



PAN HONG HOLDINGS GROUP LIMITED

(Incorporated in Bermuda on 20 December 2005)

(Co. Reg. No: 37749)

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(a) An income statement and statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

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

RMB'000	Group		
	6 months ended	6 months ended	Increase/
	30 September 2023	30 September 2022	(Decrease)
	(Unaudited)	(Unaudited)	
Revenue	164,198	18,495	787.8%
Cost of Sales	(109,233)	(8,322)	1,212.6%
Gross profit	54,965	10,173	440.3%
Other income and other gains and losses	3,225	2,004	60.9%
Selling and distribution expenses	(14,605)	(3,028)	382.3%
Administrative expenses	(8,859)	(7,801)	13.6%
Share of loss of an associate	(6)	(5)	20.0%
Operating profit	34,720	1,343	2,485.3%
Finance costs	(1,080)	(1,718)	(37.1%)
Profit/(loss) before income tax	33,640	(375)	(9,070.7%)
Income tax expenses	(11,774)	(4,822)	144.2%
Profit/(loss) for the period	21,866	(5,197)	(520.7%)
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	(341)	(1,290)	(73.6%)
Other comprehensive income for the period	(341)	(1,290)	(73.6%)
Total comprehensive income for the period	21,525	(6,487)	(431.8%)
Profit/(loss) for the period attributable to:			
Owners of the Company	18,579	(5,048)	(468.0%)
Non-controlling interests	3,287	(149)	(2,306.0%)
	21,866	(5,197)	(520.7%)
Total comprehensive income attributable to:			
Owners of the Company	18,238	(6,338)	(387.8%)
Non-controlling interests	3,287	(149)	(2,306.0%)
	21,525	(6,487)	(431.8%)
Earnings/(loss) per share for profit/(loss) attributable to the owners of the Company during the period (in RMB cents):			
- Basic and diluted	3.63	(0.99)	(468.0%)

*NM: not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 September 2023 (Unaudited)	31 March 2023 (Audited)	30 September 2023 (Unaudited)	31 March 2023 (Audited)
RMB'000				
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	50,253	52,039	-	-
Investment properties	58,580	58,580	-	-
Investments in subsidiaries	-	-	278,608	278,608
Interests in associates	1,800	1,806	-	-
Financial asset at fair value through other comprehensive income	26,547	26,547	15,992	15,992
Deferred tax assets	6,551	6,551	-	-
	143,731	145,523	294,600	294,600
Current assets				
Properties held under development	1,206,609	1,633,603	-	-
Properties held for sale	626,292	156,601	-	-
Contract cost assets	19,318	15,581	-	-
Prepayments and other receivables	94,437	109,986	124	125
Amounts due from subsidiaries	-	-	365,554	365,554
Financial assets at fair value through profit or loss	71	80	-	-
Tax recoverable	15,010	18,096	-	-
Cash and bank balances	226,798	212,201	153	153
	2,188,535	2,146,148	365,831	365,832
Current liabilities				
Accruals and other payables	322,380	232,713	434	24
Contract liabilities	665,507	532,933	-	-
Current tax liabilities	96,962	104,655	-	-
Amounts due to related parties	87,873	87,297	339,620	337,817
Bank and other loans	104,636	285,611	-	-
	1,277,358	1,243,209	340,054	337,841
Net current assets	911,177	902,939	25,777	27,991
Total assets less current liabilities	1,054,908	1,048,462	320,377	322,591
Non-current liabilities				
Bank and other loans	15,000	30,000	-	-
Deferred tax liabilities	4,181	4,260	-	-
	19,181	34,260	-	-
Net assets	1,035,727	1,014,202	320,377	322,591
EQUITY				
Equity attributable to the owners of the Company				
Share capital	52,241	52,241	52,241	52,241
Reserves	960,534	942,296	268,136	270,350
	1,012,775	994,537	320,377	322,591
Non-controlling interests	22,952	19,665	-	-
Total equity	1,035,727	1,014,202	320,377	322,591

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

As at 30/09/2023		As at 31/03/2023	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
69,636	35,000	250,611	35,000

Amount repayable after one year

As at 30/09/2023		As at 31/03/2023	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
15,000	-	30,000	-

Details of any collateral

Bank loans of approximately RMB4,636,000 and RMB80,000,000 were secured by the Group's property, plant and equipment and properties held under development respectively as at 30 September 2023.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

