

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**CAPITAL
VC LIMITED**

首都創投有限公司

Capital VC Limited
首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*
(Stock Code: 02324)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 31 MARCH 2025**

INTERIM FINANCIAL STATEMENTS

The board (the “Board”) of directors (the “Director(s)”) of Capital VC Limited (the “Company”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 March 2025 (the “Period”). The unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) have not been audited by the Company’s independent auditor but have been reviewed by the Company’s audit committee (the “Audit Committee”).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 MARCH 2025

		Six months ended	
		31 March	31 March
		2025	2024
		(unaudited)	(unaudited)
	<i>Notes</i>	HK\$	HK\$
Turnover	5	(278,058)	48,513,038
Other income, net		–	(400,511)
Administrative expenses		(5,070,697)	(7,589,623)
Expected credit loss on deposits and other receivables		–	(19,108,542)
Operating profit/(loss)		(5,348,755)	21,414,362
Finance costs		(1,881,688)	(3,235,343)
Profit/(Loss) before tax	7	(7,230,443)	18,179,019
Income tax credit	8	–	205,325
Profit/(Loss) for the Period and total comprehensive income/(loss) for the Period attributable to equity holders of the Company		<u>(7,230,443)</u>	<u>18,384,344</u>
Dividend	9	–	–
Earnings/(Loss) per share (HK cents)	10		
– Basic		(1.61)	4.38
– Diluted		(1.61)	4.38

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2025

		31 March 2025 (unaudited) HK\$	30 September 2024 (audited) HK\$
	<i>Notes</i>		
NON-CURRENT ASSETS			
Plant and equipment	11	122,388	208,632
Investments in financial assets at amortised cost	13	42,775,653	143,671,820
		42,898,041	143,880,452
CURRENT ASSETS			
Prepayments, deposits and other receivables	14	11,147,000	9,764,677
Financial assets at fair value through profit or loss	12	162,695,114	172,568,448
Investments in financial assets at amortised cost	13	109,069,745	1,582,577
Cash and cash equivalents		17,558,378	25,178,400
		300,470,237	209,094,102
CURRENT LIABILITIES			
Other payables and accruals		1,409,803	2,291,603
Borrowings		41,682,780	43,176,813
		43,092,583	45,468,416
NET CURRENT ASSETS		257,377,654	163,625,686
NET ASSETS		300,275,695	307,506,138
CAPITAL AND RESERVES			
Share capital	15	112,532,062	105,032,062
Reserves		187,743,633	202,474,076
		300,275,695	307,506,138
NET ASSET VALUE PER SHARE	16	0.67	0.73

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2025

	Share capital <i>HK\$</i>	Share premium <i>HK\$</i>	Convertible bonds equity reserve <i>HK\$</i>	Capital reduction reserve <i>HK\$</i>	Share options reserve <i>HK\$</i>	Accumulated gain losses <i>HK\$</i>	Total equity <i>HK\$</i>
At 1 October 2024 (audited)	105,032,062	1,314,905,133	10,342,436	22,826,010	4,097,321	(1,149,696,824)	307,506,138
Loss for the period and total comprehensive loss for the period	–	–	–	–	–	(7,230,443)	(7,230,443)
Issue of shares upon conversion of convertible bonds	7,500,000	2,842,436	(10,342,436)	–	–	–	–
At 31 March 2025 (unaudited)	<u>112,532,062</u>	<u>1,317,747,569</u>	<u>–</u>	<u>22,826,010</u>	<u>4,097,321</u>	<u>(1,156,927,267)</u>	<u>300,275,695</u>
At 1 October 2023 (audited)	105,032,062	1,314,905,133	7,760,254	22,826,010	6,900,317	(1,137,572,929)	319,850,847
Profit for the period and total comprehensive income for the period	–	–	–	–	–	18,384,344	18,384,344
Lapse of share options	–	–	–	–	(2,802,996)	2,802,996	–
At 31 March 2024 (unaudited)	<u>105,032,062</u>	<u>1,314,905,133</u>	<u>7,760,254</u>	<u>22,826,010</u>	<u>4,097,321</u>	<u>(1,116,385,589)</u>	<u>338,235,191</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 MARCH 2025

