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**建業實業有限公司**  
**Chinney Investments, Limited**  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 216)

## **2020-21 ANNUAL RESULTS ANNOUNCEMENT**

### **FINANCIAL RESULTS**

For the year ended 31 March 2021, the Group's consolidated revenue was HK\$1,278 million (2020: HK\$639 million) with a net profit attributable to shareholders of HK\$78 million (2020: net loss attributable to shareholders of HK\$45 million). Excluding the fair value losses of investment properties (net of deferred taxation) of HK\$13 million (2020: HK\$83 million), underlying net profit attributable to shareholders was HK\$91 million (2020: HK\$38 million). The increase in underlying profit was the result of increases in revenue and the related profit contributions generated from the Group's property sales during the year. Basic earnings per share was HK\$0.14 (2020: loss per share of HK\$0.08).

As at 31 March 2021, shareholders' equity amounted to HK\$8,234 million (as at 31 March 2020: HK\$7,722 million) and net assets per share attributable to shareholders stood at HK\$14.93 (as at 31 March 2020: HK\$14.01). The increase in shareholder's equity at year end was mainly due to the net profit attributable to shareholders, together with the translation difference caused by the appreciation of Renminbi against Hong Kong Dollars during the year.

### **DIVIDEND**

The Directors recommend the payment of a final dividend of 5 Hong Kong cents per ordinary share for the year ended 31 March 2021 (2020: 5 Hong Kong cents) to shareholders whose names appear on the Company's register of members on 3 September 2021. Subject to the approval by the shareholders at the forthcoming annual general meeting, the dividend cheques are expected to be despatched to shareholders on or before 28 September 2021.

### **CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING**

The annual general meeting of the Company is scheduled to be held on 26 August 2021. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 23 August 2021 to 26 August 2021 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 20 August 2021.

## CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The proposed final dividend for the year ended 31 March 2021 is subject to the approval by the shareholders at the annual general meeting. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 2 September 2021 to 3 September 2021, during which period no share transfers will be registered. The last day for dealing in the Company's shares cum entitlements to the proposed final dividend will be 30 August 2021. In order to qualify for the proposed final dividend, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 1 September 2021.

## BUSINESS REVIEW

### 1. Property

The Group's property development and investment activities are conducted by its 68.09% owned subsidiary Hon Kwok Land Investment Company, Limited (Stock Code: 160) and its subsidiaries ("Hon Kwok"). Hon Kwok reported revenues of HK\$1,276 million (2020: HK\$638 million) and net profit attributable to its shareholders of HK\$122 million (2020: net loss of HK\$36 million) for the financial year 2020/2021.

The increase in revenue was due to higher sales recognition from Hon Kwok's development projects, which recorded HK\$957 million (2020: HK\$193 million), from the delivery of sold units in Metropolitan Oasis, the residential project in Nanhai, Mainland China. The performance of Hon Kwok's property rental business remained stable and recorded revenue of HK\$290 million (2020: HK\$281 million).

The turnaround from loss to profit was due to both the increase in profit contribution resulting from higher property sales as well as to the lower fair value losses recorded upon reappraisals of Hon Kwok's investment properties at year end as compared with last year.

### Property Development and Investment – Mainland China

#### *Guangzhou, PRC*

**Ganghui Dasha** 港滙大廈 is situated at the junction of Beijing Road, Nanti Er Road and Baqi Er Road, Yue Xiu District. This 20-storey commercial/office building with a total gross floor area of approximately 13,000 sq.m., delivered an average occupancy rate of about 74% during the year (2020: 85%). As of 31 March 2021, the occupancy rate went up to 96% (as of 31 March 2020: 86%).

Our development site at **45-107 Beijing Nan Road**, Yue Xiu District, with a site area of approximately 9,500 sq.m., is close to the Beijing Road Pedestrian Street and the Pearl River. It is designated for mixed-use development, including a 30-storey commercial/residential building and a 32-storey commercial/office building with an aggregated gross floor area of approximately 77,000 sq.m.. The development site is adjacent to the Group's former projects, No. 5 Residence and Ganghui Dasha. Upon completion of the project, together with the previous development projects, there will be four blocks of buildings forming a large-scale complex along Beijing Road made up of office, residential and retail components. We anticipate that this project will be our Group's signature project in Guangzhou. Residential units of the project are planned for pre-sale in 2022 while office spaces will be held primarily for earning recurrent rental income. Construction progress is so far satisfactory. Foundation works are expected to be completed in the third quarter of 2021.

**Botanica 寶翠園**, Hon Kwok's 60% owned development project in Tian He District with a total gross floor area of approximately 229,000 sq.m., was completed in 2016. All residential units were sold and recognised as revenue in prior years. No revenue was recorded for the year ended 31 March 2021 (2020: HK\$132 million).

### ***Nanhai, Foshan, PRC***

**Metropolitan Oasis 雅瑤綠洲**, situated in Da Li District, Nanhai with a total gross floor area of approximately 273,000 sq.m., was developed in three phases. Phase 1 and Phase 2 of the project have been completed in prior years. Phase 3 of the project, comprising 19 blocks of high rise apartments of approximately 550 units, was also completed in December 2020. For the year ended 31 March 2021, the Group recorded revenue of HK\$957 million (2020: HK\$193 million) from the units of Phase 2 and Phase 3 delivered during the year. As at 31 March 2021, the contracted property sales but not yet booked amounted to RMB602 million.