RMB'000	Group	
	6 months ended 30 September 2023	6 months ended 30 September 2022
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit/(loss) before income tax	33,640	(375)
Adjustments for:		
Interest income	(1,006)	(400)
Interest expense	1,080	1,718
Depreciation of property, plant and equipment	1,689	1,421
Gain on disposal of financial assets at fair value through profit and loss	-	(6)
Net fair value loss for financial assets at fair value through profit and loss	10	31
Net fair value gain of investment properties	-	(767)
Share of loss of an associate	6	5
Operating profit before working capital changes	35,419	1,627
Increase in properties held under development and properties held for sale	(38,554)	(51,193)
Decrease in accounts and other receivables and prepayments	15,549	29,435
Increase in contract cost assets	(3,737)	-
(Increase)/decrease in restricted bank balances	(20,326)	973
Increase in accounts and other payables, accruals and contract liabilities	222,241	16,959
Increase in financial assets at fair value through profit or loss	(1)	(32)
Cash generated from/(used in) operations	210,591	(2,231)
Interest received	1,006	400
Income taxes paid	(16,460)	(29,925)
Net cash generated/(used in) operating activities	195,137	(31,756)
Cash flows from investing activities		
Purchases of property, plant and equipment	(89)	(279)
Net cash used in investing activities	(89)	(279)
Cash flows from financing activities		
Advance from related parties	-	800
Proceeds from new borrowings	35,000	55,000
Repayments of bank and other loans	(231,306)	(11,231)
Interest paid	(5,223)	(11,235)
Net cash (used in)/generated from financing activities	(201,529)	33,334
Net (decrease)/increase in cash and cash equivalents	(6,481)	1,299
Effect of foreign exchange difference	752	30
Cash and cash equivalents at beginning of the period	40,374	24,452
Cash and cash equivalents at end of the period (note)	34,645	25,781
Note:		
Analysis of balances of cash and cash equivalents		
Cash and bank balances	226,798	28,429
Less: restricted bank balances	(192,153)	(2,648)
	34,645	25,781

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Equity attributable to equity holders of the Company											Non-Controlling interests	Total equity
	Share capital	Treasury shares	Merger reserve	Statutory reserve	Capital reserve	Fair value through other comprehensive income reserve	Other reserve	Exchange reserve	Retained earnings	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
At 1 April 2022 (audited)	52,241	(12,817)	(2,243)	94,433	3,838	(3,870)	85,452	(10,588)	796,259	1,002,705	20,072	1,022,777	
Loss for the period	-	-	-	-	-	-	-	-	(5,048)	(5,048)	(149)	(5,197)	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(1,290)	-	(1,290)	-	(1,290)	
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,290)	(5,048)	(6,338)	(149)	(6,487)	
At 30 September 2022 (unaudited)	52,241	(12,817)	(2,243)	94,433	3,838	(3,870)	85,452	(11,878)	791,211	996,367	19,923	1,016,290	
At 1 April 2023 (audited)	52,241	(12,817)	(2,243)	95,657	3,838	(4,801)	85,452	(11,495)	788,705	994,537	19,665	1,014,202	
Profit for the period	-	-	-	-	-	-	-	-	18,579	18,579	3,287	21,866	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(341)	-	(341)	-	(341)	
Total comprehensive income for the period	-	-	-	-	-	-	-	(341)	18,579	18,238	3,287	21,525	
At 30 September 2023 (unaudited)	52,241	(12,817)	(2,243)	95,657	3,838	(4,801)	85,452	(11,836)	807,284	1,012,775	22,952	1,035,727	

Company	Share capital	Treasury shares	Contributed surplus	Fair value through other comprehensive income reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2022 (audited)	52,241	(12,817)	59,579	(1,247)	227,648	325,404
Loss for the period	-	-	-	-	(1,747)	(1,747)
At 30 September 2022 (unaudited)	52,241	(12,817)	59,579	(1,247)	225,901	323,657
At 1 April 2023 (audited)	52,241	(12,817)	59,579	(1,808)	225,396	322,591
Loss for the period	-	-	-	-	(2,214)	(2,214)
At 30 September 2023 (unaudited)	52,241	(12,817)	59,579	(1,808)	223,182	320,377



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Pan Hong Holdings Group Limited (the “**Company**”) was incorporated in Bermuda under the laws of Bermuda on 20 December 2005 as an exempted company with limited liability. The Company’s shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Room 1214, Tower B, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hunghom, Hong Kong. The Company does not have a place of business in Singapore as at the date of this report.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are those relating to investment holding and property development.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2023.

