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**SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED**

**華信地產財務有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 252)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

**INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Southeast Asia Properties & Finance Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024 (the “**Reporting Period**”), together with the comparative figures of the corresponding period in 2023 (the “**Previous Reporting Period**”) as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
<b>Revenue</b>	5	<b>101,993,615</b>	99,223,674
Cost of sales		<u>(65,889,647)</u>	<u>(66,895,315)</u>
<b>Gross profit</b>		<b>36,103,968</b>	32,328,359
Other revenue and other income		<b>2,248,787</b>	3,253,055
(Loss)/Gain arising from change in fair value of investment properties		<b>(34,662,900)</b>	10,348,000
Gain/(Loss) arising from financial assets at fair value through profit or loss (“FVTPL”)		<b>6,463,915</b>	(4,510,000)
Selling and distribution expenses		<b>(2,428,655)</b>	(1,827,467)
Administrative expenses		<b>(22,689,954)</b>	(26,540,037)
Other operating (expenses)/income		<b>(2,599,213)</b>	2,153,526
Finance costs	6	<b>(7,778,610)</b>	(7,192,185)
Loss on deemed disposal of interests in an associate		<b>(15,223,125)</b>	–
Share of results of associates		<b>9,068,649</b>	<u>(1,889,155)</u>
<b>(Loss)/Profit before income tax</b>		<b>(31,497,138)</b>	6,124,096
Income tax expenses	7	<u><b>(2,061,639)</b></u>	<u>(1,296,748)</u>
<b>(Loss)/Profit for the period</b>	8	<u><b>(33,558,777)</b></u>	<u>4,827,348</u>
<b>(Loss)/Profit for the period attributable to:</b>			
Owners of the Company		<b>(33,835,273)</b>	5,663,003
Non-controlling interests		<b>276,496</b>	<u>(835,655)</u>
		<u><b>(33,558,777)</b></u>	<u>4,827,348</u>
<b>(Loss)/Earnings per share attributable to owners of the Company</b>			
Basic and diluted ( <i>HK cents</i> )	10	<u><b>(15.0)</b></u>	<u>2.5</u>

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	<b>Six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<i>HK\$</i>	<i>HK\$</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>(Loss)/Profit for the period</b>	<b>(33,558,777)</b>	4,827,348
<b>Other comprehensive income/(expenses):</b>		
<i>Item that will be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<b>2,595,425</b>	(7,518,923)
Share of other comprehensive expense of an associate	<b>(119,827)</b>	–
<b>Other comprehensive income/(expenses) for the period</b>	<b>2,475,598</b>	(7,518,923)
<b>Total comprehensive expense for the period</b>	<b>(31,083,179)</b>	(2,691,575)
<b>Total comprehensive expense attributable to:</b>		
Owners of the Company	<b>(31,492,536)</b>	(1,353,808)
Non-controlling interests	<b>409,357</b>	(1,337,767)
	<b>(31,083,179)</b>	(2,691,575)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		<b>30 September 2024 HK\$ (Unaudited)</b>	31 March 2024 HK\$ (Audited)
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>292,186,052</b>	259,641,262
Right-of-use assets		<b>11,023,643</b>	11,801,815
Investment properties		<b>646,028,868</b>	674,706,515
Interests in associates	<i>11</i>	<b>267,585,257</b>	273,314,749
Intangible assets		<b>3,501,501</b>	3,501,501
Other assets		<b>2,700,000</b>	2,700,000
Financial asset at fair value through other comprehensive income (“FVOCI”) (non-recycling)		<b>91,116,838</b>	90,985,137
Loan receivables		<b>30,790,557</b>	29,822,385
Prepayment for acquisition of property, plant and equipment		<b>642,436</b>	1,109,015
Deferred tax assets		<b>507,049</b>	441,828
		<b>1,346,082,201</b>	1,348,024,207
<b>Current assets</b>			
Inventories		<b>47,553,424</b>	38,892,960
Trade and other receivables	<i>12</i>	<b>176,994,554</b>	101,584,637
Deposits and prepayments		<b>6,687,438</b>	4,703,672
Tax recoverable		<b>2,835,502</b>	2,440,275
Amount due from an associate		–	17,365,705
Financial assets at FVTPL		<b>27,771,800</b>	21,646,350
Trust accounts of shares dealing clients		<b>30,393,990</b>	58,818,134
Cash and cash equivalents		<b>52,761,895</b>	41,844,128
		<b>344,998,603</b>	287,295,861

