARE CAPITAL

	Number of shares		HK\$'000	
	At 30 September 2024 (Unaudited)	At 31 March 2024 (Audited)	At 30 September 2024 (Unaudited)	At 31 March 2024 (Audited)
Issued and fully paid ordinary shares:				
At beginning and end of the reporting period/year	7,294,369,363	7,294,369,363	2,664,298	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.

16. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

16. SHARE OPTION *(Continued)*

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 2024 and 2023.

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 2023: Nil).

17. 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 2023 (Audited)	5,112	64,430	69,542
Credit to the consolidated statement of profit or loss	(4,944)	(4,002)	(8,946)
Exchange alignment	(168)	(1,047)	(1,215)
At 31 March 2024 and 1 April 2024 (Audited)	–	59,381	59,381
Credit to the condensed consolidated statement of profit or loss — discontinued (note 9)	–	(29,329)	(29,329)
At 30 September 2024 (Unaudited)	–	30,052	30,052

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED

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

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Trade payables	2,944	9,700
Other payables and deposits received	64,340	72,508
	67,284	82,208

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

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Hong Kong dollar	37,347	46,175
RMB	18,437	21,501
IDR	1,389	1,341
USD	10,111	13,191
	67,284	82,208

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

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
0 to 30 days	423	1,159
31 to 60 days	81	246
Over 60 days	2,440	8,295
	2,944	9,700

The average credit period granted by supplier is 30 to 60 days (31 March 2024: 30 to 60 days).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED *(Continued)*

The Group's other payables and deposits received as at 30 September 2024 and 31 March 2024, inter alia, the following:

- (i) interest payable of approximately HK\$6,535,000 (31 March 2024: HK\$9,041,000);
- (ii) deposit of decoration expenses received from Heilongjiang Interchina of approximately HK\$5,889,000 (31 March 2024: HK\$5,824,000);
- (iii) amount due to a director of the Company amounted to approximately HK\$17,413,000 (31 March 2024: HK\$17,413,000) represents an unsecured, unguaranteed, interest-free and repayable on demand to a director; and
- (iv) rental deposit received from customers of approximately HK\$4,390,000 (31 March 2024: HK\$3,564,000).

19. BANK AND OTHER BORROWINGS

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Bank borrowings, secured (Note (i))	2,411	6,166
Other borrowings, secured (Note (ii))	233,700	240,000
Other borrowings, unsecured (Note (ii))	1,000	1,000
Total borrowings	237,111	247,166
Carrying amounts repayable:		
Within one year	235,737	241,916
Within a period more than one year but not exceeding two years	916	4,333
Within a period more than two years but not exceeding five years	458	917
	237,111	247,166
Less:		
Amount due within one year shown under current liabilities with repayment on demand clause	(237,111)	(247,166)
Amount shown under non-current liabilities	–	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19. BANK AND OTHER BORROWINGS (Continued)

Notes:

- (i) The bank borrowings are repayable on agreed repayment schedule by installments over a period from 2 to 3 years bearing fixed interest rate of 6.00% per annum for the six months ended 30 September 2024 (31 March 2024: ranging from 5.75% to 6.00% per annum).

At 30 September 2024, the bank borrowings with carrying amount of HK\$2,411,000 (31 March 2024: HK\$6,166,000) are secured by the Group's investment property, with carrying amount of HK\$nil (31 March 2024: HK\$15,965,000) and the Group's freehold land with carrying amount of HK\$145,860,000 (31 March 2024: HK\$145,860,000).

- (ii) The other borrowings bear fixed interest rate ranging from 5.25% to 12% per annum for the six months ended 30 September 2024 (31 March 2024: 5.75% to 12% per annum).

The other borrowings with carrying amount of approximately HK\$233,700,000 (31 March 2024: HK\$240,000,000) are secured by the share of certain subsidiaries of the Company. The other borrowings with carrying amount of HK\$1,000,000 (31 March 2024: HK\$1,000,000) are unsecured and repayable on demand.