Save for the adoption of new and amended standards as set out in Note 2.1, the accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

The condensed interim financial statements are presented in Renminbi (RMB) which is the Company’s functional currency and all values are rounded to the nearest thousand (RMB’000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

None of these new IFRSs has a material impact on the Group’s results and financial position for the current or prior period.

2.2 Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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 financial year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.3 Fair value measurement for investment properties

The Group engaged a firm of independent qualified professional surveyors to assess the fair value of the Group’s investment properties as at the end of each financial year. Such fair values are determined by the real estate valuation experts using recognised valuation techniques. The valuation of the investment properties is generally derived based on the income approach by taking into account the net rental income derived from its existing leases and/or achievable in the existing market with due allowance for the



reversionary income potential of the leases, which have been then capitalised to determine the market value at an appropriate capitalisation rate.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

For the unaudited half year results for the period ended 30 September 2023, the fair value of the Group's investment properties was based on the independent valuations as at 31 March 2023 and taking into account capitalised expenditure and leasing costs during the six-month period.

Management has assessed that the inputs and assumptions used by the valuers in the valuation techniques for their valuation as at 31 March 2023, such as term yield and reversionary yield, remain appropriate and reflect the current market conditions of the People's Republic of China ("PRC") as at 30 September 2023.

An external valuation of the Group's investment properties will be performed as at the end of the financial year, in line with IFRS 13 Fair Value Measurement guidance.

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment information

The Group is principally engaged in the business of property development in the PRC. For the financial years presented, executive directors have determined that the Group has only one single component/reportable segment as the Group is only engaged in the business of sale and lease of properties which is the basis to allocate and assess the Group's performance.

The single operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segment, have been identified as the executive directors that make strategic decisions.

The Group's revenue from external customers is derived from the PRC (country of domicile) and its non-current assets (other than deferred tax assets) are located in the PRC. There is no single customer that contributed to 10% or more of the Group's revenue for the six months ended 30 September 2023.

The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the non-current assets is based on the physical location of the asset.

5. Revenue, other income and other gains and losses

	Group	
	1H2024	1H2023
	RMB'000	RMB'000
Revenue		
Sale of properties held for sale	164,198	18,945
Other income and other gains and losses		
Exchange loss, net	(5)	(1)
Gain on disposal of financial assets at fair value through profit or loss	-	6
Net fair value loss on financial assets at fair value through profit or loss	(10)	(31)
Net fair value gain of investment properties	-	767
Interest income		
- from bank deposits	714	103
- from other receivables	292	255
- from structured bank balances	-	42
	1,006	400
Rental income	1,811	894
Sundry income/(expense)	423	(31)
	3,225	2,004

6. Profit/(loss) before income tax

	Group	
	1H2024	1H2023
	RMB'000	RMB'000
Depreciation of property, plant and equipment	1,689	1,421
Cost of properties held for sale recognised as expense	109,217	8,073
Short-term lease expenses	104	99
Employee costs, including directors' remuneration		
- Wages and salaries	5,497	4,112
- Retirement benefit scheme contributions - defined contribution plans	1,271	714
Less: amount capitalised in properties held under development	(1,097)	(1,421)
	5,671	3,405

7. Income tax expense

	Notes	Group	
		1H2024 RMB'000	1H2023 RMB'000
Current tax – PRC			
- Enterprise income tax (“EIT”)	(a)	3,261	2,534
- Land appreciation tax (“LAT”)	(b)	8,592	2,229
		11,853	4,763
Deferred income tax (credit)/expense		(79)	59
Total income tax expense		11,774	4,822

Notes:

- (a) EIT has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (1H2023: 25%).

Under the law of the PRC on EIT, corporate withholding income tax is levied on the foreign investor for the dividends distributed out of the profits generated by the foreign investment enterprises. The Group’s applicable withholding income tax rate is 5% (1H2023: 5%).

- (b) LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs, and all property development expenditures. The tax is incurred upon transfer of property ownership. There are certain exemptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sales of commercial properties are not eligible for such an exemption.

