Chuang's China Investments Limited
（莊 士 中 國 投 資 有 限 公 司）
(Incorporated in Bermuda with limited liability)
(Stock Code: 298)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The board of Directors (the "Board") of Chuang's China Investments Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31 March 2021 as follows:

HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH 2021

- 365 residential units (out of the pre-sold 371 units) of The Esplanade in Tuen Mun, Hong Kong, have been handed-over to end-buyers during the year under review.
- In September 2020, the Group completed the disposal of the property in the United Kingdom (the "UK"), and net cash consideration of GBP45.8 million (equivalent to approximately HK$475.0 million) was received by the Group.
- Revenues for the year under review amounted to HK$1,779.7 million.
- Profit attributable to equity holders of the Company amounted to HK$419.0 million.
- The Group had net cash of HK$82.7 million as at 31 March 2021. Total cash resources of the Group (including bonds investments of HK$1,220.0 million) amounted to HK$1,899.0 million, and bank borrowings amounted to HK$1,816.3 million.
- Net asset value per share amounted to HK$1.88.
- Earnings per share was 17.84 HK cents.
- Final dividend of 1.5 HK cents per share was recommended.
- Subsequent to the year end date, on 14 May 2021, the Group completed the disposal of the property project in Panyu, Guangzhou, the People's Republic of China (the "PRC"). The Group's net cash position has increased by about HK$1,471.9 million, after payment of tax relating to the disposal. The disposal has greatly strengthened the Group's financial position.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2021

	Note	**2021** *HK$'000*	2020 *HK$'000*
Revenues	*3*	**1,779,654**	177,523
Cost of sales		**(1,060,895)**	(44,384)
Gross profit		**718,759**	133,139
Other income and net gain/(loss)	*5*	**111,668**	(51,058)
Selling and marketing expenses		**(109,047)**	(27,212)
Administrative and other operating expenses		**(138,383)**	(125,084)
Change in fair value of investment properties		**(135,955)**	(25,793)
Operating profit/(loss)	*6*	**447,042**	(96,008)
Finance costs	*7*	**(48,209)**	(73,957)
Share of results of associated companies		**(113)**	(1,139)
Share of result of a joint venture	*8*	**2,281**	11,049
Profit/(loss) before taxation		**401,001**	(160,055)
Taxation credit/(charge)	*9*	**14,398**	(29,840)
Profit/(loss) for the year		**415,399**	(189,895)
Attributable to:			
Equity holders		**419,039**	(192,355)
Non-controlling interests		**(3,640)**	2,460
		415,399	(189,895)
		HK cents	*HK cents*
Earnings/(loss) per share (basic and diluted)	*11*	**17.84**	(8.19)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2021

	2021 *HK$'000*	2020 *HK$'000*
Profit/(loss) for the year	**415,399**	(189,895)
Other comprehensive income:		
Items that had been/may be reclassified subsequently to profit and loss:		
Net exchange differences	**264,734**	(227,194)
Share of exchange reserve of a joint venture	**19,596**	(15,538)
Realization of exchange reserve upon disposal of a subsidiary	**(22,712)**	–
Total other comprehensive income/(loss) that had been/may be reclassified subsequently to profit and loss	**261,618**	(242,732)
Item that may not be reclassified subsequently to profit and loss:		
Change in fair value of financial assets at fair value through other comprehensive income	**24,567**	(4,178)
Total other comprehensive income/(loss) for the year	**286,185**	(246,910)
Total comprehensive income/(loss) for the year	**701,584**	(436,805)
Total comprehensive income/(loss) attributable to:		
Equity holders	**685,332**	(436,242)
Non-controlling interests	**16,252**	(563)
	701,584	(436,805)

CONSOLIDATED BALANCE SHEET

As at 31 March 2021

	Note	**2021** *HK$'000*	2020 *HK$'000*
Non-current assets			
Property, plant and equipment		**45,560**	59,430
Investment properties		**1,635,636**	2,608,396
Right-of-use assets		**1,674**	1,865
Properties for/under development		**148,393**	137,253
Cemetery assets		**302,489**	276,396
Associated company		**3,795**	3,908
Joint venture		**362,498**	340,911
Financial assets at fair value through other comprehensive income		**154,190**	128,730
Loans and receivables and other deposits		**217,108**	207,895
Deferred taxation assets		**–**	1,554
		2,871,343	3,766,338
Current assets			
Properties for sale		**677,837**	2,162,230
Cemetery assets		**778,286**	723,987
Inventories		**49,795**	49,795
Debtors and prepayments	*12*	**156,754**	147,120
Financial assets at fair value through profit or loss		**1,321,870**	757,675
Cash and bank balances		**679,001**	703,794
		3,663,543	4,544,601
Assets of disposal group classified as held for sale	*13*	**770,429**	–
		4,433,972	4,544,601
Current liabilities			
Creditors and accruals	*14*	**346,509**	229,448
Sales deposits received		**10,984**	1,552,356
Short-term bank borrowings		**411,052**	80,351
Current portion of long-term bank borrowings		**700,557**	514,352
Taxation payable		**66,620**	223,657
		1,535,722	2,600,164
Liabilities of disposal group classified as held of sale	*13*	**69,437**	–
		1,605,159	2,600,164
Net current assets		**2,828,813**	1,944,437
Total assets less current liabilities		**5,700,156**	5,710,775

	2021	2020
	HK$'000	*HK$'000*
Equity		
Share capital	**117,442**	117,442
Reserves	**4,302,311**	3,652,212
Shareholders' funds	**4,419,753**	3,769,654
Non-controlling interests	**123,571**	107,319
Total equity	**4,543,324**	3,876,973
Non-current liabilities		
Long-term bank borrowings	**704,733**	1,306,272
Deferred taxation liabilities	**367,188**	445,746
Loans and payables with non-controlling interests	**47,688**	47,472
Other non-current liabilities	**37,223**	34,312
	1,156,832	1,833,802
	5,700,156	5,710,775

NOTES:

1. GENERAL INFORMATION

Chuang's China Investments Limited (the "Company") is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is 25th Floor, Alexandra House, 18 Chater Road, Central.

As at 31 March 2021, the Company was a 60.7% owned subsidiary of Profit Stability Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Chuang's Consortium International Limited ("CCIL"), a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange. The board of Directors (the "Board") regards CCIL as the ultimate holding company.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property development, investment and trading, hotel operation and management, development and operation of cemetery, sales of goods and merchandises (including art pieces), and securities investment and trading.

On 9 February 2021, the Group entered into the conditional sale and purchase agreements with independent third parties for the disposal of the properties holding subsidiaries that hold the property project in Panyu, Guangzhou, the People's Republic of China (the "PRC"), for an aggregate consideration of about RMB1,571.3 million (equivalent to approximately HK$1,872.2 million) (subject to adjustments) (the "Panyu Disposal"). As such, all related assets and liabilities of Panyu Disposal were classified as held for sale as at 31 March 2021 in accordance with the accounting policy for disposal group held for sale (see Note 13).

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value, and in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

The existing and potential impacts arising from the global Covid-19 pandemic have been considered in the preparation of the consolidated financial statements. The Group has based its assumptions and estimates on circumstances and conditions available when the consolidated financial statements were prepared. Given the uncertainty of macro conditions, actual results may differ significantly from those assumptions and estimates. The Group will remain alert and cautious on the ongoing development of Covid-19 that may cause further volatility and uncertainty in the global financial market and economy, and will take necessary measures to address the impact arising therefrom.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group. The significant accounting policies adopted for the preparation of the consolidated financial statements have been consistently applied to all the years presented, except as stated below.