	Six months ended	
	31 March	31 March
	2025	2024
	(unaudited)	(unaudited)
	HK\$	HK\$
NET CASH USED IN OPERATING ACTIVITIES	(9,578,422)	(17,979,171)
NET CASH FROM INVESTING ACTIVITIES	1,938,400	17,948,000
NET CASH FROM FINANCING ACTIVITIES	<u>—</u>	<u>—</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,640,022)	(31,171)
CASH AND CASH EQUIVALENTS AT 1 OCTOBER 2024 AND 2023	<u>25,178,400</u>	<u>33,075,167</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH 2025 AND 2024		
Represented by:		
Bank balances and cash	<u>17,538,378</u>	<u>33,043,996</u>

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

1. GENERAL INFORMATION

Capital VC Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business was Unit 506, 5/F, New World Tower 1, 18 Queen’s Road Central, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). These condensed consolidated interim financial information are presented in Hong Kong dollars, unless otherwise stated.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Interim Financial Statements should be read in conjunction with the 2023/24 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2024.

3. ACCOUNTING POLICIES

The Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 October 2024. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); HKAS; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 September 2024.

5. TURNOVER

Revenue represents the amounts received and receivable on investments, net gains on financial assets at fair value through profit or loss (“FVTPL”) and bank and other interest income during the six months ended 31 March 2025 (the “Period”) as follows:

	Six months ended	
	31 March	31 March
	2025	2024
	(unaudited)	(unaudited)
	HK\$	HK\$
Net realised loss on financial assets of FVTPL	(3,760,839)	(623,723)
Net unrealised gain/(loss) on financial assets of FVTPL	(3,603,844)	42,024,823
Dividend income from investments in listed securities	8,323	–
Interest income on other receivables	483,333	333,333
Bank and bond interest income	6,594,969	6,778,605
	(278,058)	48,513,038

6. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular reports reviewed by the chief operating decision maker for decisions about resources allocated to the Group’s business components and for their review of the performance of those components.

The principal activity of the Group is investing in listed and unlisted companies. The Group has identified the operating and reportable segments as follows.

Financial assets at FVTPL – Investments in securities listed on Hong Kong Stock Exchange

Available-for-sale investment – Investments in unlisted securities

Plant and equipment, tax recoverable, accruals, interest-bearing borrowings and certain amount of prepayments, deposits and other receivables and cash and cash equivalents, were not allocated to segment.

	For the six months ended 31 March 2025				
	Investment	Investment	Investment	Unallocated	Total
	in unlisted	in listed	in unlisted		
	bonds	equity	equity		
	HK\$	securities	securities	HK\$	HK\$
Segment revenue	6,591,000	(7,364,683)	483,333	12,292	(278,058)
Other income, net	–	–	–	–	–
Expected credit loss on deposits and other receivables	–	–	–	–	–
Administrative expenses	–	–	–	(5,070,697)	(5,070,697)
Segment result	6,591,000	(7,364,683)	483,333	(5,058,405)	(5,348,755)

	For the six months ended 31 March 2024				
	Investment in unlisted bonds HK\$	Investment in listed equity securities HK\$	Investment in unlisted equity securities HK\$	Unallocated HK\$	Total HK\$
Segment revenue	6,771,000	41,401,100	333,333	7,605	48,513,038
Other income, net	–	–	–	(400,511)	(400,511)
Expected credit loss on deposits and other receivables	–	–	(19,108,542)	–	(19,108,542)
Administrative expenses	(2,103,996)	–	–	(5,485,627)	(7,589,623)
Segment result	<u>4,667,004</u>	<u>41,401,100</u>	<u>(18,775,209)</u>	<u>(5,878,533)</u>	<u>21,414,362</u>