		<b>30 September</b>	31 March
		<b>2024</b>	2024
		<b>HK\$</b>	<b>HK\$</b>
	<i>Notes</i>	<b>(Unaudited)</b>	(Audited)
<b>Current liabilities</b>			
Trade and other payables	13	172,062,493	106,709,001
Contract liabilities		603,247	1,216,568
Amount due to an associate		817,320	–
Bank loans		15,087,054	58,240,087
Lease liabilities		355,874	1,059,254
Tax payable		4,443,798	2,846,290
		<u>193,369,786</u>	<u>170,071,200</u>
<b>Net current assets</b>		<u>151,628,817</u>	<u>117,224,661</u>
<b>Total assets less current liabilities</b>		<u>1,497,711,018</u>	<u>1,465,248,868</u>
<b>Non-current liabilities</b>			
Bank loans		301,767,756	273,221,012
Amount due to an associate		65,170,471	30,405,128
Amount due to a non-controlling interest		3,395,000	3,395,000
Deferred tax liabilities		11,813,550	11,580,308
Long service payment obligations		931,494	931,494
		<u>383,078,271</u>	<u>319,532,942</u>
<b>Net assets</b>		<u>1,114,632,747</u>	<u>1,145,715,926</u>
<b>EQUITY</b>			
Share capital		245,062,941	245,062,941
Reserves		859,056,916	890,549,452
		<u>1,104,119,857</u>	<u>1,135,612,393</u>
Equity attributable to owners of the Company		1,104,119,857	1,135,612,393
Non-controlling interests		10,512,890	10,103,533
		<u>1,114,632,747</u>	<u>1,145,715,926</u>
<b>Total equity</b>		<u>1,114,632,747</u>	<u>1,145,715,926</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2024*

## 1. GENERAL INFORMATION

The Company is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is Units 407–410, 4th Floor, Tower 2, Silvercord, No. 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong and, its principal place of business is Hong Kong and the People’s Republic of China (the “**PRC**”). The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Group include investment holding, property investment, development and leasing, hotel operation, manufacturing and distribution of plastic packaging materials and broking and securities margin financing.

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The financial information relating to the year ended 31 March 2024 that is included in these condensed consolidated financial statements for the Reporting Period 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 required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”) 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 Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's 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.

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

The condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 March 2024.

### **3. PRINCIPAL ACCOUNTING POLICIES**

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2024 except as stated below.

#### **The adoption of amendments to standards and framework**

The Group adopted the following amendments to standards and framework, which are relevant to its operations.

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
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The above amendments to standards and framework did not have significant impact on the Group's accounting policies and did not require retrospective adjustments.

#### 4. SEGMENT INFORMATION

The Group determines operating segments based on internal reports that are regularly reviewed by the chief operating decision maker (“**CODM**”) for the purpose of resource allocation and assessment of segment performance between segments and that are used to make strategic decisions.

The CODM has been identified as the directors of the Company. The CODM review the Group’s internal reporting for the purposes of resources allocation and the assessment of segment performance and have determined the operating segments based on these reports.

The CODM consider the business from both a geographic and product perspective. From geographic and product perspective, the CODM assess as the performance of (i) property investment, development and leasing/hotel operation, (ii) manufacturing and distribution of plastic packaging materials and (iii) broking and securities margin financing.

In a manner consistent with the way in which information is reported internally to the CODM for the purposes of resources allocation and assessment of segment performance, the Group is currently organised into the following operating segments:

Property investment, development and leasing/hotel operation	Provision of hotel services in Hong Kong and investing, developing and leasing properties in Hong Kong and the PRC
Manufacturing and distribution of plastic packaging materials	Manufacturing and distribution of plastic packaging materials
Broking and securities margin financing	Provision of stock and futures broking and provision of securities margin financing

Hotel operation business in Hong Kong was temporarily suspended from 1 June 2020 for alteration and addition works.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.