- (iii) The Group's bank and other borrowings are denominated in the following currencies:

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Hong Kong dollar	234,700	241,000
USD	2,411	2,869
RMB	–	3,297
	237,111	247,166

20. 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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Salaries and other short-term benefits	2,719	5,556
Pension scheme contributions	48	276
	2,767	5,832

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

20. 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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Shanghai Pengxin (Note)	–	921

Note: Mr. Jiang Zhaobai 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	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Management fee		
Shanghai Chun Chuan Property Service Company Limited ("Shanghai Chun Chuan") (Note)	281	526

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

21. CAPITAL COMMITMENT

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

	At 30 September 2024 HK\$'000 (Unaudited)	At 31 March 2024 HK\$'000 (Audited)
Contracted but not provided for		
— Capital contribution to associates	12,556	75,275

22. EVENTS AFTER THE REPORTING PERIOD

There are no material events for disclosure subsequent to 30 September 2024 and up to the date of this report.

23. 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 28 November 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

For the six months ended 30 September 2024, the Group's revenue from continuing operations amounted to approximately HK\$46,130,000 (six months ended 30 September 2023: HK\$44,605,000), representing an increase of approximately 3.4% as compared to the same period of last year. The loss for the period (including continuing and discontinued operations) amounted to approximately HK\$67,741,000 for the six months ended 30 September 2024 (six months ended 30 September 2023: HK\$186,896,000), representing a decrease of approximately 63.8% as compared to the same period of last year. The decrease in loss was mainly due to the net effect of

- (i) a decrease in loss on change in fair value of the Group's investment properties by 61.2% to approximately HK\$30,435,000 (six months ended 30 September 2023: HK\$78,462,000);
- (ii) in absence of loss on early repayment of amount due to a related company (six months ended 30 September 2023: HK\$17,444,000) which was included in other income and losses, net in last year;
- (iii) an allowance for expected credit loss ("ECL") on trade and other receivables, net of approximately HK\$27,345,000 for the period as compared with the reversal of ECL on trade and other receivables, net of approximately HK\$98,000 was recorded in last year;
- (iv) a decrease in tax expenses by 45.7% to approximately HK\$15,854,000 (six months ended 30 September 2023: HK\$29,186,000); and
- (v) recognised a profit of approximately HK\$29,329,000 from discontinued operations as a result of a tax credit (six months ended 30 September 2023: loss of HK\$29,057,000).

Loss for the period attributable to owners of the Company (including continuing and discontinued operations) amounted to approximately HK\$67,730,000 (six months ended 30 September 2023: HK\$186,884,000). The basic and diluted loss per share (including continuing and discontinued operations) amounted to approximately HK0.929 cents for the six months ended 30 September 2024 (six months ended 30 September 2023: HK2.562 cents).

BUSINESS REVIEW

During the period, the Company is mainly engaged in agricultural operation and property investment operation.

Agricultural operation

The Group's agricultural operation engages in agricultural farming and cattle raising in Bolivia. As at 30 September 2024, the Group totally owns approximately 18,730 hectares of farmland in Bolivia with carrying value of approximately HK\$333,253,000 (31 March 2024: HK\$334,057,000). As at 30 September 2024, the Group raised cattle of 3,374 heads (31 March 2024: 3,424 heads).