(i) Accounting policy of "Government Grants"

The Group has applied the accounting policy on "Government Grants" during the year ended 31 March 2021 as follows:

Grants from governments are recognized at fair value when there is a reasonable assurance that the grant will be received and that the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated income statement over the period necessary to match them with costs that are intended to compensate and offset with related expenses.

(ii) Effect of adopting amendments to standards and framework

For the year ended 31 March 2021, the Group adopted the following amendments to standards and framework that are effective for the accounting periods beginning on or after 1 April 2020 and relevant to the operations of the Group:

HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKFRS 3 (Amendment)	Definition of a Business
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The Group has assessed the impact of the adoption of these amendments to standards and framework and concluded that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the consolidated financial statements.

(iii) New standard and amendments to standards that are not yet effective

The following new standard and amendments to standards have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1 April 2021, but have not yet been early adopted by the Group:

HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current (effective from 1 January 2023)
HKAS 16 (Amendment)	Property, Plant and Equipment – Proceeds before Intended Use (effective from 1 January 2022)
HKAS 37 (Amendment)	Onerous Contracts – Cost of Fulfilling a Contract (effective from 1 January 2022)
HKAS 39, HKFRS 4, HKFRS 7 and HKFRS 9 (Amendments)	Interest Rate Benchmark Reform – Phase 2 (effective from 1 January 2021)
HKFRS 3 (Amendment)	Reference to the Conceptual Framework (effective from 1 January 2022)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (no mandatory effective date)
HKFRS 16 (Amendment)	Covid-19 – Related Rent Concessions (effective from 1 June 2020)
HKFRS 17	Insurance Contracts (effective from 1 January 2023)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2018–2020 Cycle (effective from 1 January 2022)

The Group will adopt the above new standard and amendments to standards as and when they become effective. The Group has commenced a preliminary assessment of the likely impact of adopting the above new standard and amendments to standards, and expects the adoption will have no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies and presentation of the consolidated financial statements. The Group will continue to assess the impact in more detail.

3. REVENUES

Revenues recognized during the year are as follows:

	2021 *HK$'000*	2020 *HK$'000*
Sales of properties	**1,651,615**	42,429
Rental income and management fees	**39,864**	66,187
Sales of cemetery assets	**25,733**	21,252
Sales of goods and merchandises	**–**	2,170
Interest income from financial assets at fair value through profit or loss	**62,442**	45,485
	1,779,654	177,523

4. SEGMENT INFORMATION

(a) Segment information by business lines

The chief operating decision maker (the "CODM") has been identified as the Executive Directors and senior management. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business from a business perspective, including property development, investment and trading, development and operation of cemetery, sales of goods and merchandises, securities investment and trading and others (including hotel operation and management). The CODM assesses the performance of the operating segments based on the measure of segment result.

The segment information by business lines is as follows:

	Property development, investment and trading *HK$'000*	Cemetery *HK$'000*	Sales of goods and merchandises *HK$'000*	Securities investment and trading *HK$'000*	Others and corporate *HK$'000*	2021 Total *HK$'000*
Revenues from contracts with customers:						
– Recognized at a point in time	1,651,615	25,733	–	–	–	1,677,348
– Recognized over time	65	–	–	–	–	65
Revenues from other sources	39,799	–	–	62,442	–	102,241
Revenues	1,691,479	25,733	–	62,442	–	1,779,654
Other income and net gain/(loss)	7,733	87	–	93,846	10,002	111,668

	Property development, investment and trading *HK$'000*	Cemetery *HK$'000*	Sales of goods and merchandises *HK$'000*	Securities investment and trading *HK$'000*	Others and corporate *HK$'000*	2021 Total *HK$'000*
Operating profit/(loss)	**376,229**	**2,412**	**(82)**	**155,520**	**(87,037)**	**447,042**
Finance costs	**(46,101)**	**–**	**–**	**(2,108)**	**–**	**(48,209)**
Share of result of an associated company	**–**	**–**	**–**	**–**	**(113)**	**(113)**
Share of result of a joint venture	**2,281**	**–**	**–**	**–**	**–**	**2,281**
Profit/(loss) before taxation	**332,409**	**2,412**	**(82)**	**153,412**	**(87,150)**	**401,001**
Taxation credit/(charge)	**20,897**	**(2,305)**	**–**	**(4,194)**	**–**	**14,398**
Profit/(loss) for the year	**353,306**	**107**	**(82)**	**149,218**	**(87,150)**	**415,399**
Segment assets	**2,837,204**	**1,116,947**	**50,023**	**1,325,125**	**839,294**	**6,168,593**
Associated company	**–**	**–**	**–**	**–**	**3,795**	**3,795**
Joint venture	**362,498**	**–**	**–**	**–**	**–**	**362,498**
Assets of disposal group classified as held for sale	**770,429**	**–**	**–**	**–**	**–**	**770,429**
Total assets	**3,970,131**	**1,116,947**	**50,023**	**1,325,125**	**843,089**	**7,305,315**
Segment liabilities	**2,036,745**	**281,161**	**10**	**353,858**	**20,780**	**2,692,554**
Liabilities of disposal group classified as held for sale	**69,437**	**–**	**–**	**–**	**–**	**69,437**
Total liabilities	**2,106,182**	**281,161**	**10**	**353,858**	**20,780**	**2,761,991**
Other segment items are as follows:						
Capital expenditure	**143,044**	**969**	**–**	**–**	**288**	**144,301**
Depreciation of property, plant and equipment	**944**	**602**	**105**	**–**	**13,944**	**15,595**
Depreciation of right-of-use assets	**293**	**126**	**–**	**–**	**–**	**419**
Provision for impairment of trade debtors	**744**	**–**	**–**	**–**	**–**	**744**
Fair value gain on transfer of properties from properties for sale to investment properties	**8,190**	**–**	**–**	**–**	**–**	**8,190**
Fair value loss of investment properties	**135,955**	**–**	**–**	**–**	**–**	**135,955**

	Property development, investment and trading *HK$'000*	Cemetery *HK$'000*	Sales of goods and merchandises *HK$'000*	Securities investment and trading *HK$'000*	Others and corporate *HK$'000*	2020 Total *HK$'000*
Revenues from contracts with customers:						
– Recognized at a point in time	42,429	21,252	2,170	–	–	65,851
Revenues from other sources	66,187	–	–	45,485	–	111,672
Revenues	108,616	21,252	2,170	45,485	–	177,523
Other income and net gain/(loss)	1,729	65	–	(68,165)	15,313	(51,058)
Operating (loss)/profit	(5,650)	3,513	21	(23,216)	(70,676)	(96,008)
Finance costs	(72,068)	–	–	(1,889)	–	(73,957)
Share of results of associated companies	–	–	–	–	(1,139)	(1,139)
Share of result of a joint venture	11,049	–	–	–	–	11,049
(Loss)/profit before taxation	(66,669)	3,513	21	(25,105)	(71,815)	(160,055)
Taxation (charge)/credit	(30,825)	1,406	–	(421)	–	(29,840)
(Loss)/profit for the year	(97,494)	4,919	21	(25,526)	(71,815)	(189,895)
Segment assets	5,533,103	1,043,104	50,252	758,206	581,455	7,966,120
Associated company	–	–	–	–	3,908	3,908
Joint venture	340,911	–	–	–	–	340,911
Total assets	5,874,014	1,043,104	50,252	758,206	585,363	8,310,939
Total liabilities	4,074,058	255,096	10	81,020	23,782	4,433,966
Other segment items are as follows:						
Capital expenditure	1,022,404	1,666	–	–	35,965	1,060,035
Depreciation of property, plant and equipment	9,895	656	105	–	11,118	21,774
Depreciation of right-of-use assets	3,465	87	–	–	–	3,552
Provision for impairment of trade debtors	462	–	–	–	–	462
Fair value loss of investment properties	25,793	–	–	–	–	25,793
Reversal of provision for impairment of other deposits	2,813	–	–	–	–	2,813