**(I) Segment revenue and results**

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

	Property investment, development and leasing/ hotel operation		Manufacturing and distribution of plastics packaging materials		Broking and securities margin financing		Consolidated	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue — from external customers	<u>7,680,385</u>	6,855,408	<u>88,467,984</u>	85,607,141	<u>5,845,246</u>	6,761,125	<u>101,993,615</u>	<u>99,223,674</u>
Segment results	(5,511,970)	(1,847,117)	14,526,221	10,659,382	8,084,597	(3,954,829)	17,098,848	4,857,436
(Loss)/Gain arising from change in fair value of investment properties	<u>(34,662,900)</u>	10,348,000	-	-	-	-	<u>(34,662,900)</u>	10,348,000
(Loss)/Profit from operations	<u>(40,174,870)</u>	8,500,883	<u>14,526,221</u>	10,659,382	<u>8,084,597</u>	(3,954,829)	<u>(17,564,052)</u>	15,205,436
Loss on deemed disposal of interest in an associate							(15,223,125)	-
Unallocated finance costs							(7,778,610)	(7,192,185)
Share of results of associates							<u>9,068,649</u>	<u>(1,889,155)</u>
(Loss)/Profit before income tax							<u>(31,497,138)</u>	6,124,096
Income tax expenses							<u>(2,061,639)</u>	<u>(1,296,748)</u>
(Loss)/Profit for the period							<u>(33,558,777)</u>	<u>4,827,348</u>

## (II) Geographical segment

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the assets in case of property, plant and equipment (including prepayment of acquisition of property, plant and equipment), right-of-use assets and investment properties, the location of operation to which they are allocated in case of intangible assets, and the location of operation in case of interests in associates.

	Revenue from external customers		Non-current assets	
	Six months ended			
	30 September	30 September	30 September	31 March
	2024	2023	2024	2024
	HK\$	HK\$	HK\$	HK\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong (domicile)	25,390,116	26,489,706	896,331,433	876,294,618
Japan	23,351,344	22,436,245	–	–
Oceania	21,357,274	19,169,033	–	–
The PRC	12,652,324	17,680,396	74,385,007	89,600,453
North America	10,151,288	7,575,618	–	–
Europe	9,091,269	5,872,676	–	–
Philippines	–	–	252,308,881	258,179,786
	<u>101,993,615</u>	<u>99,223,674</u>	<u>1,223,025,321</u>	<u>1,224,074,857</u>

## 5. REVENUE

The Group's revenue recognised during the period is as follows:

	<b>Six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$</b>	<b>HK\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue from contracts with customers</b>		
Sale of goods	<b>88,467,984</b>	85,607,141
Brokerage commission	<b>1,998,502</b>	2,337,365
	<b>90,466,486</b>	87,944,506
<b>Revenue from other sources</b>		
Rental income and rental related income	<b>7,680,385</b>	6,855,408
Interest income received from clients	<b>2,510,571</b>	3,097,907
Dividend income from listed equity securities	<b>1,336,173</b>	1,325,853
	<b>11,527,129</b>	11,279,168
<b>Total revenue</b>	<b>101,993,615</b>	<b>99,223,674</b>

### **Disaggregation of revenue from contracts with customers with the scope of HKFRS 15**

The Group derives revenue from the transfer of goods and services at a point in time during the Reporting Period and the Previous Reporting Period.

## 6. FINANCE COSTS

	<b>Six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$</b>	<b>HK\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest expenses on:		
Bank loans	<b>9,727,380</b>	6,178,276
Other borrowings	<b>44,736</b>	135,691
Imputed Interest expenses to amount due to an associate	<b>979,842</b>	979,843
Finance charges on lease liabilities	<b>12,120</b>	33,971
Bank charges	<b>173,994</b>	2,374,931
	<hr/>	<hr/>
Total borrowing costs	<b>10,938,072</b>	9,702,712
Less: Amounts capitalised in the cost of qualifying assets ( <i>note</i> )	<b>(3,159,462)</b>	(2,510,527)
	<hr/>	<hr/>
	<b><u>7,778,610</u></b>	<b><u>7,192,185</u></b>

*Note:* The amounts represent the borrowing cost related to specific borrowings.

## 7. INCOME TAX EXPENSES

	<b>Six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$</b>	<b>HK\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax:		
Provision for the period	<b>1,893,617</b>	1,020,296
Deferred tax expense	<b>168,022</b>	276,452
	<hr/>	<hr/>
Total income tax expenses for the period	<b><u>2,061,639</u></b>	<b><u>1,296,748</u></b>

The provision for Hong Kong Profits Tax for the Reporting Period is calculated at 16.5% (Previous Reporting Period: 16.5%) of the estimated assessable profits for the period, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2 million are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in the Previous Reporting Period.