MANAGEMENT DISCUSSION AND ANALYSIS

During the period, revenue generated from agricultural operation increased by 2.2% to approximately HK\$30,829,000 (six months ended 30 September 2023: HK\$30,151,000), which account for 66.8% of total revenue of the Group. Revenue from sale of crops amounted to approximately HK\$29,522,000 (six months ended 30 September 2023: HK\$28,817,000) whereas revenue from sale of cattle amounted to HK\$1,307,000 (six months ended 30 September 2023: HK\$1,334,000). The major crops of the farm is soybean. During the period, approximately 4,500 hectare of soybeans was planted (six months ended 30 September 2023: 5,000 hectare), the average yield was 2.3 ton per hectare (six months ended 30 September 2023: 1.8 ton per hectare) with a grain production of approximately 10,200 tons (six months ended 30 September 2023: 9,200 tons). The average selling price of soybean was US\$340/MT, representing a decrease of 10.5% as compared to the same period of last year. This segment recorded a loss of approximately HK\$9,870,000 (six months ended 30 September 2023: HK\$11,242,000).

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.

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 2024, the Beijing Property was valued at approximately HK\$436,667,000 (31 March 2024: HK\$453,847,000) and the Shanghai Property was valued at approximately HK\$258,889,000 (31 March 2024: HK\$264,835,000). Based on the independent valuation performed, loss on changes in fair value of investment properties of approximately HK\$30,435,000 was recorded for the six months ended 30 September 2024 (six months ended 30 September 2023: HK\$78,462,000).

During the period, rental income generated from property investment operation increased by 5.9% to approximately HK\$15,301,000 (six months ended 30 September 2023: HK\$14,454,000), which accounted for 33.2% of total revenue of the Group. As at 30 September 2024, the average occupancy rate of the Beijing Property and the Shanghai Property reached 86% and 83% respectively. The segment loss amounted to approximately HK\$20,603,000 (six months ended 30 September 2023: HK\$71,031,000). Such decrease was mainly attributable to the decrease in the loss on changes in fair value of the Group's investment properties as compared to the same period of last year.

The Group will make every endeavour to increase its rental income. The Group will also closely monitor the market condition and will not eliminate the possibility of realising part of the investment properties in order to enhance the Group's working capital if necessary and when timing is appropriate.

Loan Receivables

The Group focuses on property investment operation and agricultural operation as its principal business, and a limited number of transactions were carried out by the Group as part of its treasury activities with the intention to effectively utilise its available financial resources on hand from time to time, which contributed to the loan interest income of the Group.

During the period, the Group provided short-term financial assistance to independent third parties. They are corporation and operating business in the PRC. The source of funds is funded by the net proceed from the disposal of the Group's hotel properties which completed in April 2024. It believes that it can provide a generous interest income to the Group. The Group recognised interest income of approximately HK\$8,931,000 for the period.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 September 2024, the loan receivables before and after impairment amounted to approximately HK\$192,480,000 and HK\$167,050,000 were due from five independent third parties and had an interest rate of 13% per annum. They are unsecured and matured within six months as of 30 September 2024. The loan receivables after impairment represents approximately 11.6% of the total assets of the Group and the largest amount of loan receivables amounted to approximately HK\$37,306,000, representing approximately 22.3% of total loan receivables as at 30 September 2024. The interest arising from the loan receivables are in the good standing and no occurrence on the default of interests.

In the course of preparing the financial statements, the management had engaged an independent qualified valuer (the "ECL Valuer") to determine the expected credit losses (the "ECL") of the Group's loans receivable. In assessing the ECL of the Group's loans receivable, a credit rating analysis of the underlying debtors was adopted by reviewing the historical accounting information to estimate the default risk. In determining the default risk, factors including but not limited to, the ageing analysis of the receivables, the Group's internal assessment of the debtors' credit worthiness, historical and forecast occurrence of event of default, existence and valuation of the collaterals (if any), and global economic outlook in general and the specific economic condition of Hong Kong and the People's Republic of China (the "PRC"), would be considered. The Group considered that the default risk of those borrowers was relatively low thus the ECL rate of 13.21% is adopted in the calculation of the ECL on the loan receivables. Based on independent valuation performed, allowance for ECL on loan receivable of approximately HK\$24,877,000 was recorded for the period (30 September 2023: Nil).