### ***Shenzhen, PRC***

**Hon Kwok City Commercial Centre 漢國城市商業中心**, the Group's investment property, with a total gross floor area of approximately 128,000 sq.m., is situated at the junction of Shen Nan Zhong Road and Fu Ming Road, in the core area of the Futian District. Our Shenzhen signature 75-storey high commercial/office tower above ground with a 5-level basement, offers high-quality Grade A office and retail space. The building was completed in 2018 and delivered for leasing in 2019. During the year under review, it reported an average occupancy rate of 78% (2020: 64%) for the retail portion, while the office space was 37% (2020: 24%) leased. Overall average occupancy rate reached 43% during the year (2020: 30%).

**City Square 城市天地廣場**, situated at Jia Bin Road, Luo Hu District, is a 5-storey commercial podium occupied by retail shops at ground level and the first floor, along with a 162-room hotel namely **The Bauhinia Hotel (Shenzhen) 寶軒酒店 (深圳)** on the upper three floors. Since the outbreak of COVID-19 pandemic in early 2020, the tourism and the hotel industries have come to a standstill. The Bauhinia Hotel (Shenzhen), hence experienced a drastic drop in occupancy and room rates. After the effective containment measures implemented by the Central Government to curb the pandemic, the market was recovering steadily. Fortunately, the average occupancy rate of **City Suites 寶軒公寓**, a 64-unit serviced apartment on top of the podium remained relatively stable at around 90%.

**Enterprise Square 僑城坊**, in which Hon Kwok owns a 20% interest, is situated at Qiaoxiang Road North, Nanshan District, covering a site area of approximately 49,000 sq.m. and a total gross floor area of approximately 224,500 sq.m.. It was developed into a commercial complex comprised of office towers, a residential apartment tower and a commercial mall providing community facilities to the tenants. Development for the entire project was completed in 2018. Majority portion of office towers and certain units of residential apartment have been sold. For the year ended 31 March 2021, property sales realised revenue of RMB351 million (2020: RMB1,497 million) from the units delivered during the year. As at 31 March 2021, the property sales contracted but revenue not yet booked amounted to RMB109 million. Net profit attributable to Hon Kwok in respect of Enterprise Square, including the changes in fair value of the office tower and the commercial mall which are classified as investment properties, amounted to HK\$67 million (2020: HK\$110 million) for the year ended 31 March 2021.

## **Chongqing, PRC**

**Chongqing Hon Kwok Centre** 重慶漢國中心, located in Bei Bu Xin Qu, is a 21-storey twin-tower office building atop of a 4-storey retail/commercial podium. With a total gross floor area of approximately 108,000 sq.m., it achieved an average occupancy rate of 88% during the year under review (2020: 94%).

**Chongqing Jinshan Shangye Zhongxin** 重慶金山商業中心, is another twin-tower project located in Bei Bu Xin Qu and adjacent to the above Chongqing Hon Kwok Centre. With a total gross floor area of approximately 173,000 sq.m., it comprises a 41-storey office tower and a 42-storey hotel and office composite tower each with its respective 4-storey retail/commercial podium. As at 31 March 2021, the occupancy rate of the office tower was 84% (2020: 82%), while the occupancy rate of the hotel/office tower was 64% (2020: 62%).

## **Property Investment – Hong Kong**

**Data Centre, 11 Kin Chuen Street**, is situated at Kin Chuen Street, Kwai Chung, New Territories. The development of data centre project represents a significant milestone of the Group to diversify its property portfolio strategically. With a gross floor area of approximately 228,000 sq.ft., the building is 12-storey high above ground with a 2-level basement. It is designed for data centre purposes with UTI Tier III standards, and provides the facilities with high power supplies. The property has been fully let to a renowned international data centre operator on a long-term lease. The data centre will commence operation in the second half of 2021 and will generate a steady stream of recurrent income to the Group from the financial year 2020/2021 onwards.

During the year ended 31 March 2021, the average occupancy rate of **The Bauhinia Hotel (Central)** 寶軒酒店 (中環), a 42-room boutique hotel situated at four podium floors of the hotel/apartment building at Connaught Road Central and Des Voeux Road Central was about 71% (2020: 85%) whilst that of **The Bauhinia** 寶軒, a 171-room serviced apartments atop of the above hotel, was about 75% (2020: 83%). The retail shops at street level are fully let.

The average occupancy rate of **The Bauhinia Hotel (TST)** 寶軒酒店 (尖沙咀), a 98-room boutique hotel occupying a total of 20 floors of a 23-storey commercial/office building at Observatory Court, Tsim Sha Tsui, was about 66% for the year ended 31 March 2021 (2020: 62%). The remaining floors of the above building are for leasing as restaurant/commercial use.

This has been a difficult second year for our hotel businesses. The social disturbances of 2019 were followed by the (at the date hereof) ongoing COVID-19 pandemic. Tourism rates have fallen by over 90%, causing the occupancy and room rates to decline significantly. In response to difficult conditions, our management reduced operating costs as well as launched packages to attract local customers. We foresee a slow recovery in demand from tourism following the reopening of the border. To enhance our competitiveness as tourists return, we are embarking on renovation and rebranding projects beginning in the second half of the year.

**Hon Kwok Jordan Centre** 漢國佐敦中心, with a gross floor area of approximately 62,000 sq.ft., is a 23-storey commercial/office building situated at Hillwood Road, Tsim Sha Tsui, reported a drop in rental income under this year's pandemic condition. The average occupancy rate fell to 69% (2020: 88%).