(b) Geographical segment information

The business of the Group operates in different geographical areas. Revenues are presented by the countries where the customers are located. Non-current assets, total assets and capital expenditure are presented by the countries where the assets are located. The segment information by geographical area is as follows:

	Revenues		**Capital expenditure**	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,710,361**	48,951	**110,792**	916,971
The PRC	**38,209**	72,201	**32,158**	142,343
United Kingdom	**14,694**	38,135	**–**	–
Malaysia	**16,390**	18,236	**1,351**	721
	1,779,654	177,523	**144,301**	1,060,035

	Non-current assets *(Note)*		**Total assets**	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**212,782**	51,446	**2,981,489**	3,253,552
The PRC	**1,948,096**	2,116,939	**3,941,989**	3,748,515
United Kingdom	**–**	926,400	**–**	935,983
Malaysia	**339,167**	333,374	**346,061**	339,151
Other countries	**–**	–	**35,776**	33,738
	2,500,045	3,428,159	**7,305,315**	8,310,939

Note: Non-current assets in geographical segment represent non-current assets other than financial assets at fair value through other comprehensive income, loans and receivables and other deposits, and deferred taxation assets.

5. OTHER INCOME AND NET GAIN/(LOSS)

	2021	2020
	HK$'000	*HK$'000*
Interest income from bank deposits	**4,089**	10,984
Dividend income from financial assets at fair value through other comprehensive income	**7,469**	3,647
Net realized gain/(loss) of financial assets at fair value through profit or loss	**3,892**	(487)
Net fair value gain/(loss) of financial assets at fair value through profit or loss	**89,350**	(68,576)
Fair value gain on transfer of properties from properties for sale to investment properties *(note a)*	**8,190**	–
Loss on disposal of a subsidiary *(note b)*	**(9,280)**	–
Forfeited deposits from sales of properties	**333**	1,751
Net loss on disposal of investment properties	**(1,315)**	(2,127)
Net (loss)/gain on disposal of property, plant and equipment	**(302)**	78
Net exchange (loss)/gain	**(1,360)**	139
Others	**10,602**	3,533
	111,668	(51,058)

Notes:

(a) *During the year ended 31 March 2021, upon the change of intended use, the Group had transferred certain commercial properties in Hong Kong from properties for sale to investment properties at fair value of HK$175,920,000 (2020: Nil). Fair value gain on transfer of these properties of approximately HK$8.2 million (2020: Nil) and the related taxation of approximately HK$37,000 (2020: Nil) (note 9) were recorded respectively.*

(b) *On 30 April 2020, an indirect wholly-owned subsidiary of the Group entered into a sale and purchase agreement with an independent third party to dispose of a property holding company which held an investment property in the United Kingdom at a consideration of about GBP93.8 million (equivalent to approximately HK$971.5 million). The transaction was approved by the shareholders of the Company at its special general meeting held on 23 June 2020. Details of the transaction were announced by the Company on 3 May 2020, and published in the circular of the Company on 3 June 2020. The transaction was completed on 1 September 2020, and a loss on disposal of a subsidiary was recorded, taking into the consideration of the net assets disposed of approximately HK$995.2 million, the realization of exchange reserve upon disposal of approximately HK$22.7 million and related transaction costs.*

6. OPERATING PROFIT/(LOSS)

	2021 HK$'000	2020 HK$'000
Operating profit/(loss) is stated after crediting:		
Reversal of provision for impairment of other deposits	**–**	2,813
and after charging:		
Cost of properties sold	**1,039,852**	22,717
Cost of cemetery assets sold	**9,905**	8,466
Cost of inventories sold	**–**	2,070
Depreciation of property, plant and equipment	**15,595**	21,774
Depreciation of right-of-use assets	**419**	3,552
Provision for impairment of trade debtors	**744**	462
Staff costs, including Directors' emoluments		
Wages and salaries *(note)*	**44,825**	50,342
Retirement benefit costs	**1,876**	2,497

Note: Government grants amounting to HK$1,729,000 have been recognized and deducted in wages and salaries expenses for the year ended 31 March 2021.

7. FINANCE COSTS

	2021 *HK$'000*	2020 *HK$'000*
Interest expenses of		
Bank borrowings	**48,206**	84,752
Lease liabilities	**3**	71
	48,209	84,823
Amounts capitalized into properties under development	**–**	(10,866)
	48,209	73,957

The capitalization rate applied to funds borrowed for the development of properties was 3.30% per annum in 2020.

8. SHARE OF RESULT OF A JOINT VENTURE

Share of result of a joint venture of HK$2,281,000 (2020: HK$11,049,000) in the consolidated income statement included the rental income received by the joint venture from the non-wholly-owned subsidiary of the joint venture partner for the year ended 31 March 2021 amounting to approximately HK$12,683,000 (2020: HK$12,463,000).

9. TAXATION (CREDIT)/CHARGE

	2021 *HK$'000*	2020 *HK$'000*
Current taxation		
Hong Kong profits tax	**32,887**	–
PRC corporate income tax	**12,152**	4,475
PRC land appreciation tax	**12,942**	19,396
Overseas profit tax	**1,453**	856
Over-provision in prior years	**(41,149)**	–
Deferred taxation	**(32,683)**	5,113
	(14,398)	29,840

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year (2020: No provision for Hong Kong profits tax had been made as the Group had no estimated assessable profits for that year). PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures. The over-provision is mainly related to taxation charges, including PRC land appreciation tax, in respect of the sale of properties in the PRC in prior years upon final clearance with the local tax authorities.

There was no taxation charge/credit of the associated company for the year ended 31 March 2021 (2020: Nil). There was no taxation charge of the joint venture for the year ended 31 March 2021 as it had sufficient tax losses brought forward to set off against the estimated assessable profits for the year (2020: same).

10. DIVIDENDS

	2021	2020
	HK$'000	*HK$'000*
Interim dividend of 1.5 HK cents (2020: Nil) per share	**35,233**	–
Final dividend of 1.5 HK cents (2020: Nil) per share	**35,233**	–
	70,466	–

On 29 June 2021, the Board proposed a final dividend of 1.5 HK cents (2020: Nil) per share amounting to HK$35,233,000 (2020: Nil). The amount is calculated based on 2,348,835,316 issued shares as at 29 June 2021. The proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but will be reflected and accounted for as an appropriation of reserves in the year ending 31 March 2022 upon the approval by the shareholders.

11. EARNINGS/(LOSS) PER SHARE

The calculation of the earnings/(loss) per share is based on the profit attributable to equity holders of HK$419,039,000 (2020: loss attributable to equity holders of HK$192,355,000) and the weighted average number of 2,348,835,316 (2020: 2,348,835,316) shares in issue during the year.

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share since there are no dilutive potential shares in issue during the years.

12. DEBTORS AND PREPAYMENTS

Receivables from sales of properties and cemetery assets are settled in accordance with the terms of respective contracts. Rental income and management fees are received in advance.