7. PROFIT/(LOSS) BEFORE TAX

	Six months ended	
	31 March 2025 (unaudited) HK\$	31 March 2024 (unaudited) HK\$
The Group's profit/(loss) before tax has been arrived at after charging:		
Total staff costs (including directors' remuneration)	1,794,916	2,036,593
Depreciation on plant and equipment	86,244	86,244
Operating lease charges on rented premises	75,000	75,000
Interest expenses	<u>1,881,688</u>	<u>3,235,343</u>

8. INCOME TAX

As at 30 September 2024, the Group has unused tax losses of HK\$1,008,025,071 available for offset against future profits. The unrecognised tax losses may be carried forward indefinitely. As the Group recorded net loss for the Period and no taxable profit was generated, no provision for Hong Kong Profits Tax was made.

The income tax credit of HK\$205,325 for the six months ended 31 March 2024 represented deferred tax credit.

9. DIVIDEND

The directors did not recommend the payment of an interim dividend for the six months ended 31 March 2025 (2024: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculations of basic and diluted profit/(loss) per share are based on the Group's loss for the Period attributable to the equity holders of the Company of HK\$7,230,443 (2024: profit of HK\$18,384,344).

The basic earnings/(loss) per share for the Period are based on the weighted average number of 449,798,579 ordinary shares in issue for the Period (2024: 420,128,249 ordinary shares). The Company had no potentially dilutive ordinary shares in the six months ended 31 March 2025. The outstanding share options and convertible bonds during the Period were anti-dilutive.

11. PLANT AND EQUIPMENT

During the Period, the Group did not purchase or dispose of any fixed assets.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		31 March 2025 (unaudited) HK\$	30 September 2024 (audited) HK\$
	<i>Note</i>		
Fair value:			
Listed equity securities in Hong Kong	(a)	<u>162,695,114</u>	<u>172,568,448</u>

Note:

- (a) Included in the financial assets at fair value through profit or loss as at 31 March 2025 were approximately 48.2 million shares of Japan Kyosei Group Company Limited (stock code: 627) at market value of approximately HK\$22.4 million, and approximately 607.8 million shares of WLS Holdings Limited (stock code: 8021) at market value of approximately HK\$23.7 million.

13. INVESTMENTS IN FINANCIAL ASSETS AT AMORTISED COST

	31 March 2025 (unaudited) HK\$	30 September 2024 (audited) HK\$
Investments in financial assets at amortised cost	187,853,618	181,262,617
Less: Allowance for credit losses	<u>(36,008,220)</u>	<u>(36,008,220)</u>
	<u>151,845,398</u>	<u>145,254,397</u>
Current	109,069,745	1,582,577
Non-current	<u>42,775,653</u>	<u>143,671,820</u>
	<u>151,845,398</u>	<u>145,254,397</u>

Particulars of the principal bond investments held as at 31 March 2025, are as follows:

Name	Notes	Place of incorporation	Investment cost HK\$	Interest	Allowance for credit losses HK\$	Carrying amount HK\$	Terms	Coupon rate	Percentage of the Group's net assets as at 31 March 2025 attributable to the investment
Gold Medal Hong Kong Limited ("Gold Medal")	(a)	Hong Kong	42,000,000	10,383,807	(8,727,042)	35,903,415	From 31 October 2020 to 30 October 2025	6.50%	11.96%
			20,000,000	2,635,998	(4,150,736)	16,639,363	From 28 October 2022 to 27 October 2027	6.50%	5.54%
Hao Wen Holdings Limited ("Hao Wen")	(b)	Cayman Islands	42,500,000	9,300,483	(9,117,631)	36,926,682	From 1 November 2020 to 31 October 2025	8%	12.30%

Notes:

- (a) Gold Medal is a company incorporated in Hong Kong with limited liability and principally engaged in money lending business. It is a wholly owned subsidiary of WLS Holdings Limited which is listed on the GEM of the Hong Kong Stock Exchange (stock code: 8021). According to the terms of the agreement of the bond and subject to certain conditions, both the Group and Gold Medal have the early redemption rights as follows:

The Group can early redeem of the bond at 100% of the outstanding principal amount and 50% of the outstanding coupon.