8. Dividends

No final dividend was declared to the Shareholders for the year ended 31 March 2023.

The Board has resolved not to declare the payment of an interim dividend to the Shareholders for 1H2024 (1H2023: nil).

9. Fair value measurement

The following table presents financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety based on the lowest level of input that is significant to the fair value measurement.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 September 2023				
Financial assets at fair value through profit or loss				
Securities held for trading - Listed	71	-	-	71
Financial asset at fair value through other comprehensive income				
Unlisted equity investment	-	-	26,547	26,547
As at 31 March 2023				
Financial assets at fair value through profit or loss				
Securities held for trading - Listed	80	-	-	80
Financial asset at fair value through other comprehensive income				
Unlisted equity investment	-	-	26,547	26,547

10. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Group	
	1H2024 RMB'000	1H2023 RMB'000
Current:		
Earnings/(loss) for the purpose of calculating basic earnings/(loss) per share (profit/(loss) for the period attributable to owners of the Company)	18,579	(5,048)
Number of shares		
Number of ordinary shares in issue during the period for the purpose of calculating basic earnings/(loss) per share	512,311,024	512,311,024

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share, as the Group has no dilutive potential shares during the current and prior periods.

11. Prepayment and other receivables

	Notes	Group	
		30/09/2023 RMB'000	31/03/2023 RMB'000
Prepayments	(a)	1,637	28,042
Other receivables	(b)	92,800	81,944
		94,437	109,986

Notes:

- (a) As at 30 September 2023, prepayments included advances of RMB1,197,000 (31 March 2023: RMB27,259,000) made to contractors for purchase of construction materials.
- (b) At 30 September 2023, other receivables of the Group due from certain independent third parties of approximately RMB16,946,000 (31 March 2023: RMB20,600,000) were unsecured, interest-bearing at interest rate ranging from 8% to 12% (31 March 2023: 8% to 12%) and repayable within one year or on demand.

The remaining balances include deposited fund for property maintenance and value-added tax recoverable, which were unsecured, non-interest bearing and repayable on demand.

12. Amounts due to related parties

	Group	
	30/09/2023 RMB'000	31/03/2023 RMB'000
Amounts due to:		
- a related company	9,473	8,897
- a related person	78,400	78,400
	87,873	87,297

Amounts due to related parties were unsecured, non-interest bearing and repayable on demand and to be settled in cash.

As at 30 September 2023 and 31 March 2023, amount due to a related company comprised balances due to Pan Hong Company Limited, in which Mr. Wong Lam Ping, the controlling shareholder of the Company, is the beneficial owner.

As at 30 September 2023 and 31 March 2023, amounts due to a related person comprised balance to Mr. Wong Ching, an immediate family member of Mr. Wong Lam Ping, the controlling shareholder of the Company.



13. Bank and other loans

The analysis of the carrying amount of the bank and other loans is as follows:

	Group	
	30/09/2023 RMB'000	31/03/2023 RMB'000
Current:		
Portion of other loan due for repayment within one year	35,000	35,000
Portion of bank loan due for repayment within one year	65,000	245,000
Portion of bank loans due for repayment within one year which contain repayment on demand clause	2,675	2,513
Portion of bank loans due for repayment after one year which contain repayment on demand clause	1,961	3,098
Non-current:		
Portion of bank loans due for repayment after one year	15,000	30,000
Total bank and other loans	119,636	315,611

14. Share capital

Movement of share capital of the Company is summarised below:

	Number of shares	RMB'000
Authorised:		
Ordinary shares		
At 1 April 2022 and 31 March 2023 and 30 September 2023	5,100,000,000	517,374
Issued and fully paid:		
Ordinary shares		
At 1 April 2022 and 31 March 2023 and 30 September 2023	518,855,024	52,241

Ordinary shares

Fully paid ordinary shares carry one vote per share. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company.

Treasury shares

Pursuant to the resolutions approved by the shareholders at the special general meeting held on 22 July 2009, for the proposal of (i) amendments to the Bye-laws of the Company; and (ii) adoption of Share Purchase Mandate, the details of which were set out in the Company's circular dated 29 June 2009, to rationalise the Company the flexibility to undertake share purchase at any time, subject to market conditions, during the validity period of the Share Purchase Mandate. The directors believed that the Share Purchase Mandate provided the Company with a mechanism to facilitate the return of any surplus cash in excess of the Group's working capital requirements in an expedient and cost-efficient manner.