Trade debtors of the Group mainly represent the receivables from sales of properties and cemetery assets as well as rental income and management fees from investment properties. The aging analysis of trade debtors of the Group is as follows:

	2021	2020
	HK$'000	*HK$'000*
Below 30 days	**353**	2,826
31 to 60 days	**267**	–
61 to 90 days	**273**	298
Over 90 days	**6,926**	8,410
	7,819	11,534

Debtors and prepayments include net deposits of HK$19,587,000 (2020: HK$5,158,000) for acquisition of property projects, properties and right-of-use assets after the accumulated provision for impairment of HK$8,459,000 (2020: HK$8,459,000) as at 31 March 2021. It also includes prepayments of sales commission of HK$2,541,000 (2020: HK$85,756,000) which represent costs incurred to obtain property sale contracts.

13. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	2021	2020
	HK$'000	*HK$'000*
Assets		
Investment properties	**188,945**	–
Properties for sale	**443,995**	–
Debtors and prepayments	**2,839**	–
Cash and bank balances	**134,650**	–
	770,429	–
Liabilities		
Creditors and accruals	**224**	–
Deferred taxation liabilities	**69,213**	–
	69,437	–

On 9 February 2021, the Group entered into the conditional sale and purchase agreements with independent third parties for the disposal of the properties holding subsidiaries that hold the property project in Panyu, Guangzhou, the PRC, for an aggregate consideration of about RMB1,571.3 million (equivalent to approximately HK$1,872.2 million) (subject to adjustments). The Panyu Disposal had been approved by the shareholders of the Company on 13 April 2021, and was completed on 14 May 2021. Details of the Panyu Disposal were announced by the Company on 11 February 2021 and 14 May 2021, and published in the circular of the Company on 19 March 2021 respectively. As such, all related assets and liabilities of the Panyu Disposal were reclassified as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale" respectively on 31 March 2021.

14. CREDITORS AND ACCRUALS

The aging analysis of the trade creditors of the Group is as follows:

	2021	2020
	HK$'000	*HK$'000*
Below 30 days	**1,128**	343
31 to 60 days	**–**	–
Over 90 days	**13**	275
	1,141	618

Creditors and accruals include the construction cost payables and accruals of HK$154,268,000 (2020: HK$138,264,000) for the property and cemetery projects of the Group. They also include the deposit received of approximately HK$118.3 million (2020: Nil) for the Panyu Disposal as mentioned in note 13.

15. FINANCIAL GUARANTEES

As at 31 March 2021, certain subsidiaries had provided guarantees of HK$15,159,000 (2020: HK$32,428,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the Group in the PRC.

16. COMMITMENTS

As at 31 March 2021, the Group had commitments contracted but not provided for in respect of property projects and properties of HK$46,356,000 (2020: HK$101,790,000).

17. PLEDGE OF ASSETS

As at 31 March 2021, the Group had pledged certain assets, including investment properties, properties for sale and financial assets at fair value through profit or loss, with an aggregate carrying value of HK$1,191,355,000 (2020: HK$1,927,224,000), to secure banking facilities granted to the subsidiaries.

18. CAPITAL EXPENDITURE

For the year ended 31 March 2021, the Group incurred acquisition and development costs on property, plant and equipment of HK$1,011,000 (2020: HK$37,511,000), and property projects, properties, investment properties and cemetery assets of HK$143,290,000 (2020: HK$1,022,524,000) respectively.

19. RELATED PARTY TRANSACTION

On 7 May 2018, a wholly-owned subsidiary of the Company entered into a tenancy agreement with a wholly-owned subsidiary of CCIL for the lease of one basement floor at its investment property in Hong Kong for a term of two years from 7 May 2018 to 6 May 2020. Upon expiry, a short-term tenancy agreement for a period of 3 months from 7 May 2020 to 6 August 2020 had been entered into on the same terms. The premises were used as a sales office and show flat of the property project of the Group. Details of the transaction were announced by the Company on 7 May 2018. Total rental, management fee and license fee for the year ended 31 March 2021 amounted to approximately HK$1,714,000 (2020: HK$4,804,000).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS REVIEW

Profit attributable to equity holders of the Company for the year ended 31 March 2021 amounted to HK$419.0 million (2020: loss of HK$192.4 million). Earnings per share was 17.84 HK cents (2020: loss per share was 8.19 HK cents).

During the year under review, the Group's revenues significantly increased by about 9 times to HK$1,779.7 million (2020: HK$177.5 million), and comprised the following:

- sales of development properties significantly increased by about 38 times to about HK$1,651.6 million (2020: HK$42.4 million) mainly due to the recognition of completed sales of The Esplanade, Tuen Mun in Hong Kong after the handover of completed properties to the end-buyers;

- rental and management fee income decreased by 39.7% to about HK$39.9 million (2020: HK$66.2 million), mainly due to the decrease in rental income recorded for the investment property in the UK as a result of the completion of the disposal of this property on 1 September 2020;

- revenues from securities investment and trading increased by 37.4% to about HK$62.5 million (2020: HK$45.5 million), as a result of the increase in the portfolio of bonds investments held by the Group comparing to that in the last corresponding year; and

- sales of cemetery assets in the PRC increased by 21.2% to about HK$25.7 million (2020: HK$21.2 million) mainly due to the general increase in sales.

During the year under review, gross profit increased significantly to HK$718.8 million (2020: HK$133.1 million) mainly as a result of increase in revenues. Overall gross profit margin decreased from 75% to 40% and was mainly due to the increase in proportion of sales of development properties which has a relatively lower profit margin than the other revenue segments of the Group. The gross profit margin for each revenue segment is as follows:

	3/2021	3/2020
Sales of development properties	**37%**	46%
Rental and management fee income	**72%**	83%
Revenues from securities investment and trading	**100%**	100%
Sales of cemetery assets	**62%**	60%

Other income and net gain amounted to about HK$111.7 million (2020: net loss of HK$51.1 million). It mainly comprised interest income, dividend income and the fair value gain of bonds investments. The net gain recorded during the year was principally due to the record of unrealized fair value gain of bonds investments. A breakdown of other income and net gain is shown in note 5 on page 11 hereof.

The Group recorded a loss on change in fair value of investment properties of HK$136.0 million (2020: HK$25.8 million), mainly due to the fair value loss recorded for the investment properties in Guangzhou and Anshan in the PRC as well as in Malaysia.

On the costs side, selling and marketing expenses increased by about 3 times to about HK$109.0 million (2020: HK$27.2 million) in view of the sales commission of The Esplanade in Tuen Mun recorded upon the sales recognition during the year under review. Administrative and other operating expenses increased by 10.6% to about HK$138.4 million (2020: HK$125.1 million) mainly due to the increase in professional fees incurred for activities of the Group.

Finance costs decreased by 34.9% to HK$48.2 million (2020: HK$74.0 million) as a result of the decrease in bank borrowings as well as the lower interest rates prevailing during the year. Share of loss of associated companies amounted to about HK$0.1 million (2020: HK$1.1 million). Share of result of a joint venture was HK$2.3 million (2020: HK$11.0 million) mainly due to the decrease in rental income recorded for the joint venture during the year. Taxation credit amounted to about HK$14.4 million (2020: taxation charge of HK$29.8 million) mainly due to a write-back of over-provision of taxation charges in respect of the sales of development properties in the PRC in prior years, as well as the deferred taxation credit arising from the fair value loss of investment properties for the current year.