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

## 8. (LOSS)/PROFIT FOR THE PERIOD

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

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>HK\$</b>	HK\$
	<b>(Unaudited)</b>	(Unaudited)
Cost of inventories sold	<b>53,203,262</b>	53,314,549
Direct operating expenses for generating rental income	<b>1,122,757</b>	1,098,030
Depreciation:		
– Property, plant and equipment	<b>4,152,990</b>	4,225,379
– Right-of-use assets	<b>923,254</b>	929,038
	<b>5,076,244</b>	5,154,417
(Gain)/Loss arising from change in fair value of financial assets at FVTPL	<b>(6,449,300)</b>	4,510,000
Bad debt recovered	–	(29,000)
Exchange loss/(gain), net	<b>2,599,213</b>	(2,184,575)
Staff costs (including directors’ emoluments):		
– Salaries, wages and allowances	<b>18,344,096</b>	19,653,667
– Staff benefits	<b>837,935</b>	454,953
– Retirement benefit schemes contributions	<b>271,904</b>	1,275,776
	<b>19,453,935</b>	21,384,396

## 9. DIVIDENDS

The Board does not recommend the payment of any interim dividends for the Reporting Period (Previous Reporting Period: Nil).

Final dividends relating to the year ended 31 March 2024 amounting to HK\$6,762,601 were paid in October 2024.

## 10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share is based on the loss attributable to owners of the Company of HK\$33,835,273 (Previous Reporting Period: profit attributable to owners of the Company of HK\$5,663,003) and on the weighted average 225,420,034 (Previous Reporting Period: 225,420,034) ordinary shares in issue during the period.

The diluted earnings per share for the Reporting Period and Previous Reporting Period were the same as basic earnings per share as there were no dilutive potential ordinary shares in existence for both periods.

## 11. INTERESTS IN ASSOCIATES

	<b>30 September 2024 HK\$ (Unaudited)</b>	31 March 2024 HK\$ (Audited)
Cost of investments in associates	<b>7,468,108</b>	6,664,312
Amounts due from associates ( <i>note</i> )	<b>16,446,598</b>	33,812,303
Share of post-acquisition profits and other comprehensive income, net of dividends received	<b>260,117,149</b>	266,650,437
Less: impairment loss recognised on amounts due from associates	<b>(16,446,598)</b>	(16,446,598)
	<b>267,585,257</b>	290,680,454
Less: Amounts shown under current assets	–	(17,365,705)
	<b><u>267,585,257</u></b>	<b><u>273,314,749</u></b>

*Note:* The balances are unsecured, interest-free and have no fixed repayment terms.

The following list contains only the particulars of associates, all of which are unlisted corporate entities whose quoted market prices are not available, which in the opinion of the directors principally affected the results or net assets of the Group as at 30 September 2024 and 31 March 2024.

Name of associates	Country/Place of incorporation/ operation	Issued and fully paid share capital	Proportion of ownership interest held by the Group		Principal activities
			30 September 2024 %	31 March 2024 %	
Wisestar Holdings Limited (“Wisestar”) <i>(note (1))</i>	Hong Kong	HK\$2	47.7	47.7	Dormant
Ongoing Investments Limited (“Ongoing Investments”)	British Virgin Islands/The PRC	US\$100	20.0	20.0	Property investment
Sequin Developments Limited (“Sequin Developments”)	British Virgin Islands/The PRC	US\$100	20.0	20.0	Property investment
Titan Dragon Properties Corporation (“Titan Dragon”) <i>(note (2))</i>	Philippines	Peso\$160,000,000 (31 March 2024: Peso\$140,000,000)	24.5	28.0	Property investment
Hang Sheng Development Corp.	Philippines	Peso\$12,000,000	49.0	N/A	Dormant

*Notes:*

- (1) Wisestar was wound up by Court order on 17 July 2019 and in progress of deregistration as at the end of the reporting period. The Group’s interest in Wisestar was fully impaired in prior years.
- (2) During the Reporting Period, the Group’s equity interest in Titan Dragon was diluted from 28.0% to 24.5% by capital injection from an independent third party amounting to Peso\$500,000,000 (equivalent to approximately HK\$69,342,000). Therefore, the investment in Titan Dragon was deemed disposed, resulted in a loss on deemed disposal of interests in an associate of HK\$15,223,125 recognised in the consolidated statement of profit or loss.