Details of treasury shares of the Company are summarised as below:

	Number of shares	RMB'000
At 1 April 2022 and 31 March 2023 and 30 September 2023	6,544,000	12,817

15. Related party transactions

In addition to the transactions and balances disclosed elsewhere in these condensed interim financial statements, the Group had the following material related party transactions:

	Notes	Group 1H2024 RMB'000	Group 1H2023 RMB'000
Car park rental expense charged by - Spouse of Mr. Wong Lam Ping	(a)	162	154
Rental income charged to - A related company	(b)	27	26

Notes:

- (a) During the six months period ended 30 September 2023 and 30 September 2022, Ms. Chan Heung Ling (“**Ms. Chan**”), the spouse of Mr. Wong Lam Ping, entered into an agreement of car park rental for HK\$60,000 per year.
- (b) Mr. Wong Lam Ping and Ms. Chan have beneficial interests in these related companies.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

SHARE CAPITAL

Date	Particulars	Number of shares			Amount		
		Authorised	Issued	Treasury share	Authorised share capital RMB'000	Issued share capital RMB'000	Treasury share RMB'000
01 April 2023 and 30 September 2023	Balance at beginning and end of the period	5,100,000,000	518,855,024	(6,544,000)	517,374	52,241	(12,817)

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares as at 30 September 2023 was 518,855,024 (31 March 2023: 518,855,024), of which 6,544,000 (31 March 2023: 6,544,000) were held by the Company as treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

NIL

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current period reported on.**

NIL

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 3(A). Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group had applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in those of the audited financial statement for the year ended 31 March 2023, except for the adoption of new and revised International Financial Reporting Standards (“IFRSs”) applicable for the financial period beginning on 1 April 2023. The adoption of these IFRSs has no material impact on the Group’s and the Company’s financial statements.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised IFRSs which became effective for financial periods beginning on 1 April 2023. The adoption of these new and amended IFRSs did not give rise to significant change to the financial statements.

- 6. Earning per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	6 months ended 30 September 2023 (Unaudited)	6 months ended 30 September 2022 (Unaudited)
Earnings/(loss) per ordinary share (in RMB cents) for profit/(loss) attributable to the owners of the Company during the period:		
- Basic and Diluted	3.63	(0.99)

For significant factors that affected the revenue, costs, and earnings of the Group for the current financial period, please refer to Paragraph 8.

Note:

The calculation of basic earnings/(loss) per share was based on the profit attributable to equity holders of the Company of approximately RMB18,579,000 for the six months ended 30 September 2023 (six months ended 30 September 2022: loss of RMB5,048,000) divided by weighted average of 512,311,024 ordinary shares (excluding treasury shares) (six months ended 30 September 2022: the weighted average of 512,311,024) during the period.

Diluted earnings/(loss) per share for the six months ended 30 September 2023 is the same as the basic earnings/(loss) per share as there is no dilutive potential share (six months ended 30 September 2022: Nil).

- 7. Net asset value (for the issuer and group) per ordinary share based on of the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) current financial period reported on; and**
(b) immediately preceding financial year.

	Group		Company	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
Net asset value per ordinary share (in RMB cents)	202.17	197.97	62.54	62.97

Notes:

- (1) The number of ordinary shares of the Company as at 30 September 2023 was 512,311,024 (excluding treasury shares) (31 March 2023: 512,311,024).
- (2) For information purposes, the net asset value attributable to the Company's owners of the Group (excluding non-controlling interests) as at 30 September 2023 was RMB 197.69 cents (31 March 2023: RMB 194.13 cents).
- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.

- (a) REVIEW OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 ("1H2024") COMPARED TO THE PREVIOUS CORRESPONDING SIX MONTHS ENDED 30 SEPTEMBER 2022 ("1H2023")**

Revenue

	Group	
	6 months ended 30 September 2023 (Unaudited)	6 months ended 30 September 2022 (Unaudited)
Revenue (RMB'000)		
Residential	150,836	4,136
Commercial and others	13,362	14,359
	164,198	18,495

The Group's revenue in 1H2024 was RMB164.2 million compared to RMB18.5 million in 1H2023, an increase of RMB145.7 million.