## **Property, carpark management and others**

For the year ended 31 March 2021, the property and carpark management division reported revenue of HK\$29 million as compared with HK\$32 million in prior year. Demand was negatively affected by the COVID-19 lockdowns, as local businesses stayed closed for weeks. To support car park operators, the government offered rental concessions to tenants operating fee-paying public car parks, which helped to reduce our operating costs, resulting in segment profit before taxation of HK\$9.7 million as compared with HK\$0.8 million in prior year. As at 31 March 2021, the Group managed 17 car parks (31 March 2020: 11 car parks) with approximately 2,200 parking spaces (31 March 2020: 2,100 parking spaces).

### **2. Property under redevelopment plan**

The development project at Douchizhou, Zhongtang Town, Dongguan, covering a site area of approximately 19,000 sq.m. and a gross floor area of approximately 58,000 sq.m., is our redevelopment project converting a parcel of land previously owned by our Group's former garment factory into a commercial/residential project (the "Redevelopment Project"). Foundation works are expected to be completed in the second quarter of the year, followed by the superstructure works. Pre-sale of this project is expected to be commenced before end of 2021.

In October 2020, the Group entered into a sale and purchase agreement to dispose its 35% interest of the Redevelopment Project through the sale of 35% equity interest of its offshore holding company for a total cash consideration of RMB35 million (equivalent to Hong Kong dollar of approximately HK\$40,764,000). The transaction was completed in October 2020 and the relevant gain on disposal amounting to approximately HK\$36.4 million was recognised in the capital reserve during the year under review. The disposal enabled the Group to realise a portion of the Group's interest in this investment and recognise the gain.

### **3. Construction and Trading**

Chinney Alliance Group Limited ("Chinney Alliance") (Stock Code: 385), a 29.1% owned associate recorded revenue of HK\$4,942 million (2019: HK\$5,220 million) and net profit attributable to its shareholders of HK\$124.1 million (2019: HK\$131.0 million) for the year ended 31 December 2020.

Chinney Alliance's foundation piling and ground investigation businesses are conducted by Chinney Kin Wing Holdings Limited ("Chinney Kin Wing") (Stock Code: 1556), a 74.5% owned subsidiary listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Chinney Kin Wing contributed revenue of HK\$1,553 million (2019: HK\$1,304 million) and operating profit of HK\$85.0 million (2019: HK\$68.1 million). Revenue increased slightly as more sizable contracts were progressed during the year. However, profit margins remained constrained as higher construction costs were incurred under increasingly stringent contract requirements. In addition, intense market competition caused squeezing contract prices for newly awarded contracts. To sustain its growth and development, the division continued to diversify its range of services, including broadening its range of marine ground drilling services.

The building construction division, consisting mainly of Chinney Construction Company, Limited (“Chinney Construction”) and Chinney Timwill Construction (Macau) Company Limited, engaged in superstructure construction works, contributed revenue of HK\$659 million (2019: HK\$1,126 million) and operating profit of HK\$15.7 million (2019: HK\$56.8 million). The negative impact of pandemic has caused lockdown in Macau, causing a drop in construction business, especially the casino projects. Construction sector in Hong Kong also slowed down and only picked up slowly in the second half of the financial year.

The building related contracting services division, consisting of Shun Cheong Investments Limited and its subsidiaries, engaged in its core HVAC, water, electrical and fire safety services businesses, recorded revenue of HK\$2,056 million (2019: HK\$2,211 million) and operating profit of HK\$74.4 million (2019: HK\$87.8 million). The progress of projects were slowed down under the impact of pandemic lockdowns, causing a decrease in revenue. Project overhead also increased, exerting pressure on profit margins. Nevertheless, the management continues to review and improve the operational efficiency to enhance profitability.

Jacobson van den Berg (Hong Kong) Limited and its fellow subsidiaries, contributed revenue of HK\$463 million (2019: HK\$482 million) and operating profit of HK\$11.1 million (2019: operating loss of HK\$0.5 million). While the worldwide COVID-19 economic shutdowns initially caused a heavy drop in customer orders and revenue in the first half of year, these customers substantially turned around in the second half to boost both sales and margins. Gains from the upsurge of Renminbi also contributed to the turnaround. Coupled with the contribution of the JcoNAT disinfectants, performance of the division significantly improved from last year. The division will continue to explore new markets and products to enhance its profitability.

## OUTLOOK

In the wake of 2020's grievous COVID-19 related economic disruptions, the Hong Kong Government deployed large scale fiscal stimulus measures to foster an economic recovery. Fast forward to 2021, with the gradual rollout of mass vaccination programs globally and across Hong Kong, we look forward to a gradual easing of cross-border travel restrictions ---perhaps as soon as the printing and distribution of this report. While we see signs of positive economic momentum, we are also monitoring uncertainties related to the lingering effects of the pandemic. These include volatile China-US relations; a high inflationary environment brought on by so much government stimulus, maybe culminating in higher interest rates and borrowing costs; and geopolitical instability associated with the uneven global economic recovery.

Across the border, thanks to the Central Government's proactive actions to curb COVID-19, along with the implementation of accommodative policies to boost domestic consumption, the economy exhibited greater resilience and rebounded in the second half of 2020, essentially bringing China back to its pre-pandemic levels. Meanwhile in real estate markets, the Central Government continues its city-specific restrictive policies to contain surging housing prices. In August 2020, it further strengthened regulatory control over the real estate financing activities by introducing the deleveraging policies such as the "Three Red Lines" to monitor the risks related to real estate developers. We are pleased to report that our Group operates well above these danger lines.