Gold Medal can early redeem the bond at 100% of the total amount of such bond together with any payment of interests accrued up to the date of such early redemption. An additional 1% will be given to the Group, together with the outstanding principal and coupon.

Since the Group has no intention to early redeem the bond, the Group considers the early termination charge on financial assets represents reasonable compensation for the early termination, in which these financial assets are classified as financial assets at amortised cost.

No interest was received from Gold Medal for the six months ended 31 March 2025.

- (b) Hao Wen is a company incorporated in Cayman Islands with limited liability and principally engaged in money lending and processing and trading of electronic parts. It is listed on the GEM of the Hong Kong Stock Exchange (stock code: 8019). There is no early redemption rights in the agreement. No interest was received from Hao Wen for the six months ended 31 March 2025.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 March 2025 (unaudited) HK\$	30 September 2024 (audited) HK\$
<i>Note</i>		
Prepayments	203,038	165,648
Deposits	2,024,200	24,200
Consideration receivables on disposal of investments	56,106,699	56,761,766
	<u>58,333,937</u>	<u>56,951,614</u>
Less: Allowance for credit losses	(47,186,937)	(47,186,937)
	<u>11,147,000</u>	<u>9,764,677</u>
(a)		

Note:

(a) The balance principally represents consideration receivables from the purchasers of:

	31 March 2025 (unaudited) HK\$	30 September 2024 (audited) HK\$
Bonds issued by: Profit Big Enterprises Limited	<u>8,919,762</u>	<u>9,574,829</u>

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.25 each	Share Capital HK\$
Authorised:		
At 1 October 2023, 30 September 2024, 1 October 2024 and 31 March 2025	<u>800,000,000</u>	<u>200,000,000</u>
Issued and fully paid:		
At 1 September 2023, 30 September 2023 and 1 October 2023	420,128,249	105,032,062
Conversion of convertible bonds	30,000,000	7,500,000
	<u>450,128,249</u>	<u>112,532,062</u>
At 31 March 2025	<u>450,128,249</u>	<u>112,532,062</u>

16. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net asset value of the Group as at 31 March 2025 of HK\$300,275,695 (30 September 2024: HK\$307,506,138) and on the number of 450,128,249 ordinary shares of HK\$0.25 each in issue as at 31 March 2025 (30 September 2024: 420,128,249 ordinary shares of HK\$0.25 each).

17. RELATED PARTY TRANSACTIONS

(a) During the Period, significant transactions with related parties and connected parties are as follows:

		Six months ended	
		31 March 2025 (unaudited) HK\$	31 March 2024 (unaudited) HK\$
	Note		
Evergrande Securities (Hong Kong) Limited (“ESL”)			
Investment management fee paid	(i)	<u>4,839</u>	<u>300,000</u>

Note:

- (i) ESL is an investment manager of the Company and considered as a connected person under 14A.08 of Chapter 21 of the Listing Rules. Pursuant to an investment management agreement (“ESL Agreement”) dated 30 November 2020 entered into between the Company and ESL, ESL agreed to provide the Company with investment management services for an initial term of three years commencing on 8 December 2020 and extended to 7 December 2024. The Company and ESL had mutually agreed to case ESL Agreement with effect from 4 October 2024.
- (b) Compensation of key management personnel. The remuneration of directors and other members of key management during the Period was as follows:

		Six months ended	
		31 March 2025 (unaudited) HK\$	31 March 2024 (unaudited) HK\$
Short-term benefits (including share-based payments)		<u>1,794,916</u>	<u>2,036,593</u>