The Group will closely monitor the repayment of the principal amount of the loan and the interests accrued thereon in accordance with the terms of the loan agreement. In the circumstances where a borrower has defaulted on a loan, the Group will promptly taken appropriate actions to recover the outstanding principal amounts and interests, which include but is not limited to: (i) issuing payment reminders; (ii) negotiating repayment terms and methods with the borrowers; (iii) issuing demand letters from the Group's legal advisers from time to time; and (iv) commencing legal proceedings.

OUTLOOK

The global economic outlook will remain challenging. To cope with the challenging environments, the Group will continue to adopt a prudent approach in managing its existing businesses and investment strategies, as well as strengthen risk control to ensure the steady development of the Group.

In the meanwhile, the Group will grasp investment opportunities to diversify the Group's business and, at the same time, strive to control the costs to maintain stable return to the shareholders of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Liquidity and Financial Resources

At 30 September 2024, the equity reached approximately HK\$1,105,651,000 (31 March 2024: approximately HK\$1,168,777,000). At 30 September 2024, the Group's cash on hand and deposits in bank was approximately HK\$109,865,000 (31 March 2024: approximately HK\$24,918,000). The proportions of Renminbi ("RMB"), US dollar ("USD") and Hong Kong dollars were 88.4%, 7.4% and 4.2% (31 March 2024: 27%, 71% and 2%) respectively. At 30 September 2024, the Group's net current assets were approximately HK\$34,618,000 (31 March 2024: approximately HK\$141,254,000). The current ratio of the Group as at 30 September 2024 was 1.11 (31 March 2024: 1.4). The gearing ratio (total outstanding borrowings over total assets) of the Group as of 30 September 2024 was 16.4% (31 March 2024: 15.8%). At 30 September 2024, the Group's total bank and other borrowings of approximately HK\$237,111,000 (31 March 2024: approximately HK\$247,166,000), which mainly comprised secured bank borrowings of approximately HK\$2,411,000 (31 March 2024: approximately HK\$6,166,000), secured other borrowings of approximately HK\$233,700,000 (31 March 2024: approximately HK\$240,000,000) and unsecured other borrowings of approximately HK\$1,000,000 (31 March 2024: approximately HK\$1,000,000). As at 30 September 2024, the Group's borrowings were denominated in RMB, HKD and USD, amounting to approximately RMB nil (31 March 2024: approximately RMB3,000,000) and approximately HK\$234,700,000 (31 March 2024: approximately HK\$241,000,000) and approximately USD309,000 (31 March 2024: USD368,000) respectively.

The Group recorded loss of approximately HK\$67,741,000 for the six months ended 30 September 2024 and, as of that date, the Group has short-term bank and other borrowings of approximately HK\$237,111,000 (31 March 2024: HK\$247,166,000). As at 30 September 2024, the Group had cash and cash equivalents of approximately HK\$109,865,000 (31 March 2024: HK\$24,918,000) which is insufficient to fully repay the bank and other borrowings expire within 12 months. These indicates that the Group's ability to meet these liquidity requirements depends on its ability to generate sufficient net cash inflow from future operations and other sources.

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. The Directors adopted the going concern basis for the preparation of the consolidated financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

- (1) The management will endeavor the collection of other loan receivables of HK\$192,480,000 according to the terms of the loan agreement in order to enhance the future operating cash flows;
- (2) At 30 September 2024, the bank and other borrowings to the extent of approximately HK\$237,111,000 will be due for repayment within twelve months. The Company is actively negotiating with the lenders of the Group on the renewal of other borrowings;
- (3) A substantial shareholder of the Company has agreed to continuously provide financial support for the operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the next twelve months from date of approval for issue of these consolidated financial statements;

MANAGEMENT DISCUSSION AND ANALYSIS

- (4) Soliciting for further financing arrangements which include funding from related companies of the Group; and
- (5) The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.

Based on the Group's cash flow projections, taking into account of the above measures covering a period of twelve months from the date of issue of these consolidated financial statements, the directors of the Company consider that the Group would be able to finance its operations and to meet its financial obligations as and when they fall due.