In light of solid demand in the housing market and our belief that the Central Government will endeavour to develop a stable and healthy real estate market, we have confidence that growth will continue in the years ahead.

In Hong Kong, the economy was severely disrupted by several waves of COVID-19 pandemic shutdowns. The collapse of hotel, tourism, and retail businesses across the city dramatically demonstrates our economic dependence on cross-border visitors. While office property rental and occupancy rates fell, we note that capital values remained relatively stable, and with a few exceptions, did not see the wholesale price collapse that may be expected in these dire circumstances. We now see these downward price pressures as healthy market adjustments after the frantic price escalations of previous years.

At the same time, the residential market remained buoyant, underpinned by the pent-up end-user demand and low interest rate environment. In the absence of cross border demand, prices not only remained steady, but in some cases showed modest increases.

Taking into account the first quarter 2021 year on year GDP growth of 7.9% and the mass vaccination campaign in progress, we are positioned for the economic recovery under way. We remain cautiously optimistic about the growth prospects of the local economy and will stay vigilant for changes in market situations and possible operational challenges.

Finally, I would like to thank my fellow directors for their support and valuable advice and all staff members for their efforts during the year under review.

**James Sai-Wing Wong**  
*Chairman*

Hong Kong, 24 June 2021

## CONSOLIDATED RESULTS

The consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2021 together with comparative figures for the previous year are as follows:

### Consolidated Statement of Profit or Loss

	<i>Notes</i>	<b>For the year ended 31 March</b>	
		<b>2021</b>	<b>2020</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	3	<b>1,277,982</b>	639,442
Cost of sales		<b>(638,743)</b>	(263,698)
Gross profit		<b>639,239</b>	375,744
Other income and gains	3	<b>31,249</b>	37,031
Fair value losses on investment properties, net		<b>(43,930)</b>	(228,633)
Administrative and other operating expenses, net		<b>(206,120)</b>	(158,238)
Finance costs	4	<b>(189,505)</b>	(219,443)
Share of profits of associates		<b>103,116</b>	147,882
Profit/(loss) before tax	5	<b>334,049</b>	(45,657)
Income tax credit/(expense)	6	<b>(216,108)</b>	11,444
Profit/(loss) for the year		<b>117,941</b>	(34,213)
Attributable to:			
Owners of the Company		<b>77,876</b>	(45,423)
Non-controlling interests		<b>40,065</b>	11,210
		<b>117,941</b>	(34,213)
Earnings/(loss) per share attributable to ordinary equity holders of the Company	7		
Basic and diluted		<b>HK\$0.14</b>	(HK\$0.08)



## Consolidated Statement of Comprehensive Income

	For the year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
<b>Profit/(loss) for the year</b>	<b><u>117,941</u></b>	<b><u>(34,213)</u></b>
<b>Other comprehensive income/(loss)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income/(loss) of associates	38,229	(23,169)
Exchange differences on translation of foreign operations	<u>641,284</u>	<u>(441,645)</u>
	<b>679,513</b>	<b>(464,814)</b>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Gain on property revaluation	<u>-</u>	<u>9,901</u>
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b><u>679,513</u></b>	<b><u>(454,913)</u></b>
<b>Total comprehensive income/(loss) for the year</b>	<b><u><u>797,454</u></u></b>	<b><u><u>(489,126)</u></u></b>
<b>Attributable to:</b>		
Owners of the Company	514,633	(335,872)
Non-controlling interests	<u>282,821</u>	<u>(153,254)</u>
	<b><u><u>797,454</u></u></b>	<b><u><u>(489,126)</u></u></b>

## Consolidated Statement of Financial Position

		31 March 2021 HK\$'000	31 March 2020 HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		295,564	276,131
Investment properties		15,207,048	14,512,320
Investment in a joint venture		199	199
Investments in associates		1,285,888	1,211,008
Total non-current assets		16,788,699	15,999,658
CURRENT ASSETS			
Tax recoverable		234	278
Properties held for sale under development and completed properties held for sale		2,117,059	2,077,800
Trade receivables	9	19,116	20,777
Contract costs		16,917	30,789
Prepayments, deposits and other receivables		317,414	201,866
Cash and bank balances		2,000,264	2,235,741
		4,471,004	4,567,251
Assets classified as held for sale		34,200	-
Total current assets		4,505,204	4,567,251
CURRENT LIABILITIES			
Trade payables, other payables, accrued liabilities and others	10	325,274	246,258
Interest-bearing bank borrowings		1,616,638	2,529,852
Lease liabilities		11,993	17,024
Contract liabilities		364,389	652,885
Customer deposits		92,341	53,423
Tax payable		298,281	163,221
Total current liabilities		2,708,916	3,662,663
NET CURRENT ASSETS		1,796,288	904,588
TOTAL ASSETS LESS CURRENT LIABILITIES		18,584,987	16,904,246