18. PLEDGE OF ASSETS

The Group has pledged its financial assets at fair value through profit or loss, which are HK\$153.9 million as at 31 March 2025 (30 September 2024: approximately HK\$103 million), to secure margin financing facilities obtained from regulated securities dealers.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

For the six months ended 31 March 2025 (the “Period”), the Group recorded a negative turnover of approximately HK\$0.3 million (2024: positive amount of HK\$48.5 million) and net loss attributable to equity holders of the Company of approximately HK\$7.2 million (2024: loss of HK\$18.4 million). The performance of the Group’s listed investments was not satisfactory during the Period. As compared to net profit on listed investment of approximately HK\$18.4 million recognised during the six months ended 31 March 2024, the performance of the Group’s listed investments changed to loss of approximately HK\$7.2 million for the Period. The performance in the Group’s listed investment principally led to the change of overall financial performance from net profit of approximately HK\$18.2 million for the six months ended 31 March 2024 to net loss of approximately HK\$7.4 million for the Period.

The Group maintained the bonds portfolio and did not further subscribe and dispose of its bonds investment during the Period.

As at 31 March 2025, the net asset value (“NAV”) of the Group was approximately HK\$300.3 million (30 September 2024: HK\$307.5 million), representing a decrease of approximately 2.3% over the Period. The decrease in NAV is principally attributable to the net loss for the Period attributable to equity holders of the Company of approximately HK\$7.2 million during the Period.

PERFORMANCE OF THE GROUP’S LISTED SECURITIES

The performance of Group’s listed investments changed from gain of HK\$41.4 million in six months ended 31 March 2024 to loss of HK\$7.4 million for the Period. The loss on listed investments for the Period of approximately HK\$7.4 million principally represented net realised loss of approximately HK\$3.8 million and net unrealised loss of approximately HK\$3.6 million. Set out below are further information of these net realised loss and unrealised gain:

NET REALISED LOSS

Net realised loss of approximately HK\$3.8 million represented realised gain of approximately HK\$0.1 million net of realised loss of approximately HK\$3.9 million, which represented the loss on disposal of the shares of Sprocomm Intelligence Limited (stock code: 1401) of approximately HK\$2.3 million and the shares of Japan Kyosei Group Company Limited (stock code: 627) of approximately HK\$1.6 million.

NET UNREALISED LOSS

The net unrealised loss of approximately HK\$3.6 million represents the unrealised gain of approximately HK\$29.3 million net of unrealised loss of approximately HK\$32.9 million. Set out below is the breakdown of the aforesaid unrealised gain and loss:

Company name	Stock code	Unrealised gain <i>HK\$' million</i>	Unrealised loss <i>HK\$' million</i>
WLS Holdings Limited	8021	7.9	–
China Jicheng Holdings Limited	1027	4.7	–
Smart City Development Holdings Limited	8268	3.0	–
Hang Tai Yue Group Holdings Limited	8081	2.3	–
Japan Kyosei Group Company Limited	627	–	(21.2)
Hao Wen Holdings Limited	8019	–	(3.5)
SEEC Media Group Limited	205	–	(3.1)
Others		11.4	(5.1)
		<u>29.3</u>	<u>(32.9)</u>

The above shares are listed either on Main Board or GEM of the Stock Exchange, and no stock included in others contributed the unrealised gain or loss over HK\$2.0 million during the Period.

BUSINESS REVIEW AND PROSPECT

In Year 2024, the global stock markets generally have a better performance compared to that in last year. Hang Seng Index (“HSI”) maintained the rising trend in the first quarter of Year 2025. HSI increased from 21,134 points as at 30 September 2024 to 23,120 points as at 31 March 2025.

Although in such positive market atmosphere, the performance of Group’s listed securities is not in line with the market, and changed from gain of approximately HK\$41.4 million in the six months ended 31 March 2024 to loss of approximately HK\$7.4 million during the Period.