Capital Structure

There has been no change in the share capital of the Company during the period. As at 1 April 2024 and 30 September 2024, the number of issued shares of the Company was 7,294,369,363.

Pledged of Assets

At 30 September 2024, the Group's freehold land with carrying amounts of approximately HK\$145,860,000 (31 March 2024: approximately HK\$145,860,000) were secured for bank facilities. At 30 September 2024, the Group's borrowings were secured by charges on (i) the Group's investment properties with carrying amounts of approximately HK\$ nil (31 March 2024: HK\$15,965,000); and (ii) certain subsidiaries of the Group with carrying amounts of approximately HK\$211,889,000 (31 March 2024: HK\$220,894,000).

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 2024.

Contingent Liability

As at 30 September 2024, the Group had no material contingent liabilities (31 March 2024: Nil).

Capital Commitment

As at 30 September 2024, the Group had approximately HK\$12,556,000 (31 March 2024: HK\$75,275,000) capital commitment in respect of capital contribution to associates.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2024 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 2024, the Group employed approximately 100 employees (31 March 2024: approximately 115). 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 2024 (six months ended 30 September 2023: Nil).

OTHER INFORMATION

CHANGES IN DIRECTORS' INFORMATION

So far as the Directors are aware and save as disclosed in this report, there has been no other change of information of Directors since the publication of the Company's annual report for the year ended 31 March 2024 up to the date of this report pursuant to Rule 13.51B(1) of the Listing Rules.

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

As at 30 September 2024, 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 Listing Rules 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 Xiao Heng Jason	–	2,042,210,000 (Note)	2,042,210,000	28%

Note: As at 30 September 2024, of the 2,042,210,000 shares, 1,133,300,000 shares are held by Rich Monitor Limited and 908,910,000 shares are held by Pengxin Holdings Company Limited, All of which are wholly and beneficially owned by Mr. Jiang Xiao Heng Jason ("Mr. Jason Jiang"). Therefore, he is deemed to be interested in 2,042,210,000 shares of the Company under the SFO. Mr. Jason Jiang is the son of Mr. Jiang Zhaobai, a non-executive Director and the Chairman of the Board.

OTHER INFORMATION

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 2024.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2024, 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	1,133,300,000 (Note 1)	–	1,133,300,000	15.54%
Pengxin Holdings Company Limited	908,910,000 (Note 1)	–	908,910,000	12.46%
Ansheng Holdings Company Limited	732,935,000 (Note 2)	–	732,935,000	10.05%
Tong Yung Ling	–	732,935,000 (Note 2)	732,935,000	10.05%

Notes:

- (1): Rich Monitor Limited and Pengxin Holdings Company Limited are wholly and beneficially owned by Mr. Jason Jiang. Therefore, he is deemed to be interested in 2,042,210,000 shares of the Company under the SFO. The interests of Mr. Jason 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 732,935,000 shares of the Company under the SFO.

Save as disclosed above, as at 30 September 2024, 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

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 "Scheme") was approved and adopted by the Company.

As at 30 September 2024, the total number of ordinary shares available for issue pursuant to the grant of share options under the Scheme was 729,436,936, representing approximately 10% of the ordinary shares in issue as at 30 September 2024 and date of this Interim Report.

For the six months ended 30 September 2024, no share options were granted or agreed to be granted under the Scheme by the Company. As at 30 September 2024, there are no outstanding options.

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

During the six months ended 30 September 2024, 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 5 September 2024 due to other business engagements. Mr. Chen Yi, 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 C3 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 2024.

AUDIT COMMITTEE

The Company's audit committee has reviewed this interim report for the six months ended 30 September 2024.

By order of the Board of
EverChina Int'l Holdings Company Limited
Chen Yi
Executive Director and Chief Executive Officer

Hong Kong, 28 November 2024