**Consolidated Statement of Financial Position** *(Continued)*

	<b>31 March 2021 HK\$'000</b>	<b>31 March 2020 HK\$'000</b>
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	<b>4,835,098</b>	4,001,060
Lease liabilities	<b>13,641</b>	8,052
Deferred tax liabilities	<b>1,441,579</b>	1,370,833
Total non-current liabilities	<b>6,290,318</b>	5,379,945
Net assets	<b>12,294,669</b>	11,524,301
EQUITY		
Equity attributable to owners of the Company		
Share capital	<b>405,411</b>	405,411
Reserves	<b>7,828,858</b>	7,316,919
	<b>8,234,269</b>	7,722,330
Non-controlling interests	<b>4,060,400</b>	3,801,971
Total equity	<b>12,294,669</b>	11,524,301

Notes:

## 1. Basis of Preparation and Changes in Accounting Policies and Disclosures

### ***Basis of preparation***

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (the "Hong Kong Companies Ordinance"). They have been prepared under the historical cost convention, except for investment properties and assets classified as held for sale which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited financial information relating to the year ended 31 March 2021 and the financial information relating to the year ended 31 March 2020 included in this preliminary announcement of annual results for the year ended 31 March 2021 do not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 March 2020, 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 is as follows:

The financial statements for the year ended 31 March 2021 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course. The Company has delivered the financial statements for the year ended 31 March 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on these financial statements for the year ended 31 March 2020. 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 reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

### ***Changes in accounting policies and disclosures***

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions</i> (early adopted)
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The adoption of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs does not have significant impact on the Group's financial statements.

## **2. Operating Segment Information**

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the property development segment develops properties for sale;
- (b) the property investment segment holds investment properties for development and the generation of rental income; and
- (c) the property, carpark management and others segment comprises the sub-leasing business and the property management service business which provides management services to residential and commercial properties.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, dividend income, non-lease-related finance costs, share of profits of associates, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude investment in a joint venture, investments in associates, other unallocated head office and corporate assets, including tax recoverable and cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities, including interest-bearing bank borrowings, tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

During the current and prior years, there were no intersegment transactions.

## 2. Operating Segment Information (Continued)

For the year ended 31 March 2021

	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
<b>Segment revenue:</b>				
Sales to external customers	957,124	291,437	29,421	<u>1,277,982</u>
<b>Segment results</b>	<b>345,041</b>	<b>70,068</b>	<b>21,004</b>	<b>436,113</b>
<i>Reconciliation:</i>				
Interest income				10,735
Corporate and other unallocated expenses				(28,085)
Finance costs (other than interest on lease liabilities)				(187,830)
Share of profits of associates				<u>103,116</u>
Profit before tax				<u><u>334,049</u></u>

For the year ended 31 March 2020

	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
<b>Segment revenue:</b>				
Sales to external customers	325,561	282,025	31,856	<u>639,442</u>
<b>Segment results</b>	<b>147,494</b>	<b>(125,807)</b>	<b>9,119</b>	<b>30,806</b>
<i>Reconciliation:</i>				
Interest income				22,270
Corporate and other unallocated expenses				(29,737)
Finance costs (other than interest on lease liabilities)				(216,878)
Share of profits of associates				<u>147,882</u>
Loss before tax				<u><u>(45,657)</u></u>

## 2. Operating Segment Information (Continued)

At 31 March 2021				
	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
<b>Segment assets</b>	<b>2,512,372</b>	<b>15,736,324</b>	<b>2,058,549</b>	<b>20,307,245</b>
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(2,299,927)
Investment in a joint venture				199
Investments in associates				1,285,888
Corporate and other unallocated assets				<u>2,000,498</u>
Total assets				<u>21,293,903</u>
<b>Segment liabilities</b>	<b>1,590,609</b>	<b>1,136,503</b>	<b>380,453</b>	<b>3,107,565</b>
<i>Reconciliation:</i>				
Elimination of intersegment payables				(2,299,927)
Corporate and other unallocated liabilities				<u>8,191,596</u>
Total liabilities				<u>8,999,234</u>

For the year ended 31 March 2021				
	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
<b>Other segment information:</b>				
Fair value losses on investment properties, net	-	43,930	-	43,930
Gain on disposal of items of property, plant and equipment	456	-	7	463
Depreciation	2,458	7,238	20,006	29,702
Capital expenditure*	<u>1,080</u>	<u>104,034</u>	<u>3,630</u>	<u>108,744</u>

\* Capital expenditure represents additions to property, plant and equipment and investment properties.

## 2. Operating Segment Information (Continued)

At 31 March 2020

	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
<b>Segment assets</b>	2,279,595	15,040,933	2,153,855	19,474,383
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(2,354,700)
Investment in a joint venture				199
Investments in associates				1,211,008
Corporate and other unallocated assets				<u>2,236,019</u>
Total assets				<u>20,566,909</u>
<b>Segment liabilities</b>	1,673,152	1,044,117	615,073	3,332,342
<i>Reconciliation:</i>				
Elimination of intersegment payables				(2,354,700)
Corporate and other unallocated liabilities				<u>8,064,966</u>
Total liabilities				<u>9,042,608</u>

For the year ended 31 March 2020

	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
<b>Other segment information:</b>				
Fair value losses on investment properties, net	-	228,633	-	228,633
Loss/(gain) on disposal of items of property, plant and equipment	(111)	-	1,033	922
Depreciation	2,409	6,979	26,313	35,701
Capital expenditure*	<u>546</u>	<u>711,170</u>	<u>6,121</u>	<u>717,837</u>

\* Capital expenditure represents additions to property, plant and equipment and investment properties.