DIVIDENDS

The Board has resolved to recommend for the shareholders' approval at the forthcoming annual general meeting of the Company (the "AGM") the payment of a final dividend of 1.5 HK cents (2020: Nil) per share for the year ended 31 March 2021. The final dividend, if approved, will be paid on or before Tuesday, 5 October 2021 to the shareholders whose names appear on the Company's register of members on Monday, 27 September 2021.

An interim dividend of 1.5 HK cents (2020: Nil) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 3.0 HK cents (2020: Nil) per share. Total dividend amount in respect of the current financial year will be about HK$70.5 million (2020: Nil).

BUSINESS REVIEW

During the year under review, the global business environment has been severely impacted by the pandemic of Covid-19. Despite this macro backdrop, the Group has successfully completed the sales of the development properties in Tuen Mun according to schedule, and the disposal of the property in the UK. Subsequent to the year end date, the Group has also successfully completed the disposal of the property project in Panyu, Guangzhou, the PRC.

A. Investment Properties

The Group holds the following portfolio of investment properties in Hong Kong, the PRC and Malaysia for steady recurring rental income.

1. *The Esplanade Place, Yip Wong Road, Tuen Mun, New Territories, Hong Kong (100% owned)*

   The Esplanade Place is developed by the Group in Tuen Mun which comprises a two-storey commercial podium having a total gross floor area ("GFA") of about 25,813 *sq. ft.*. There are about 16 commercial units and 12 commercial carparking spaces, of which 7 commercial units are leased to independent third parties with an aggregate annual rental income of about HK$1.8 million. The Group will continue to market the remaining units and carparking spaces in order to generate rental income. As at 31 March 2021, the property was recorded at valuation of about HK$175.9 million.

2. *Chuang's Mid-town, Anshan, Liaoning (100% owned)*

   Chuang's Mid-town consists of a 6-level commercial podium providing an aggregate GFA of about 29,600 *sq. m.*. Above the podium stands a twin tower (Block AB and C) with 27 and 33-storey respectively, offering a total GFA of about 62,700 *sq. m.*. Occupation permit has been obtained.

   The weak economy in Anshan is further adversely affected by the Covid-19, thus business activities and leasing are progressing slowly. The Group will explore more marketing ideas on promotion and leasing of the commercial podium as well as the units of the twin tower. The valuation of the property has dropped by about 12% to approximately RMB666.6 million (equivalent to approximately HK$788.7 million) as at 31 March 2021, comprising RMB261.3 million for the commercial podium and RMB405.3 million for the twin tower.

3. *Hotel and resort villas in Xiamen, Fujian (59.5% owned)*

   This hotel complex is developed by the Group, comprising a 6-storey hotel building with 100 guest-rooms (GFA of 9,780 *sq. m.*) and 30 villas (aggregate GFA of about 9,376 *sq. m.*) in Siming District, Xiamen. As at 31 March 2021, the properties were recorded at valuation of RMB447.8 million (comprising RMB185.7 million for the hotel and RMB262.1 million for the 30 villas). The valuation attributable to the Group was about RMB266.4 million (equivalent to approximately HK$315.2 million), whereas the total investment costs of the Group are about RMB150.8 million (equivalent to approximately HK$178.4 million).

During the year under review, the tourism industry in Xiamen has been affected by the pandemic of Covid-19. A tenant of the 21 villas was in default to pay rents to the joint venture company since the last quarter in 2019. In March 2021, the Group terminated the tenancy in view of the continuous default and obtained repossession of the 21 fully furnished villas from the tenant as the settlement arrangement. The Group is currently marketing for leasing of these 21 furnished villas. Besides, the hotel building together with 3 villas are leased to 廈門佲家鷺江酒店 (Xiamen Mega Lujiang Hotel) and is operated as "鷺江•佲家酒店" (Mega Lujiang Hotel). The Group is currently in negotiations with Xiamen Mega Lujiang Hotel regarding its request for a reduction in rent for the remaining lease term due to the hard hit to the tourism industry.

4. *Commercial Property in Shatian, Dongguan, Guangdong (100% owned)*

The Group holds a 4-storey commercial building in Shatian, Dongguan, providing a total GFA of about 4,167 *sq. m.* for commercial, retail and office usage. As at 31 March 2021, valuation of the property was RMB36.4 million (equivalent to approximately HK$43.1 million). As previously reported, two storeys were leased to 中國人壽東莞分公司 (China Life Dongguan branch) ("China Life") for office use. During the year ended 31 March 2021, China Life has early terminated the tenancy of one storey with compensation paid to the Group in accordance with the tenancy agreement. Marketing is in progress for leasing of the remaining units of the property.

5. *Wisma Chuang, Jalan Sultan Ismail, Kuala Lumpur, Malaysia (100% owned)*

Wisma Chuang is located within the prime city centre, situated right next to the landmark shopping complex, Pavilion KL, the heart of central business district and prestigious shopping area of Kuala Lumpur. It is built on a freehold land and is a 29-storey high rise office building having retail and office spaces of approximately 254,000 *sq. ft.* (on total net lettable area basis is approximately 195,000 *sq. ft.*) and 298 carparking spaces. As at 31 March 2021, the valuation of this property was MYR180.2 million (equivalent to approximately HK$337.6 million), which represents an average value of approximately MYR924 (equivalent to approximately HK$1,731) per *sq. ft.* of net lettable retail and office area.

Wisma Chuang is leased to multi tenants with an occupancy rate of approximately 60%, and annual rental income is approximately MYR6.3 million (equivalent to approximately HK$11.7 million), representing a rental yield of approximately 3.5% based on valuation. During the year under review, the Group had completed a lobby renovation work. The Group is planning to carry out certain building maintenance works, including washroom facilities, with a view to improving the facilities for the tenants. Furthermore, the Group will continue to review the tenant mix of this property, and to consider further internal building upgrading works in order to further enhance its rental yield and occupancy rate.

6. *Office Property in Fenchurch Street, London, UK (100% owned before disposal)*

   10 Fenchurch Street is a freehold property in the City of London, the UK. It is an 11-storey commercial building providing 77,652 *sq. ft.* of office and retail usage. As announced on 3 May 2020, the Group entered into a sale and purchase agreement to dispose of this property to an independent third party. The disposal was approved by the shareholders of the Company on 23 June 2020, and was completed on 1 September 2020. A net cash consideration of GBP45.8 million received by the Group has been converted to about HK$475.0 million after the completion.

Apart from the above investment properties, the Group will identify suitable opportunities to expand on investment properties portfolio to enhance the Group's recurring and steady income.

B. Property Development

1. *The Esplanade, Yip Wong Road, Tuen Mun, New Territories, Hong Kong (100% owned)*

   The project was completed with GFA of about 117,089 *sq. ft.* for residential purpose, named as The Esplanade, and GFA of about 25,813 *sq. ft.* for commercial purpose, named as The Esplanade Place, respectively. The Esplanade comprises 371 residential flats including 233 studio, 97 one-bedroom, 39 two-bedrooms and 2 three-bedrooms, a clubhouse, and 30 residential carparking spaces. The Esplanade Place comprises a two-storey commercial podium and 12 commercial carparking spaces for leasing.

   Up-to-date, all 371 residential units and 5 carparking spaces have been sold at aggregate amount of about HK$1,714.5 million. During the year under review, the sales of 365 residential units and 3 carparking spaces amounted to HK$1,647.5 million have been completed with units handed-over to end-buyers after the certificate of compliance was issued on 31 July 2020, and thus they were recognized as revenues in the Group's financial statements. Gross profit amounted to HK$609.1 million has been recognized, representing a gross profit margin of approximately 37%. It is expected that the remaining 6 sold residential units and 2 carparking spaces, with sales amounted to HK$67.0 million, will be completed in the financial year ending 31 March 2022. The Group will continue to market the remaining unsold carparking spaces.