In connection with unlisted investments, the Group generally maintained its bonds portfolio during the Period. The details of the Group’s bonds investments have been stated under the headline of “Financial Highlights” of this announcement. Bond interest income of approximately HK\$6.6 million were recorded in the Period.

Looking forward, as the complicated global political environment is difficult to be predicted and there is no obvious signal of improvement or recession at the moment, we do not expect the global investment market will have distinguished or tragic performance in the rest of this year. Accordingly, we will continue to adopt cautious measures to manage the Group’s investment portfolio.

LIQUIDITY, FINANCIAL RESOURCES, CHARGE ON ASSETS, GEARING, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Group's liquidity position has maintained steady over the Period. Although, the Group's bank balances as at 31 March 2025 decreased to approximately HK\$17.6 million (30 September 2024: approximately HK\$25.2 million) and its current ratio (as defined by current assets/current liabilities) maintained a healthy level of 7.0 as at 31 March 2025 (30 September 2024: 4.6). The Board believes that the Group has sufficient resources to satisfy its working capital requirements.

During the Period, the Group maintained low level of gearing ratio (as defined by total liabilities/total assets) (31 March 2025: 12.6%; 30 September 2024: 12.9%), and the Group had no material commitment and contingent liabilities as at 31 March 2025.

Included in the Group's listed securities of HK\$162.7 million as at 31 March 2025 were amount of approximately HK\$153.9 million secured for the margin payables.

SIGNIFICANT INVESTMENTS

The Group's investments with fair value over 5% of value of its total assets are considered as significant investments. The Group's significant investments as at 31 March 2025 include (i) 607.8 million shares of WLS Holdings Limited (stock code: 8021); (ii) 40.2 million shares of Japan Kyosei Group Company Limited (stock code: 627); (iii) bonds in principal of HK\$62.0 million in aggregate issued by Gold Medal Hong Kong Limited, which is a wholly owned subsidiary of WLS Holdings Limited and (iv) the bonds issued by Hao Wen Holdings Limited (stock code: 8019) in principal of HK\$42.5 million. Set out below are certain information of the Group's significant investments as at 31 March 2025:

Significant Investments	Fair value/ Carrying value of significant investments as at 31 March 2025 <i>HK\$' million</i>	Percentage of fair value/carrying of significant investments to the Group's total assets as at 31 March 2025	Realised gain/(loss) recognised during the six months ended 31 March 2025 <i>HK\$' million</i>	Unrealised gain/(loss) recognised during the six months ended 31 March 2025 <i>HK\$' million</i>	Bond coupons received during the six months ended 31 March 2025 <i>HK\$' million</i>
Equity investment in WLS Holdings Limited (stock code: 8021)	23.7	6.9%	–	7.9	N/A
Equity investment in Japan Kyosei Group Company Limited	22.4	6.5%	(1.6)	(21.2)	N/A
Bonds investment in Gold Medal Hong Kong Limited	52.5	15.3%	–	–	–
Bonds investment in Hao Wen Holdings Limited	36.9	10.8%	–	–	–

Equity Investment – WLS Holdings Limited (“WLS”) (stock code: 8021)

The Group held approximately 607.8 million shares of WLS with market value of approximately HK\$23.7 million as at 31 March 2025.

WLS is a company incorporated in Cayman Islands with limit liability. WLS is principally engaged in the scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business and securities investment service. For the year ended 30 April 2024, the audited consolidated loss attributable to owners of WLS was approximately HK\$11.1 million, and the unaudited net profit attributable to owners of WLS of approximately HK\$30.5 million was recorded in the six months ended 31 October 2024.

As WLS is one of the leading scaffolding sub-contractors in the industry, the management of WLS are confident about securing more contracts which based on the multi-pronged strategy adopted by Hong Kong government to maintain a steady and sustainable land supply with the aim to meet the continuing housing needs. The Company believes the WLS’s business strategy is in line with the overall direction of the Hong Kong government’s strategic development plans for property construction, infrastructure investment and financial market development, and considerable amount of profit will be generated in medium to long terms.