## 2. Operating Segment Information *(Continued)*

### Geographical information

#### (a) Revenue

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong	107,173	103,226
Mainland China	<u>1,170,809</u>	<u>536,216</u>
	<u>1,277,982</u>	<u>639,442</u>

The revenue information above is based on the locations of the operations.

#### (b) Non-current assets

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong	5,152,762	5,013,918
Mainland China	<u>10,349,850</u>	<u>9,774,533</u>
	<u>15,502,612</u>	<u>14,788,451</u>

The non-current asset information above is based on the locations of the assets and excludes investments in associates and a joint venture.

### 3. Revenue, Other Income and Gains

#### Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 March 2021

	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
<b>Segment</b>				
Type of goods or services				
Sales of properties	957,124	-	-	957,124
Property management income	-	32,738	1,658	34,396
Total revenue from contracts with customers	957,124	32,738	1,658	991,520
Revenue from other sources				
Gross rental income	-	258,699	27,763	286,462
Total revenue from other sources	-	258,699	27,763	286,462
Revenue disclosed in the segment information	957,124	291,437	29,421	1,277,982
Timing of revenue recognition				
Goods transferred at a point in time	957,124	-	-	957,124
Services transferred over time	-	32,738	1,658	34,396
Total revenue from contracts with customers	957,124	32,738	1,658	991,520

For the year ended 31 March 2020

	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
<b>Segment</b>				
Type of goods or services				
Sales of properties	325,561	-	-	325,561
Property management income	-	29,611	1,606	31,217
Total revenue from contracts with customers	325,561	29,611	1,606	356,778
Revenue from other sources				
Gross rental income	-	252,414	30,250	282,664
Total revenue from other sources	-	252,414	30,250	282,664
Revenue disclosed in the segment information	325,561	282,025	31,856	639,442
Timing of revenue recognition				
Goods transferred at a point in time	325,561	-	-	325,561
Services transferred over time	-	29,611	1,606	31,217
Total revenue from contracts with customers	325,561	29,611	1,606	356,778

### 3. Revenue, Other Income and Gains (Continued)

	2021 HK\$'000	2020 HK\$'000
<b>Other income and gains</b>		
Bank interest income	10,719	22,270
Management fee income received from an associate	5,448	5,475
Government subsidies*	5,580	-
Others	9,502	9,286
	<u>31,249</u>	<u>37,031</u>

\* The government subsidies represented mainly grants from the Employment Support Scheme of the Hong Kong Government, which aims to retain employment and combat COVID-19. There are no unfulfilled conditions or contingencies relating to these subsidies.

### 4. Finance Costs

	2021 HK\$'000	2020 HK\$'000
Interest on bank loans	214,685	258,164
Interest on lease liabilities	1,675	2,565
Less: Interest capitalised under properties under development/construction	<u>(26,855)</u>	<u>(41,286)</u>
	<u>189,505</u>	<u>219,443</u>

### 5. Profit/(Loss) Before Tax

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2021 HK\$'000	2020 HK\$'000
Cost of properties sold	468,031	108,650
Direct operating expenses (including repairs and maintenance) arising from rental-earning properties	170,712	155,048
Depreciation of property, plant and equipment and right-of-use assets	29,702	35,701
Lease payments not included in the measurement of lease liabilities	3,889	3,369
Auditor's remuneration	3,745	3,700
Foreign exchange differences, net	88	(469)
Loss/(gain) on disposal of items of property, plant and equipment, net	(463)	922
Employee benefit expenses (including directors' remuneration):		
Wages, salaries, allowances and benefits in kind	92,237	89,080
Pension scheme contributions	<u>2,203</u>	<u>2,162</u>
	94,440	91,242
Less: Amount capitalised under properties under development/construction	<u>(22,250)</u>	<u>(20,870)</u>
	<u>72,190</u>	<u>70,372</u>

At 31 March 2021 and 31 March 2020, the amount of forfeited pension scheme contributions available to the Group for future utilisation was not significant.

## 6. Income Tax

	2021 HK\$'000	2020 HK\$'000
Current tax		
Hong Kong	-	(137)
Mainland China corporate income tax	(80,028)	(52,203)
Land appreciation tax in Mainland China	(159,778)	(49,717)
Overseas profits tax	(471)	(53)
	<b>(240,277)</b>	<b>(102,110)</b>
Deferred tax	<b>24,169</b>	<b>113,554</b>
Total tax credit/(charge) for the year	<b>(216,108)</b>	<b>11,444</b>

Land appreciation tax has been calculated in conformity with the prevailing rules and practices on the Group's completed projects in Mainland China at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

## 7. Earnings/(Loss) Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings (2020: loss) per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$77,876,000 (2020: loss of HK\$45,423,000) and the weighted average number of ordinary shares in issue during the year of 551,368,153 (2020: 551,368,153).

No adjustment has been made to the basic earnings (2020: loss) per share amounts presented for the years ended 31 March 2021 and 2020 in respect of a dilution as the Group has no potential dilutive ordinary shares in issue during the years ended 31 March 2021 and 2020.