2. *Nos. 6–8 Ping Lan Street and Nos. 26–32 Main Street, Ap Lei Chau, Hong Kong (100% owned)*

   In 2019, the Group acquired the property interests in Ap Lei Chau at a consideration of about HK$455.0 million. The property has a site area of about 4,320 *sq. ft.* and has a developable GFA of about 40,000 *sq. ft.*. General building plans of the project have been approved to develop a 27-storey residential/commercial building with clubhouse facilities and retail units at the podium levels.

   The Group has obtained vacant possession of the whole property during the year. Hoarding and demolition works have been completed in March 2021. Foundation work is currently in progress, and is expected to be completed by the end of the financial year ending 31 March 2022.

3. *Chuang's Le Papillon, Guangzhou, Guangdong (100% owned before disposal)*

   Chuang's Le Papillon is an integrated residential and commercial community and its development is implemented by phases. The Group has completed the development of Phase I and II, having a total GFA of approximately 260,800 *sq. m.*. It comprises 34 high-rise residential towers with a total of 2,077 flats and 22 villas, commercial properties, club houses and 1,497 carparking spaces. All residential units and 3 villas have been sold in previous years, furthermore, 3 villas were disposed of during the year. For the remaining development (Phase III), the Group owns a land of over 92,000 *sq. m.* and its total plot ratio GFA was about 175,011 *sq. m.* and saleable GFA is about 162,958.64 *sq. m.*.

   On 9 February 2021, the Group entered into the conditional sale and purchase agreements with independent third parties for the disposal of the properties holding subsidiaries that hold this Phase III land site, together with 15 villas, 2 clubhouses and 369 carparks, for an aggregate consideration of about RMB1,571.3 million (equivalent to approximately HK$1,872.2 million). One villa and 14 carparks are retained by the Group. The disposal was approved by the shareholders of the Company on 13 April 2021, and was completed on 14 May 2021. Consideration of about RMB1,346.4 million (equivalent to approximately HK$1,615.7 million) was received at completion. Pursuant to the sale and purchase agreement, a deferred consideration of about RMB99.9 million (equivalent to approximately HK$119.8 million) is expected to be received after the expiry of 12 months from the date of completion, whereas a deferred tax amount capped at RMB25 million (equivalent to approximately HK$30.0 million) shall be settled by the purchaser when the underlying tax losses are utilized, and any unpaid portion of the deferred tax amount shall be settled within four years from the date of completion. Such disposal is expected to generate a net gain of approximately HK$1.0 billion to the Group in the first half for the financial year ending 31 March 2022. Details of the disposal were announced by the Company on 11 February 2021 and 14 May 2021, and published in the circular of the Company on 19 March 2021.

4. *Changan, Dongguan, Guangdong (100% owned)*

The Group owns a site area of about 20,000 *sq. m.* in the city centre of Changan (長安), Dongguan, on which an industrial building with GFA of about 39,081 *sq. m.* was erected. The property is currently leased to an independent third party until 2023, at gross rental income of about RMB6.8 million per annum. As at 31 March 2021, the property was recorded at valuation of RMB223.4 million (equivalent to approximately HK$264.3 million). On the basis of the annual rental income, the rental yield is approximately 3.0% based on valuation.

This site has been rezoned to "residential usage", and the location of this property in Changan is strategical to benefit from the Guangdong-Hong Kong-Macao Greater Bay Area. The Group will monitor the requisite procedures and strategize on the optimal timing for usage conversion application of the site. On the basis of 3.5 times plot ratio, the project will have a developable GFA of about 70,000 *sq. m.* and will be a prime land bank for future development. The Group will also consider disposal of the property when suitable opportunities arise.

5. *Chuang's Plaza, Anshan, Liaoning (100% owned)*

Adjacent to Chuang's Mid-town, the Group acquired through government tender the second site located in the prime city centre of Tie Dong Qu (鐵東區) with a site area of about 39,449 *sq. m.*. As about 1,300 *sq. m.* of the land title has not yet been rectified by the government authorities with the local railway corporation, the Group suffered a reduction in land area that was occupied by the local railway corporation. In view of the weak economic prospects of Anshan, the Group will assess the possibilities to sell-back this site to the local authorities, or identify opportunities to dispose of this project.

6. *Changsha, Hunan (69% owned)*

The Group owns an effective 69% interests in a property development project in Changsha and the total investment costs was about HK$24.5 million (including shareholder's loan of about HK$3.5 million) as at 31 March 2021. The Group has obtained a court ruling for winding up of the PRC project company. In June 2021, 湖南省長沙市中級人民法院 has made a ruling and accepted the winding up and it is now waiting for the aforesaid court to choose a liquidator to proceed with the liquidation. Besides, regarding the civil complaint by the minority shareholder of the PRC project company against the Company and an executive director of the Company, as announced on 24 June 2021, 湖南省高級人民法院 had received the withdrawal of the complaint by the minority shareholder and that this court has granted the approval for the withdrawal.

7. *Chengdu, Sichuan (51% owned)*

   The Group holds a 51% development interest in a project in Wuhou District, Chengdu. As at 31 March 2021, the Group's total investment costs in this project was about RMB146.8 million (equivalent to approximately HK$173.7 million). As announced on 10 February 2021, the Group has received the final judgment from the court and made a revision of the judgement payments in favour of the Group. The PRC parties shall pay the revised judgement payments within 30 days upon receipt of the final judgement, yet they failed to make these payments within this 30 days period. In this respect, the Group has made application to the court to enforce the final judgement. The enforcement application was accepted by the court in March 2021, and the enforcement is currently in progress. Further announcement(s) about the legal proceedings will be made by the Company as and when appropriate.

8. During the year, the Group obtained a judgement from court in Beijing for the registered owners of the courtyard house to transfer the title to the designated nominee of the Group. Procedure for the transfer implemented by court is in progress. The Group's original cost of investment in the properties was about RMB9.7 million (equivalent to approximately HK$11.5 million).

   Besides, a handling agent has recently instituted a legal proceeding against the designated nominee of the Group regarding the appointment of the handling agent for the aforesaid courtyard house. Based on the legal advice obtained by the Group, this claim is not supported by sufficient facts and/or legal basis, and the Group has sufficient grounds to contest this claim.

9. *Fortune Wealth, Sihui, Guangdong (86.0% owned)*

   The Fortune Wealth Memorial Park operates a cemetery in Sihui with a site area of approximately 518 mu agreed by the local government authorities. Development of the project is conducted by phases. Phase I of about 100 mu has been completed with 5,485 grave plots, one mausoleum providing 550 niches, as well as an administrative and customer service building.

   Development of the remaining 418 mu will be divided into Phase II to Phase V. Based on the existing master layout plan of Phase II to Phase V, about 41,815 grave plots will be constructed covering land area of 268 mu and 150 mu of road access and greenbelts. For Phase II to Phase III, land use rights of approximately 143 mu had been obtained, which will accommodate a total of about 22,569 grave plots. For Phase IV to Phase V, land use rights of approximately 5.2 mu had been obtained and additional land quota of about 119.8 mu shall be required, for the construction of a total of about 19,246 grave plots. Fortune Wealth will follow-up with the local authorities for the grant of the remaining land use rights.