The revenue in 1H2024 was primarily derived from the transfer of control of residential units of Run Ze Yuan to buyers in the period. In comparison, the revenue in 1H2023 was mainly attributable to the transfer of control of commercial units of Pan Hong Run He to buyers. The increase was mainly due to the higher number of transfer of control of property units in 1H2024 than in 1H2023.

As the Group is primarily engaged in property development business, revenue recognition is dependent on the launch of new projects and transfer of control of sold properties. Consequently, revenue and profit for the Group looking across periods will appear irregular.

Cost of Sales and Gross Profit Margin

In line with the increase in revenue, cost of sales increased from RMB8.3 million in 1H2023 to RMB109.2 million in 1H2024. Accordingly, gross profit increased from RMB10.2 million in 1H2023 to RMB55.0 million in 1H2024.

Gross profit margin decreased from 55.0% in 1H2023 to 33.5% in 1H2024 as a result of lower gross profit for residential units sold for Run Ze Yuan in 1H2024 as compared to the commercial units sold for Pan Hong Run He in 1H2023.

Other Income and Other Gains and Losses

Other income and other gains and losses increased from RMB2.0 million in 1H2023 to RMB3.2 million in 1H2024, mainly due to an increase in rental income and interest income.

Selling and Distribution Expenses

Selling and distribution expenses increased by 382.3% from RMB3.0 million in 1H2023 to RMB14.6 million in 1H2024. The higher selling expenses in 1H2024 was mainly due to the expensed incremental costs for obtaining sales contracts of its property units under pre-sale stage, which were previously capitalised under contract cost assets, upon transfer of control of completed units during the period.

Administrative Expenses

Administrative expenses increased by 13.6% from RMB7.8 million in 1H2023 to RMB8.9 million in 1H2024, mainly due to an increase of staff costs and professional expenses in 1H2024.

Finance Costs

Finance costs decreased by 37.1% from RMB1.7 million in 1H2023 to RMB1.1 million in 1H2024, mainly due to a decrease in balance of bank and other loans for working capital purpose. Finance costs of bank loans for property development purposes are fully capitalised in properties under development.

Income Tax Expenses

Income tax expense increased from RMB4.8 million in 1H2023 to RMB11.8 million in 1H2024. The increase was mainly attributable to the PRC corporate income tax in the PRC arising from an increase of profit before tax of the Group's PRC subsidiaries recorded in 1H2024.

Profit/(Loss) for the Period

As a cumulative effect of the foregoing factors, the Group recorded a profit after tax of RMB21.9 million in 1H2024, compared to a loss after tax of RMB5.2 million in 1H2023.

Exchange Differences on Translation of Financial Statements of Foreign Operations

Exchange differences on translation of financial statements of foreign operations decreased from a loss of RMB1.3 million in 1H2023 to a loss of RMB0.3 million in 1H2024. This was mainly due to the depreciation of RMB against Hong Kong Dollar ("HKD") during the financial period that resulted in a translation loss of the Group's subsidiaries with bank loan balances which were denominated in HKD.

Total Comprehensive Income for the Period

As a cumulative effect of the above factors, the Group recorded a total comprehensive income with a profit of RMB21.5 million in 1H2024, comparing to a loss RMB6.5 million in 1H2023.

(b) REVIEW OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023 AND CASH FLOW FOR 1H2024

Property, Plant and Equipment

As at 30 September 2023, the Group had property, plant and equipment of RMB50.3 million, compared to RMB52.0 million as at 31 March 2023. The decrease was mainly due to the depreciation of property, plant and equipment during the period.

Investment Properties

As at 30 September 2023, the Group had investment properties of RMB58.6 million compared to RMB58.6 million as at 31 March 2023. No fair value change is recorded for investment properties during the period.

Financial Asset at Fair Value Through Other Comprehensive Income

As at 30 September 2023, the balance of approximately RMB26.5 million (31 March 2023: RMB26.5 million) representing the fair value of 16.6% (31 March 2023: 16.6%) equity interest in Zhejiang Gene Stem Cell Biotech Company Limited held by the Group.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss included listed equity securities in Hong Kong and the PRC, decreased to RMB71,000 as at 30 September 2023 from RMB80,000 as at 31 March 2023. The decrease was mainly due to the net fair value loss of financial assets at fair value through profit or loss during the period.