## 8. Dividend

	2021 HK\$'000	2020 HK\$'000
Proposed final – 5 HK cents (2020: 5 HK cents) per ordinary share	<b>27,568</b>	<b>27,568</b>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## 9. Trade Receivables

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice/contract date and net of impairment, is as follows:

	2021 HK\$'000	2020 HK\$'000
Within 30 days	620	967
31 to 60 days	44	201
61 to 90 days	21	-
Over 90 days	<b>18,431</b>	<b>19,609</b>
Total	<b>19,116</b>	<b>20,777</b>

Monthly rent in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. The balance of the consideration in respect of the sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreements. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

#### 10. Trade Payables, Other Payables, Accrued Liabilities and Others

Included in trade payables, other payables, accrued liabilities and others are trade payables of HK\$9,561,000 (2020: HK\$12,264,000). An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
Within 30 days	<b>9,526</b>	12,248
Over 90 days	<u><b>35</b></u>	<u>16</u>
Total	<u><b>9,561</b></u>	<u>12,264</u>

#### 11. Contingent Liabilities

As at 31 March 2021, the Group has given guarantees of HK\$219,931,000 (2020: HK\$303,420,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property ownership certificates to the purchasers.

## **FINANCIAL REVIEW**

### **Liquidity and financial resources**

The total interest-bearing debts of the Group amounted to approximately HK\$6,477 million as at 31 March 2021 (2020: HK\$6,556 million), of which approximately 25% (2020: 39%) of the debts were classified as current liabilities. Included therein were debts of HK\$80 million related to bank loans with repayable on demand clause and HK\$967 million related to project or term loans which will be refinanced during the forthcoming financial year. Based on the repayment schedules pursuant to the related loan agreements and assuming that the aforesaid refinancing will be completed on schedule, the current portion of the total interest-bearing debts was approximately 9%.

Total cash and bank balances including time deposits were approximately HK\$2,000 million as at 31 March 2021 (2020: HK\$2,236 million). Included in cash and bank balances are restricted bank deposits of HK\$114 million (2020: HK\$62 million) which can only be applied in the designated property development projects prior to their completion of construction. The Group had committed but undrawn banking facilities of a total of approximately HK\$1,572 million at year end available for its working capital purpose.

Total shareholders' funds as at 31 March 2021 were approximately HK\$8,234 million (2020: HK\$7,722 million). The increase was mainly due to current year's profit attributable to shareholders and the appreciation in value of assets less liabilities denominated in Renminbi.

The gearing ratio of the Group, as measured by the net interest-bearing debts of approximately HK\$4,477 million (2020: HK\$4,320 million) over total shareholders' funds plus non-controlling interests totalling of approximately HK\$12,295 million (2020: HK\$11,524 million), was 36% as at 31 March 2021 (2020: 37%).

### **Funding and treasury policies**

The Group adopts prudent funding and treasury policies. Surplus funds are primarily maintained in the form of cash deposits with leading banks.

Acquisition and development of properties are financed partly by internal resources and partly by bank loans. Repayments of bank loans are scheduled to match asset lives and project completion dates. Bank loans are mainly denominated in Hong Kong dollars and Renminbi and bear interest at floating rates.

Foreign currency exposure is closely monitored by management and hedged to the extent desirable. As at 31 March 2021, the Group had no material exposure under foreign exchange contracts or any other hedging instruments.

### **Pledge of assets**

Properties with an aggregate carrying value of approximately HK\$15,860 million as at 31 March 2021 and shares in certain subsidiaries were pledged to secure certain banking facilities of the Group.

## **Employees and remuneration policies**

The Group, not including its associates and a joint venture, employed approximately 380 employees as at 31 March 2021 (as at 31 March 2020: 340). Remuneration is determined by reference to market terms and the qualifications and experience of the staff concerned. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance. The Group also provides other benefits including medical cover, provident fund, personal accident insurance and educational subsidies to all eligible staff.

## **CONNECTED TRANSACTIONS**

1. On 20 September 2016, Gold Famous Development Limited (“Gold Famous”), an indirect wholly-owned subsidiary of Hon Kwok, entered into a framework agreement with Kin Wing Foundations Limited (“Kin Wing Foundations”), an indirect wholly-owned subsidiary of Chinney Kin Wing and an indirect non wholly-owned subsidiary of Chinney Alliance, pursuant to which, Kin Wing Foundations was appointed by Gold Famous as a contractor for the foundation construction works at K.C.T.L. 495, Kin Chuen Street, Kwai Chung, New Territories, Hong Kong for a contract sum of HK\$210,000,000. As Dr. James Sai-Wing Wong is the controlling shareholder of each of the Company, Hon Kwok, Chinney Alliance and Chinney Kin Wing, the transaction constituted a connected transaction under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The transaction was approved by the independent shareholders of the Company, Hon Kwok, Chinney Alliance and Chinney Kin Wing at the respective general meetings held by each of the companies on 7 November 2016.

Construction works were completed and pending for finalisation of variation orders and final accounts of the project. During the year ended 31 March 2021, no development cost was paid to Kin Wing Foundations.

2. On 12 June 2018, Gold Famous entered into a consultancy agreement with Shun Cheong Data Centre Solutions Company Limited (“Shun Cheong Data Centre Solutions”), an indirect wholly-owned subsidiary of Chinney Alliance, pursuant to which Shun Cheong Data Centre Solutions was appointed by Gold Famous as a consultant to provide consultancy services in respect of the construction and development of a data centre on a parcel of land owned by Gold Famous in Kwai Chung, Hong Kong (the “Data Centre Project”) at a fixed fee of HK\$16,200,000 (the “Consultancy Agreement”). As the Company is interested in approximately 68.09% of the issued shares of Hon Kwok and approximately 29.10% of the issued shares of Chinney Alliance and Dr. James Sai-Wing Wong is the chairman, executive director and a controlling shareholder of each of the Company, Hon Kwok and Chinney Alliance, the transaction constituted a connected transaction for each of the Company, Hon Kwok, and Chinney Alliance under the Listing Rules and is subject to the reporting and announcement requirements.