Upon obtaining of the aforesaid land use rights, site formation works have commenced on parts of the land but residents on parts of the site refused to vacate and demanded for compensation to be paid by local government. During the year, Fortune Wealth has received notices from 四會市自然資源局 (Sihui Natural Resources Bureau) pursuant to enquiries into idle land checking procedure, and Fortune Wealth has replied to the authority. In May 2021, 四會市自然資源局 issued further notices to Fortune Wealth confirming that the reason of the delay in commencement of works resulting in the site being idle was caused by the local government. The relevant authority will follow up remedial procedures of the matter.

Based on the legal opinion obtained by the Group, as the delay in commencement of works is caused by the local government, under the relevant PRC laws, Fortune Wealth shall make application to the relevant authority to solve the idle land matter, including applying the extension for commencement of works. In this respect, Fortune Wealth is currently closely liaising with the authority and monitor the idle land status.

As at 31 March 2021, the cemetery assets (including non-controlling interests) were recorded based on the book cost of about RMB913.4 million (equivalent to approximately HK$1,080.8 million).

Fortune Wealth has full license for sale not only in the PRC, but also includes overseas Chinese as well as residents of Hong Kong, Macau and Taiwan. As at 31 March 2021, about 3,260 grave plots and 533 niches were available for sale. Fortune Wealth will review its sales and marketing strategy and will take more proactive steps in its brand building and customer services.

C. Securities Investments

1. *Investments in CNT Group Limited ("CNT") and CPM Group Limited ("CPM")*

As at the date hereof, the Group owns about 19.45% interests in CNT and about 0.6% interests in CPM, both of them are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). CNT and its subsidiaries are principally engaged in the property business, and through its 75% owned subsidiary, CPM, is principally engaged in the manufacture and sale of paint products under its own brand names with focus on the PRC market.

With reference to the respective closing share prices of CNT and CPM as at 31 March 2021 of HK$0.38 (31 March 2020: HK$0.31) and HK$0.48 (31 March 2020: HK$0.45), the aggregate book value of the Group's investments in CNT and CPM is about HK$143.8 million (31 March 2020: HK$117.6 million). The change in book value is accounted for as "Reserve" in the financial statements.

As announced by the Company on 12 February 2019, the Court has directed for the substantive trial of the derivative action against certain directors of CNT to be re-fixed to 9 November 2020 to 11 December 2020. The hearing of substantial trial was completed in December 2020 and the Group is awaiting the judgement from the Court. Further announcement(s) about this derivative action will be made by the Company as and when appropriate.

2. *Investments in high yield bonds and other securities*

As at 31 March 2021, investments of the Group amounted to HK$1,321.9 million, and comprised as to HK$1,220.0 million for investments in high yield bonds, and the balance of HK$101.9 million for other investments in some FinTech companies, venture capital and funds which are not listed in the markets.

The Group holds the following portfolio of high yield bonds as at 31 March 2021 with an annualized average yield of about 7%:

(a) Bonds investments

Stock code	Bond issuer	Face value of bonds held as at 31 March 2021	Market value as at 31 March 2021	Percentage of market value to the Group's total assets as at 31 March 2021	Interest income for the year ended 31 March 2021	Fair value gain/(loss) for the year ended 31 March 2021
		US$'000	*HK$'000*		*HK$'000*	*HK$'000*
754	Hopson Development Holdings Limited (7.5%, due 2022)	5,000	40,400	0.6%	2,907	3,788
813	Shimao Group Holdings Limited (6.375%, due 2021)	2,000	16,353	0.2%	989	262
884	CIFI Holdings (Group) Co. Ltd.			0.5%		
	(a) 5.5%, due 2023	1,000	8,069		213	48
	(b) 6%, due 2025	1,500	12,514		698	2,001
	(c) 6.875%, due 2021	2,000	16,060		1,066	315
1030	Seazen Group Limited			0.5%		
	(a) 6.15%, due 2023	2,500	20,565		596	152
	(b) 6.45%, due 2022	2,300	18,765		575	133
1233	Times China Holdings Limited (5.75%, due 2022)	3,000	24,133	0.3%	1,114	1,365
1238	Powerlong Real Estate Holdings Limited			0.6%		
	(a) 6.95%, due 2021	2,000	16,069		1,078	1,002
	(b) 6.95%, due 2023	3,400	27,944		1,833	525
	(c) 7.125%, due 2022	200	1,667		110	217

Stock code	Bond issuer	Face value of bonds held as at 31 March 2021	Market value as at 31 March 2021	Percentage of market value to the Group's total assets as at 31 March 2021	Interest income for the year ended 31 March 2021	Fair value gain/(loss) for the year ended 31 March 2021
		US$'000	*HK$'000*		*HK$'000*	*HK$'000*
1638	Kaisa Group Holdings Ltd.			1.5%		
	(a) 7.875%, due 2021	2,000	15,886		1,221	1,604
	(b) 8.5%, due 2022	8,400	67,871		2,899	6,511
	(c) 11.25%, due 2022	3,000	25,357		2,617	3,349
1668	China South City Holdings Limited			0.9%		
	(a) 6.75%, due 2021	1,605	12,051		420	(101)
	(b) 10.875%, due 2022	2,500	18,730		–	(618)
	(c) 11.5%, due 2022	5,000	38,113		1,337	(932)
1777	Fantasia Holdings Group Co., Limited			1.4%		
	(a) 11.75%, due 2022	10,000	83,433		–	(351)
	(b) 12.25%, due 2022	2,000	16,676		–	(251)
1813	KWG Group Holdings Limited			0.8%		
	(a) 6%, due 2022	5,000	39,788		2,326	2,631
	(b) 7.4%, due 2024	2,000	16,396		1,148	2,197
1966	China SCE Group Holdings Limited (7.25%, due 2023)	4,150	34,183	0.5%	1,166	188
2007	Country Garden Holdings Company Limited (5.625%, due 2026)	14,000	123,151	1.7%	6,099	13,217
2768	Jiayuan International Group Limited (12.5%, due 2023)	2,000	15,543	0.2%	–	357
2777	Easy Tactic Limited, a wholly-owned subsidiary of Guangzhou R&F Properties Co., Ltd. (5.75%, due 2022)	1,000	7,681	0.1%	446	657

Stock code	Bond issuer	Face value of bonds held as at 31 March 2021	Market value as at 31 March 2021	Percentage of market value to the Group's total assets as at 31 March 2021	Interest income for the year ended 31 March 2021	Fair value gain/(loss) for the year ended 31 March 2021
		US$'000	*HK$'000*		*HK$'000*	*HK$'000*
3301	Ronshine China Holdings Limited			1.1%		
	(a) 7.35%, due 2023	5,000	37,644		1,424	(1,454)
	(b) 8.1%, due 2023	5,000	38,750		–	(846)
3333	China Evergrande Group			2.6%		
	(a) 7.5%, due 2023	10,743	73,645		6,246	12,103
	(b) 8.25%, due 2022	11,600	86,208		7,420	12,947
	(c) 8.75%, due 2025	4,714	30,143		3,198	3,395
3380	Logan Group Company Limited (6.875%, due 2021)	4,000	32,094	0.4%	2,132	600
3383	Agile Group Holdings Limited (5.125%, due 2022)	10,000	79,310	1.1%	3,973	7,901
6158	Zhenro Properties Group Limited			1.1%		
	(a) 8.3%, due 2023	3,000	24,055		1,449	841
	(b) 8.7%, due 2022	2,000	16,237		1,350	(173)
	(c) 9.15%, due 2023	5,000	42,032		–	(288)
600606	Greenland Global Investment Limited, a wholly-owned subsidiary of Greenland Holdings Corporation Limited (6.125%, due 2023)	1,000	6,708	0.1%	237	(981)
Z25	Yanlord Land Group Limited (6.75%, due 2023)	4,308	35,739	0.5%	1,127	(369)
	Bonds redeemed during the year	–	–	–	3,028	–
		153,920	1,219,963	16.7%	62,442	71,942