## 12. TRADE AND OTHER RECEIVABLES

The Group's trade receivables arose from (i) property investment, development and leasing, (ii) manufacturing and distribution of plastic packaging materials, and (iii) broking and securities margin financing.

	<b>30 September 2024 HK\$ (Unaudited)</b>	31 March 2024 HK\$ (Audited)
Trade receivables from broking and securities margin financing:		
– Clearing house and cash clients	<b>117,814,266</b>	10,535,639
– Secured margin clients	<b>37,995,577</b>	71,186,789
Less: ECL allowance	<b>(4,966,475)</b>	(4,966,475)
	<b><u>150,843,368</u></b>	<u>76,755,953</u>
Trade receivables from sales of goods and leasing	<b>25,012,457</b>	21,187,491
Less: ECL allowance	<b>(314,989)</b>	(314,989)
	<b><u>24,697,468</u></b>	<u>20,872,502</u>
Other receivables	<b>2,333,883</b>	4,555,897
Less: ECL allowance	<b>(880,165)</b>	(599,715)
	<b><u>1,453,718</u></b>	<u>3,956,182</u>
	<b><u><u>176,994,554</u></u></b>	<u><u>101,584,637</u></u>

The directors of the Group consider that the fair values of trade and other receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The Group allows a credit period up to the respective settlement dates for securities transactions (normally two business days after the respective trade date for cash clients). Each secured margin client has a credit limit.



At 30 September 2024, no trade receivables from cash clients and secured margin clients (31 March 2024: HK\$8,569,305) were due from key management personnel.

Trade receivables of manufacturing and distribution of plastic packaging materials fall into the general credit periods ranging from 0–90 days except for a credit period mutually agreed between the Group and the customers.

### Aging analysis

The following is an aging analysis of trade receivables of the Group arose from sales of goods and leasing, presented based on the invoice date, which approximates the respective revenue recognition dates and net of ECL allowance:

	<b>30 September 2024 HK\$ (Unaudited)</b>	31 March 2024 HK\$ (Audited)
0–30 days	<b>10,256,607</b>	13,311,225
31–60 days	<b>6,164,367</b>	2,922,709
Over 60 days	<b>8,276,494</b>	4,638,568
	<b><u>24,697,468</u></b>	<b><u>20,872,502</u></b>

Margin loans due from margin clients are repayable on demand. Margin loans are required to be secured by clients' listed securities held by the Group as collateral and bear interest at 9.1% for the Reporting Period (31 March 2024: 9.3%). The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. At 30 September 2024, the total market value of securities pledged as collateral by the customers in respect of the loans to margin clients was HK\$62,583,130 (31 March 2024: HK\$199,529,979).

No aging analysis of receivables from cash clients and loans to margin clients is disclosed as in the opinion of the directors, the aging analysis does not give additional value in view of the nature of business.

### 13. TRADE AND OTHER PAYABLES

The Group's trade payables arose from (i) manufacturing and distribution of plastic packaging materials and (ii) broking and securities margin financing.

	<b>30 September 2024 HK\$ (Unaudited)</b>	31 March 2024 HK\$ (Audited)
Trade payables to:		
– Clearing house and cash clients	<b>131,782,393</b>	56,691,458
– Secured margin clients	<b>8,763,587</b>	6,990,478
– Other creditors	<b>5,470,159</b>	6,153,647
	<hr/>	<hr/>
Total trade payables	<b>146,016,139</b>	69,835,583
	<hr/>	<hr/>
Other payables	<b>26,046,354</b>	36,873,418
	<hr/>	<hr/>
	<b>172,062,493</b>	106,709,001
	<hr/> <hr/>	<hr/> <hr/>

Trade payables to other creditors represents trade payables in respect of purchases of materials and supplies.

The credit period granted by other creditors is generally within 30 days. The following is an aging analysis of trade payables to other creditors based on invoice dates:

	<b>30 September 2024 HK\$ (Unaudited)</b>	31 March 2024 HK\$ (Audited)
0–30 days	<b>5,197,669</b>	5,355,926
31–60 days	–	303,876
Over 60 days	<b>272,490</b>	493,845
	<hr/>	<hr/>
	<b>5,470,159</b>	6,153,647
	<hr/> <hr/>	<hr/> <hr/>

All amounts are short term and hence the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of fair value.