The consultancy fee of HK\$16,200,000 was fully paid.

3. On 12 July 2018, Gold Famous entered into a framework agreement with Chinney Construction, an indirect wholly-owned subsidiary of Chinney Alliance, pursuant to which Gold Famous engaged Chinney Construction to act as the main contractor to carry out construction works for the Data Centre Project at a total contract sum not exceeding HK\$757,800,000 (the “Framework Agreement”). As the Company is interested in approximately 68.09% of the issued shares of Hon Kwok and approximately 29.10% of the issued shares of Chinney Alliance and Dr. James Sai-Wing Wong is the chairman, executive director and a controlling shareholder of each of the Company, Hon Kwok and Chinney Alliance, the related transaction constituted a connected transaction for each of the Company, Hon Kwok, and Chinney Alliance under the Listing Rules. Since the entering into of the Consultancy Agreement dated 12 June 2018 also constituted a connected transaction and pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, the Consultancy Agreement and the Framework Agreement should be aggregated as a series of transactions as they were entered into within a 12-month period and involved parties which are connected with one another. The applicable percentage ratios of the Framework Agreement on both stand-alone and the basis when aggregated with the Consultancy Agreement, are more than 5% and contract sum was more than HK\$10 million, the transaction is subject to the reporting, announcement and independent shareholders’ approval requirements. The transaction was approved by the independent shareholders of the Company, Hon Kwok and Chinney Alliance at the respective general meetings held by each of the companies on 24 August 2018.

During the year ended 31 March 2021, total development cost paid to Chinney Construction amounted to HK\$39,235,000 in respect of the transaction.

## **CORPORATE GOVERNANCE**

### **Compliance with Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct for directors’ securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 March 2021.

### **Compliance with the Corporate Governance Code**

In the opinion of the Directors, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules for the year ended 31 March 2021, except for the following deviations:

1. CG Code provision A.1.1 stipulates that the board of directors should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals.

During the year ended 31 March 2021, the board of directors of the Company (the “Board”) met twice for approving the annual results of the Company for the year ended 31 March 2020 and the interim results for the period ended 30 September 2020. As business operations were under the management and supervision of the executive directors of the Company, who had from time to time held meetings to resolve all material business or management issues, only two regular board meetings were held for the year ended 31 March 2021.



2. CG Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election and CG Code provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the articles of association of the Company (the “Articles of Association”). The Articles of Association do not require the directors to retire by rotation at least once every three years. However, in accordance with article 104 of the Articles of Association, at each annual general meeting of the Company, one-third of the directors for the time being (or, if their number is not three or a multiple of three, then the number nearest one-third), other than the one who holds the office as executive chairman or managing director, shall retire from office by rotation. The Board will ensure the retirement of each director, other than the one who holds the office as executive chairman or managing director, by rotation at least once every three years in order to comply with the CG Code provisions.

The Chairman and the Managing Director will not be subject to retirement by rotation; which deviates from CG Code provision A.4.2 as the Board considers that the continuity of office of the Chairman and Managing Director provide the Group with a strong and consistent leadership and is of great importance to the smooth operations of the Group.

All directors appointed to fill a casual vacancy is subject to re-election by shareholders at the next following annual general meeting of the Company instead of at the first general meeting after their appointment as stipulated in CG Code provision A.4.2.

3. CG Code provision A.5.1 stipulates that, amongst others, issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director.

The Company has not established a nomination committee. The Board is responsible for considering the suitability of a candidate to act as a director, and collectively approving and terminating the appointment of a director as this allows a more informed and balanced decision to be made. The Chairman is mainly responsible for identifying suitable candidates for members of the Board when there is a vacancy or an additional director is considered necessary. The Chairman will propose the appointment of such candidates to the Board for consideration and the Board will determine the suitability of the relevant candidates having due regard to the Nomination Policy and the Board Diversity Policy adopted by the Company and assess the independence of the proposed independent non-executive director(s) as appropriate.

4. CG Code provision B.1.2 stipulates that the terms of reference of the remuneration committee should include, as a minimum, those specific duties as set out in the CG Code provisions.

The Company has adopted the revised terms of reference of the Remuneration Committee on 30 March 2012 with certain deviations from the CG Code provisions. Pursuant to the revised terms of reference, the Remuneration Committee reviews and makes recommendations to the Board on the remuneration packages of directors (as opposed to directors and senior management).

### **Audit committee**

Regular meetings have been held by the Audit Committee of the Company since its establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Audit Committee has reviewed with management the annual results of the Group for the year ended 31 March 2021.

### **REVIEW OF PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2021.

By Order of the Board  
**James Sai-Wing Wong**  
Chairman

Hong Kong, 24 June 2021

*At the date of this announcement, the directors of the Company are Dr. James Sai-Wing Wong (Chairman), Mr. Yuen-Keung Chan (Vice Chairman and Managing Director) and Mr. James Sing-Wai Wong as executive directors; Mr. Paul Hon-To Tong and Dr. Emily Yen Wong as non-executive directors; and Mr. James C. Chen, Mr. Richard Chi-Ho Lo and Mr. Winfred Wai-Lap Fan as independent non-executive directors.*