(b) Brief description of principal business of the respective bond issuers is as follows:

Name of company	Principal business
Hopson Development Holdings Limited	Property development, commercial properties investment, property management, infrastructure and investments businesses
Shimao Group Holdings Limited	Property development, property investment, property management and hotel operation
CIFI Holdings (Group) Co. Ltd.	Sales of properties and other properties related services, property investment, property management and other related services
Seazen Group Limited	Property development, property investment and commercial property management
Times China Holdings Limited	Property development, urban redevelopment business and property leasing
Powerlong Real Estate Holdings Limited	Property development, property investment, provision of commercial operational services and residential property management services and other property development related businesses
Kaisa Group Holdings Ltd.	Property development, property investment, property management, hotel and catering operations and other businesses
China South City Holdings Limited	Property development, property investment and management and other businesses
Fantasia Holdings Group Co., Limited	Property development, property investment, property agency services, property operation services, hotel operations and others
KWG Group Holdings Limited	Property development, property investment and hotel operation

Name of company	Principal business
China SCE Group Holdings Limited	Property development, property investment, property management and project management
Country Garden Holdings Company Limited	Property development, construction and other businesses
Jiayuan International Group Limited	Property development, property investment and provision of property management services
Guangzhou R&F Properties Co., Ltd.	Development and sale of properties, property investment, hotel operations and other property development related services
Ronshine China Holdings Limited	Property development
China Evergrande Group	Property development, property investment, property management and other businesses
Logan Group Company Limited	Property development, property investment, construction and decoration, and urban redevelopment business
Agile Group Holdings Limited	Property development, property management, commercial management and environmental protection
Zhenro Properties Group Limited	Property development, property leasing and commercial property management
Greenland Holdings Corporation Limited	Property development, property investment, construction and hotel operation
Yanlord Land Group Limited	Property development, property investment and hotel operations and property management

During the year under review, unrealized fair value gain amounted to about HK$71.9 million was recorded by the Group for bonds investments principally as a result of the increase in bond prices as at 31 March 2021 when compared to that of 31 March 2020. The Group will closely monitor the performance of the bonds portfolio in light of the monetary environment and with reference to the Group's financial position.

FINANCIAL REVIEW

Net asset value

As at 31 March 2021, the net asset value attributable to equity holders of the Company amounted to HK$4,419.8 million. Net asset value per share amounted to HK$1.88, which is calculated based on the historical cost of the Group's land bank. Net asset value has been further increased by about HK$1.0 billion upon the completion of the disposal of the Panyu project subsequent to the year end date.

Financial resources

As at 31 March 2021, the Group's cash, bank balances and bonds investments amounted to HK$1,899.0 million (2020: HK$1,461.5 million). As at the same date, bank borrowings of the Group amounted to HK$1,816.3 million (2020: HK$1,901.0 million). The Group had net cash of HK$82.7 million (2020: net debt of HK$439.5 million) and the calculation of net debt to equity ratio was therefore not applicable (2020: 11.7%, expressed as a percentage of bank borrowings net of cash, bank balances and investments held for trading over net assets attributable to equity holders of the Company). Subsequent to 31 March 2021, completion of the disposal of the Panyu project and after payment of the relevant tax, the net cash position of the Group has been significantly improved further by about HK$1,471.9 million.

Approximately 98.2% of the Group's cash, bank balances and bonds investments were in Hong Kong dollar and United States dollar, 1.5% were in Renminbi and the balance of 0.3% were in other currencies. Approximately 92.6% of the Group's bank borrowings were in Hong Kong dollar and United States dollar, and the remaining of 7.4% were in Malaysian Ringgit.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 54.1% of the Group's bank borrowings were repayable within the first year, 8.5% were repayable within the second year, and the balance of 37.4% were repayable within the third to fifth years.

Foreign exchange risk

As disclosed in the "Business Review" section of this announcement, besides Hong Kong, the Group also conducts its businesses in the PRC and Malaysia, with the income and the major cost items in those places being denominated in their local foreign currencies. Therefore, it is expected that any fluctuation of these foreign currencies' exchange rates would not have material effect on the operations of the Group. However, as the Group's consolidated financial statements are presented in Hong Kong dollar, the Group's financial position is subject to exchange exposure to these foreign currencies. The Group would closely monitor this risk exposure from time to time.

PROSPECTS

With the rollout of the Covid-19 vaccine, it is expected that the economic outlook of the PRC and Hong Kong will continue to improve. Going forward, the Group will focus on property projects in Hong Kong and the PRC and apart from seeking new opportunities to replenish land bank for property development, the Group will also continue to identify suitable investments to expand our investment property portfolio in order to enhance steady and recurring rental income. The Group will identify opportunities not only in Hong Kong but also with focus on cities along the Guangdong-Hong Kong-Macao Greater Bay Area and Belt and Road Initiative. The Group will continue to take actions to expand its sources of revenue, enhance its profitability, and maximize return for its shareholders.

CLOSING OF REGISTER

The AGM is scheduled on Friday, 10 September 2021. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 7 September 2021 to Friday, 10 September 2021, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Progressive Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 6 September 2021.

The proposed final dividend is subject to the approval of the shareholders of the Company at the AGM. The record date for entitlement to the proposed final dividend is Monday, 27 September 2021. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 23 September 2021 to Monday, 27 September 2021, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Progressive Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 21 September 2021.

STAFF

The Group puts emphasis on training and cultivating elite talent. We are committed to providing a dynamic and enthusiastic working atmosphere and increase hiring talents of all fields. As at 31 March 2021, the Group employed 143 staff. The Group provides its staff with other benefits including discretionary bonus, double pay, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

DEALING IN THE COMPANY'S SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the year.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 March 2021 with the code provisions set out in the Appendix 14 – Corporate Governance Code of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

An audit committee has been established by the Company to review and supervise the Company's financial reporting process, risk management and internal controls and review the relationship with the auditor. The audit committee has held meetings in accordance with the relevant requirements and reviewed the consolidated results of the Group for the year ended 31 March 2021. The current members of the audit committee are Mr. Abraham Shek Lai Him, Mr. Andrew Fan Chun Wah and Dr. Eddy Li Sau Hung, the Independent Non-Executive Directors of the Company.

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Having made specific enquiries of all Directors of the Company, the Company received confirmations from all Directors that they have complied with the required standard as set out in the Model Code.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in this preliminary announcement of the Group's results for the year ended 31 March 2021 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31 March 2021 containing all applicable information required by paragraph 45 of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

By order of the Board of
Chuang's China Investments Limited
Albert Chuang Ka Pun
Chairman

Hong Kong, 29 June 2021

As at the date of this announcement, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Mr. Edwin Chuang Ka Fung, Mr. Sunny Pang Chun Kit, Mr. Geoffrey Chuang Ka Kam and Mr. Neville Charles Kotewall are the Executive Directors of the Company, Mr. Dominic Lai is the Non-Executive Director of the Company, and Mr. Abraham Shek Lai Him, Mr. Andrew Fan Chun Wah, Dr. Eddy Li Sau Hung and Dr. Ng Kit Chong are the Independent Non-Executive Directors of the Company.