Equity Investment – Japan Kyosei Group Company (stock code: 627)

The Group held approximately 48.2 million shares of Japan Kyosei Group Company with market value of approximately HK\$22.4 million as at 31 March 2025.

Japan Kyosei Group Limited (“Japan Kyosei”) is listed on Main Board of the Stock Exchange (stock code: 627), and is a company incorporated in Bermuda with limit liability.

We noted that Japan Kyosei could not publish its 2024 final results by 31 March 2025 and the trading in the shares of Japan Kyosei on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 1 April 2025 pending the release of an announcement in relation to inside information of the Company. In addition, Hunan Longxiang Real Estate Development Co., Ltd.* (湖南隆祥房地產開發有限公司) (“Hunan Longxiang”), a subsidiary of Japan Kyosei, noticed that there was an announcement published by Changsha City Intermediate People’s Court of Hunan (湖南省長沙市中級人民法院) (the “Court”), whereby the Court accepted the application of a creditor of Hunan Longxiang for the bankruptcy and liquidation on the ground that Hunan Longxiang was unable to repay certain debts owing from it to its creditors.

We will closely monitor the development of Japan Kyosei on its financial reporting and the litigation of Hunan Longxiang, and adjust our investment strategy on our investment in Japan Kyosei if necessary.

Bonds Investment – Gold Medal Hong Kong Limited (“Gold Medal”)

Gold Medal is a company incorporated in Hong Kong with limited liability and principally engaged in money lending business. It is a wholly owned subsidiary of WLS Holdings Limited (“WLS”), the guarantor of the bonds, which is listed on GEM of the Stock Exchange (stock code: 8021). Based on WLS’ interim report for the six months ended 31 October 2024, its net asset value was approximately HK\$415.4 million, and its current assets and total liabilities as at 31 October 2024 were approximately HK\$342.6 million and HK\$201.5 million respectively. The current assets can fully cover its total liabilities. Accordingly, the Company considers that there is no signal of default of bonds issued by Gold Medal to the Group.

Bonds Investment – Hao Wen Holdings Limited (“Hao Wen”) (stock code: 8019)

Hao Wen is a company incorporated in Cayman Islands with limited liability. Hao Wen and its subsidiaries are principally engaged in money lending, manufacturing of biomass fuel product and trading of electronic parts. It is listed on GEM of the Stock Exchange (stock code: 8019). Based on Hao Wen’s annual report for the year ended 31 December 2024, its net asset value was approximately RMB289.8 million, its current assets were approximately RMB196.0 million and total liabilities were approximately RMB80.2 million. In view of Hao Wen’s strong liquid assets and limited liabilities, the Company considers that Hao Wen has sufficient financial resources to meet its ongoing operation, there is no signal of default of bonds issued by Hao Wen to the Group.

SEGMENTAL INFORMATION

There is no material change in the Group’s investment segment, which are principally investments in listed and unlisted equity securities, and unlisted bonds, during the Period.

FOREIGN CURRENCY FLUCTUATION

The Group’s exposures to foreign currencies mainly arises from its investments in companies located in the PRC, which are financed internally. In order to mitigate the potential impact of currency fluctuations, the Group closely monitors its foreign currency exposures and will use suitable hedging instruments against significant foreign currency exposures, where necessary. No foreign currency hedge contract was entered into by the Group during the Period. As at 31 March 2025, the Group had no outstanding foreign currency hedge contracts (30 September 2024: Nil).

SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

During the Period the Company does not have any significant acquisition and disposal of subsidiaries and associates.

HUMAN RESOURCES

As at 31 March 2025, the Group had 7 employees, excluding the directors of the Company. Total staff costs excluding Directors’ remuneration amounted to approximately HK\$1.1 million. They perform clerical, research, business development and administrative functions for the Group. The Group’s remuneration policies are in line with the prevailing market practice and the staff remuneration is determined on the basis of the performance and experience of individual employees.