Properties Held Under Development

The Group's properties held under development decreased by RMB427.0 million from RMB1,633.6 million as at 31 March 2023 to RMB1,206.6 million as at 30 September 2023, mainly due to the completion of Run Ze Yuan's construction work during the period.

Properties Held for Sale

Properties held for sale increased from RMB156.6 million as at 31 March 2023 to RMB626.3 million as at 30 September 2023, mainly due to the net effect of the completion of Run Ze Yuan's construction and the transfer of control of completed properties of Run Ze Yuan to the buyers.

Prepayments and Other Receivables

The Group's prepayments and other receivables decreased from RMB110.0 million as at 31 March 2023 to RMB94.4 million as at 30 September 2023, mainly due to the transfer of prepayments to properties held under development according to the construction progress.

Contract Cost Assets

The Group's contract cost assets increased from RMB15.6 million as at 31 March 2023 to RMB19.3 million as at 30 September 2023, mainly due to the net effect of the incremental costs for obtaining sales contracts of its property units under pre-sale stage capitalised and expensed under selling and distribution expenses during the period.

Tax Recoverable

Tax recoverable decreased from approximately RMB18.1 million as at 31 March 2023 to approximately RMB15.0 million as at 30 September 2023 mainly due to the utilisation of prepaid EIT and LAT by the Group.

Accruals, Other Payables and Contract Liabilities

Accruals and other payables mainly comprised the accrued construction costs and project-related expenses that are based on the progress of project development but are not yet due for payment.

Accruals and other payables increased from approximately RMB232.7 million as at 31 March 2023 to approximately RMB322.4 million as at 30 September 2023, mainly due to the increase in accrued contract costs payable to contractors.

Contract liabilities were the advance receipts from customers in respect of the deposits and prepayments for pre-sales of the Group's properties.

Contract liabilities increased from approximately RMB532.9 million as at 31 March 2023 to approximately RMB665.5 million as at 30 September 2023, mainly due to the net effect of the advanced receipts received during the pre-sale stage of Run Hong Yuan and recognition of revenue upon transfer of control of completed pre-sold property units of Run Ze Yuan to the buyers.

Current Tax Liabilities

Current tax liabilities decreased from RMB104.7 million as at 31 March 2023 to RMB97.0 million as at 30 September 2023. The decrease was mainly attributable to the net effect of income tax liabilities derived from the profit recorded by the Group's subsidiaries and payment of income tax during the period.

Amounts Due to Related Parties

Amounts due to related parties increased from RMB87.3 million as at 31 March 2023 to RMB87.9 million as at 30 September 2023, mainly due to the effect of changes to foreign exchange.

All amounts due to related parties were unsecured, non-interest bearing and repayable on demand.

Bank and Other Loans

As at 30 September 2023, the Group had bank and other loans of RMB119.6 million, a decrease from RMB315.6 million as at 31 March 2023, mainly due to net effect of new other loan made and repayment of bank and other loans during the period.

Bank loans of approximately RMB4.6 million and RMB80.0 million were secured by the Group's property, plant and equipment and properties held under development respectively as at 30 September 2023.

Based on the Group's total equity of RMB1,035.7 million, the Group recorded a net gearing ratio (total bank and other loans/total equity) of 11.6% as at 30 September 2023, compared to 31.1% as at 31 March 2023.

Cash Flow Analysis

In 1H2024, the Group recorded RMB195.1 million of net cash generated from operating activities which was mainly due to the net effect of the receipts from property buyers, progress payment for the construction and payment of income tax.

Net cash used in investing activities in 1H2024 amounted to RMB89,000, mainly due to purchase of property, plant and equipment.

Net cash used in financing activities in 1H2024 amounted to RMB201.5 million, mainly due to net effect of new other loan made and repayment of bank and other loans during the period.

Included in bank balances and cash are restricted bank balances of RMB192.2 million (31 March 2023: RMB171.8 million) which can only be applied in the designated property development

project(s). As at 30 September 2023, the Group had cash and cash equivalents of RMB34.6 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The financial results for the six months ended 30 September 2023 is in line with the statement made in Paragraph 10 disclosed in its previous results announcement. There was no forecast or prospect statement previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Industry Outlook

During the reporting period, gradual recovery of the PRC's national economy post-pandemic was evidenced by a 4.3% gross domestic product (GDP) growth year-on-year for the third quarter of 2023, compared to 6.3% in the previous quarter based on official data published by the National Bureau of Statistics (the "**Bureau**").