### 14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation of the Reporting Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial and Business Review

During the Reporting Period, the Group recorded revenue of HK\$102.0 million, representing an increase of HK\$2.8 million or 2.8% as compared with HK\$99.2 million in the Previous Reporting Period. The Group recorded loss for the period attributable to owners of the Company of HK\$33.8 million, as compared to profit for the period attributable to owners of the Company of HK\$5.7 million in the Previous Reporting Period. It was mainly attributable to the loss arising from change in fair value of investment properties of HK\$34.7 million (Previous Reporting Period: gain of HK\$10.3 million) and loss on deemed disposal of interests in an associate of HK\$15.2 million during the Reporting Period.

### *Property Investment, Development and Leasing/Hotel*

During the Reporting Period, this segment recorded revenue of HK\$7.7 million, an increase of HK\$0.8 million or 12.0% as compared with HK\$6.9 million in the Previous Reporting Period. Loss from operations was HK\$40.2 million during the Reporting Period, as compared with profit from operations of HK\$8.5 million in the Previous Reporting Period. The turnaround in results was mainly due to change in fair value of investment properties.

#### *(i) Property Investment, Development and Leasing*

During the Reporting Period, most of the Group's investment properties were leased out to generate steady rental income for the Group. The total rental income and rental related income amounted to HK\$7.7 million, representing an increase of HK\$0.8 million, or 12.0% as compared with HK\$6.9 million in the Previous Reporting Period. It was mainly attributable to the increase in rental income from third phase of the WorkCave Hong Kong serviced office development project.

#### *(ii) Hotel*

Our hotel operation was suspended since 1 June 2020 for alteration and addition works. No revenue was generated from either shops or hotel accommodation for the Reporting Period and the Previous Reporting Period.

### *Manufacturing and Distribution of Plastic Packaging Materials*

The segment recorded revenue of HK\$88.5 million, an increase of HK\$2.9 million or 3.3% from HK\$85.6 million in the same period due to an increase in export sales in the manufacturing segment. By effectively streamlining operations to reduce costs and increase productivity, the segment profit surged by HK\$3.9 million or 36.3% from HK\$10.7 million to HK\$14.5 million.

During the Reporting Period, polyethylene prices have been relatively stable. However, the Red Sea crisis and China's export rush before U.S. tariff deadline have disrupted shipping routes and restricted shipping capacity, exacerbating global container shortages and causing ocean freight rates to soar.

### ***Broking and Securities Margin Financing***

At the beginning of the reporting period, Hang Seng Index was about 20,400 and continued to drop to its lowest points 16,441 in August this year. However, it had a great rebound as from mid-September and Hang Seng Index surged to 21,133 point at the end of September, a raise of nearly 4,500 point as compared to the beginning of the reporting period. The total turnover of the China and Hong Kong stock market has significant increase at the same time.

Driven by the interest rate cut cycle and China's latest stimulus package have benefited the stock market which motivated buyers' desire to enter the stock market. Global funds and investors are flowing back into the Mainland China and Hong Kong equity market, daily turnover breakthroughs over HK\$500 billion.

As the market turns to be active near the end of the reporting period, still our brokerage commission recorded a decrease of HK\$0.3 million or 14.5% of HK\$2.0 million as compared to HK\$2.3 million of the corresponding period. Meanwhile, the interest income from clients decreased by HK\$0.6 million or 19.0% amounted to HK\$2.5 million while there was HK\$3.1 million in the Previous Reporting Period. However, the segment profit was HK\$8.1 million during the Reporting Period (Previous Reporting Period: Loss of HK\$4.0 million). The turnaround from loss to profit in segment results was mainly attributed to the increase in gain arising from financial assets at fair value through profit and loss of HK\$6.5 million as compared with loss of HK\$4.5 million in the Previous Reporting Period.

### **Liquidity and Financial Resources**

The Group takes a consistent capital management strategy, providing adequate liquidity to meet the requirement of the Group's developments and operations and monitors its capital on the basis of net debt to equity ratio.

As at 30 September 2024, cash and cash equivalents was HK\$52.8 million (31 March 2024: HK\$41.8 million). As at 30 September 2024, the current ratio of the Group was 1.8 (31 March 2024: 1.7).