CAPITAL STRUCTURE

During the six months ended 31 March 2025, the Company's issued share capital increased from 420,128,249 shares to 450,128,249 shares, which is due to the conversion of convertible bonds. Included in other payables and overdrafts as at 31 March 2025 were margin payables and overdrafts totalling approximately HK\$153.9 million bearing interest rates ranged from 7.7% to 15.5% (30 September 2024: 8% to 9.8%) per annum. The margin payables and overdrafts are in Hong Kong Dollars, and secured by listed investments of the Group, repayable on demand and are guaranteed by the Company on behalf of a subsidiary. In view of such immaterial amount of the margin payables and overdrafts in Hong Kong Dollars as compared to the Group's listed stocks of approximately HK\$162.7 million, the Company considers the currency and interest rate risks exposure of its debt and obligation are manageable.

The Company did not run any capital exercise during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THEIR EXPECTED OF FUNDING IN COMING YEAR

As at 31 March 2025 and up to the date of this announcement approved, the Company does not have any concrete plan for material investments or capital assets.

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 March 2025, save as 2,750,000 ordinary shares of the Company held by Mr. Kong Fanpeng, none of the Directors or the chief executive of the Company had or were deemed to have any Discloseable Interests or Short Position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance ("SFO") (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2025, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by shareholders of the Company at the annual general meeting on 10 December 2013, the Company adopted a new share option scheme (the “Scheme”). Under the Scheme, the directors of the Company may, at their absolute discretion, invite any employee (full-time or part-time), director, consultant or advisor of any member of the Group, or any substantial shareholder of any member of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group, or any company wholly owned by one or more persons belonging to any of the above classes to subscribe for shares in the Company representing up to a maximum of 10% of the shares in issue on date of the aforesaid annual general meeting. The Scheme has expired on 10 December 2023.

No share option was granted during the six months ended 31 March 2025.

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

Category	Date of Grant	Exercise Price	Option Period	Number of options held as at 1 October 2024	Number of options granted during the Period	Number of options exercised during the Period	Number of options cancelled/lapsed during the Period	Number of options held as at 31 March 2025
Directors								
Mr. Kong Fanpeng	9 March 2022	HK\$0.251	Three years from date of grant	4,200,000	–	–	(4,200,000)	–
Mr. Chan Cheong Yee	9 March 2022	HK\$0.251	Three years from date of grant	4,200,000	–	–	(4,200,000)	–
Employees	16 February 2022	HK\$0.275	Three years from date of grant	25,200,000	–	–	(25,200,000)	–
Total				33,600,000	–	–	(33,600,000)	–

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries repurchased, redeemed or sold any of the Company’s listed securities during the six months ended 31 March 2025.

AUDIT COMMITTEE

As at 31 March 2025, the Audit Committee comprises all independent non-executive directors, namely, Mr. Cheung Wai Kin, Ms. Lai Fun Yin and Ms. Luo Yanling with written terms of reference in compliance. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Company, and discussed risk management, internal control and financial reporting matters including the review of the unaudited interim results for the six months ended 31 March 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) as set out in Appendix C3 to the Listing Rules. The Company has made specific enquiry to all directors regarding any non compliance with the Model Code during the Period and they all confirmed that they have fully complied with the required standard set out in the Model Code.

CORPORATE GOVERNANCE PRACTICE

During the Period, the Company has complied with the code provisions in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules, except the deviations from the CG Code as described below:

CG Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same person. Decisions of the Company are made collectively by the executive directors. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company’s objectives efficiently and effectively in response to the changing environment. The Board also believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management.

On behalf of the Board
Chan Cheong Yee
Executive Director

Hong Kong, 29 May 2025

As at the date of this announcement, the Board comprises Mr. Kong Fanpeng and Mr. Chan Cheong Yee as executive directors; and Ms. Lai Fun Yin, Mr. Cheung Wai Kin and Ms. Luo Yanling as independent non-executive directors.