In the real estate sector, with the introduction of deleveraging requirements in 2021 and the subsequent debt-default events of various medium-to-large scale developers, market sentiment remained subdued as property prices declined. According to official data published by the Bureau, new home prices in major PRC cities fell between August and September 2023 on both year-on-year and month-on-month basis.

New home price changes for statistics pool of 70 major PRC cities (year-on-year basis):

	Increased	Unchanged	Decreased
August 2023	25	1	44
September 2023	25	0	45

New home price changes for statistics pool of 70 major PRC cities (month-on-month basis):

	Increased	Unchanged	Decreased
August 2023	17	1	52
September 2023	15	1	54

Investment appetite of potential property buyers is expected to remain weak in the short-to-medium term in the wake of declining property prices and turnover, as well as growing concerns with the slow momentum of the post-pandemic recovery and market risks of oversupply.

Nevertheless, in light of the above trend, the local governments of various PRC cities have been implementing stimulating or relieving measures. For example, a number of cities in the Zhejiang Province had announced new policies during the second half of 2023, including credit easing, withdrawal or loosening of the purchase limits, reduction of the down payment proportions for first-time buyers, etc. in order to moderate the market trend.

Focusing on the Group's operations during the reporting period, Run Ze Yuan project was duly completed in the third quarter of 2023 and control of the pre-sold property units are currently being handed over to the buyers by phases. Notwithstanding the uncertain macroeconomic environment, the Group believes that its solid financial position and track record will garner confidence and support from the local potential buyers.

Going forward, the Group would closely monitor the market trend and policy changes, and persistently strive to maintain its healthy financial position with prudent policies to achieve sustainable growth and business development.

Company Update
Property Pre-sales

The cumulative results for the pre-sale of properties under each project up to 31 October 2023 are summarised as follows:

Residential Units

	Run Ze Yuan	Run Hong Yuan
Est. total GFA released for sale (total units)	63,489 sq.m.	38,712 sq.m.
	672 units	317 units
Est. total GFA pre-sold (total units)	28,253 sq.m.	28,791 sq.m.
	297 units	260 units
Percentage of pre-sold	45%	74%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 30 September 2023 ^	15,664 sq.m.	28,791 sq.m.
	165 units	260 units
Pre-sale value not handed over to buyers as at 30 September 2023 ^ (RMB)	185.3 million	415.5 million
ASP per sq m*	RMB11,906	RMB14,432
Expected completion date	Completed	CY2025 Q1

*: Average Sales Price (“ASP”) of the projects is computed as follows: Pre-sale value not handed over to buyer divided by Pre-sale GFA not handed over to buyer.

^: Pre-sale value not handed over to buyer is computed as follows: Beginning period pre-sales plus new pre-sales during the period less those handed over to buyers as at 30 September 2023.

The pre-sale value of RMB600.8 million of the project not handed over to buyers as at 30 September 2023 will only be recognised as revenue upon transfer of control of properties which had been pre-sold to the buyers. As the Group is primarily engaged in property development business, revenue recognition is dependent on the launch of new projects and completion of handover of sold properties (transfer of control of the assets). Consequently, revenue and profit for the Group looking across periods will appear irregular.

Company Strategies

The Group will continue to work on the sales and construction of its existing projects while monitoring closely the changes and effects of government policies and market trends.

Considering its management expertise, financial position and relevant industry prospects, the Group will also carefully assess and filter investment opportunities for both its core property development business and potential business growth areas.

11. If a decision regarding dividend has been made:-
(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b) (i) Amount per share

NIL

(ii) Previous corresponding period

NIL

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

NIL

(d) The date the dividend is payable.

NIL

(e) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.

NIL

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the six months ended 30 September 2023 in order to retain fund for the Group's daily operations.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any general mandate from shareholders for IPTs.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Wong Sum
Chairman
8 November 2023



NEGATIVE ASSURANCE CONFIRMATION STATEMENT

Statement by Directors pursuant to SGX Listing Rule 705(5)

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Pan Hong Holdings Group Limited which may render these interim financial results for the six months ended 30 September 2023 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
Pan Hong Holdings Group Limited

Wong Sum
Executive Director

Wang Cuiping
Executive Director

Date: 8 November 2023