The Group's bank loans decreased by HK\$14.6 million from HK\$331.5 million as at 31 March 2024 to HK\$316.9 million as at 30 September 2024, in which the short term borrowings amounted to HK\$15.1 million (31 March 2024: HK\$58.2 million) and long term borrowings amounted to HK\$301.8 million (31 March 2024: HK\$273.2 million). The Group's current period net debt to equity ratio was 24.0% (31 March 2024: 25.6%), calculated on the basis of the Group's total debt less restricted cash and cash and cash equivalents divided by total equity attributable to owners of the Company, such decrease was mainly due to the decrease in net debt during the Reporting Period.

## **Capital Structure**

As at 30 September 2024, the Group's total equity attributable to owners of the Company amounted to HK\$1,104.1 million (31 March 2024: HK\$1,135.6 million). The Group's consolidated net assets per share as at 30 September 2024 was HK\$4.9 (31 March 2024: HK\$5.1).

## **Foreign Exchange Exposure**

The Group operates in Hong Kong and the Mainland China and majority of transactions are denominated in HK\$, United States dollar ("US\$") and Renminbi ("RMB"). Foreign exchange risk arises from commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group entities.

The Group currently does not have a foreign currency hedge policy. In order to mitigate the foreign currency risk, management closely monitors such risks and will consider hedging significant foreign currency exposure should the need arise.

The Group is not exposed to significant foreign exchange risk in respect of HK\$ against the US\$ as long as this currency is pegged.

## **Material Acquisitions and Disposals**

During the Reporting Period, a new investor exercised a share option to subscribe for new shares of Titan Dragon. With the new share issues of Titan Dragon, the Group's interest in Titan Dragon was reduced from 28% as at 31 March 2024 to 24.5% as at 30 September 2024. These transactions have resulted in the deemed partial disposal of the Group's investment in Titan Dragon, and resulted in a deemed disposal loss of HK\$15.2 million mainly because of the decrease in the net asset value per share of Titan Dragon immediately after subscription of shares by the new investor.

Other than as disclosed above, the Group did not have any material disposals of subsidiaries and associated companies during the Reporting Period and the Previous Reporting Period.

## **Employees and Remuneration Policies**

The Group had 238 employees as at 30 September 2024 (31 March 2024: 244 employees). The remuneration policies are determined with reference to the market conditions and individual performance of staff.

## **Strategic and Prospects**

Looking ahead, as the unstable and the volatility of global environment is predicted to persist. We will cautiously review and adjust our business strategies from time to time.

### ***Property Investment, Development and Leasing/Hotel***

#### ***(i) Property Investment, Development and Leasing***

With Hong Kong property market impacted by persistent geopolitical tensions and high interest rate but also the radical change of the business environment of Hong Kong, Hong Kong's real estate market across both the leasing and investment sectors has been under constant pressure. Nevertheless, we are cautiously optimistic across both the leasing and investment sectors given recent rate cuts and earlier strong performance of stock market, in addition to latest Policy Address released by the government, which not only mentions several measures to consolidate and enhance Hong Kong's status as an international financial center but also emphasizes the vigorous development of the "headquarters economy".

The third phase of the WorkCave Hong Kong serviced office development project was successfully completed in April 2023, increasing our total floor count to 15 levels. The recent economic recovery has positively influenced the market, leading to a steady rise in occupancy rates for our serviced offices and co-working spaces since the second quarter of 2024. Our first and second phase office spaces have been operational for over seven years, during which we have continually optimized our hardware and software offerings. We are committed to ensuring that the quality of our office facilities and services evolves in alignment with changing market demands. In response to the growing need for hot desks, we have strategically decided to expand the area and capacity of our co-working space in the coming months.

Gainful Sky Hong Kong Limited, a subsidiary of the Company has submitted an application and proposal for Land Sharing Pilot Scheme for redeveloping the site into a residential development cum Residential Care Home for the Elderly in May 2023 to the Development Bureau (DEVB) for vetting. The application was supported and endorsed in principle in December 2023 afterwards. It is proposed that the overall plot ratio of the redevelopment shall be approximately at 6.3 with domestic gross floor area of about 60,000 square meters and 1,216 additional housing units, and no less than 70% of the increased domestic gross floor area are set aside for public housing or Starter Homes development. We are now finalising the technical issues raised by the government for taking forward the required statutory and land administration procedures.

Seeing the instability during the year and in the near future, the Group had taken a cautious approach in its business development to mitigate the risks and maintain healthy growth. The Group will monitor the market closely and consider different opportunities and strategies in order to make use of our property portfolio to generate favourable return.

(ii) *Hotel*

Hotel Benito is carrying out a major alteration and addition works. The superstructure works started in October 2022 and substantially completed for application of the occupation permit in July 2024. Upon obtaining the occupation permit, the hotel license is targeted to be applied in around December 2024.

***Manufacturing and Distribution of Plastic Packaging Materials***

The Hong Kong Government has announced to defer the implementation of municipal solid waste charging scheme and will reassess the readiness of society and the implementation of the measures. However, more regulations for plastic packaging are down the pipeline with EU proposing a mandatory use of post-consumer recycled (PCR) material under the Packaging and Packaging Waste Regulation (PPWR) to reduce packaging pollution and help build a circular economy for packaging by 2030; Australia set 2025 National Packaging targets and South Australia are bringing in legislation to ban non-compostable plastic produce/barrier bags for unpackaged meat, dairy and fish from 1 September 2025.

The future is about reindustrialization, circular economy, green business models and digital economy. We will strengthen the level of automation and digital transformation; establish a sound recycling system and improve resource recycling rate; strengthen green consumption education and adhere to the Recycled Claim Standard (RCS) guidance for green products and services; and support the development of green industries such as renewable energy and energy-saving technologies.

***Broking and Securities Margin Financing***

Market expectation turns optimistic and investor confidence restores. The key next steps to watch will be any material improvement of macro data and companies' financials. Upward momentum is expected to be consolidated by further interest rate cut, stronger-than-expected policy stimuli and improving earnings capability of company. Most of the organizations raised their year-end target for both the PRC and Hong Kong stock markets. In this context, we expect our business will perform better in the second half of financial year as we are highly correlated with the market movement.



## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

During the Reporting Period, the Company has complied with all those code provisions set out in the Code on Corporate Governance Practices (“**Code**”) contained in Appendix C1 of the Listing Rules except the following deviations:

Pursuant to Code C.1.6, independent non-executive Directors and non-executive Directors, as equal board members, should attend general meetings of the Company. During the period, Mr. Chan Man Hon, Eric and Ms. Vivian Chua were unable to attend the annual general meeting of the Company held on 23 August 2024 as they had other business engagements.

Pursuant to Code C.2.1, the roles of chairman and chief executive officer should be performed by different individuals. Currently, the two roles are performed by the same individual. After reviewing the management structure, the Board is of the opinion that Board decisions are collective decisions of all Directors made by way of voting and not decisions of the Chairman of the Board alone. Further, there is a clear division of responsibilities with independent operations between the Board members and the management of the day-to-day business of the Company. As such, the power of management of the Company is not concentrated in any one individual. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group.

## **COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ DEALING IN SECURITIES**

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (“**Model Code**”) as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by Directors of the Company. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard laid down in the Model Code.

## **AUDIT COMMITTEE**

The Audit Committee of the Company, which comprises four independent non-executive directors of the Company, namely Mr. Chan Siu Ting (Chairman of the Audit Committee), Mr. Tsui Ka Wah, Dr. Luk Siu Chuen and Mr. Kam Cheuk Sun and two non-executive directors of the Company, namely Mr. Chan Man Hon, Eric and Mr. Tsai Han Yung. The interim results of the Group for the Reporting Period have been reviewed by the Audit Committee, prior to their approval by the Board.



## **INTERIM DIVIDEND**

The Board has resolved not to recommend the payment of any interim dividend for the Reporting Period (Previous Reporting Period: Nil).

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the period under review.

## **PUBLICATIONS OF FURTHER INFORMATION ON THE STOCK EXCHANGE'S WEBSITE**

This interim results announcement is available for viewing on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.seapnf.com.hk](http://www.seapnf.com.hk). The Company interim report for 2024/2025 will be despatched to the shareholders of the Company and available on the above website in due course.

By the order of the Board  
**Southeast Asia Properties & Finance Limited**  
**Chua Nai Tuen**  
*Chairman and Managing Director*

Hong Kong, 22 November 2024

*As at the date of this report, the Board comprises: (1) Mr. Chua Nai Tuen, Mr. Nelson Junior Chua and Mr. Richard Sy Tan as executive directors; (2) Mr. Chan Man Hon, Eric, Mr. Jimmy Siy Tiong, Mr. Tsai Han Yung and Ms. Vivian Chua as non-executive directors; and (3) Mr. Chan Siu Ting, Mr. Tsui Ka Wah, Dr. Luk Siu Chuen and Mr. Kam Cheuk Sun as independent non-executive directors.*