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Chuang's Consortium International Limited

(莊士機構國際有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 367)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The board of Directors (the "Board") of Chuang's Consortium International Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31 March 2021 as follows:

BUSINESS AND FINANCIAL HIGHLIGHTS

Amidst the battered global and local economies, caused mainly by the raging Covid-19 pandemic and volatile Sino-US relationship, the Group has made strides, highlighted below, to enhance the value of our assets and to strengthen our financial performance and cash position. The Group has also successfully achieved a turnaround of profit attributable to shareholders.

Business

1. For ONE SOHO, the joint venture project at Mongkok, development is proceeding as scheduled to build a residential/commercial building comprising 322 residential units, clubhouse facilities, commercial podium and carparking spaces. Site formation and foundation works have been completed, and superstructure works are in progress. Pre-sale consent of the 322 residential units has been obtained in April 2021 and pre-sale has commenced. Up-to-date, a total of 148 units have been pre-sold at aggregate amount of about HK$1.0 billion, and aggregate deposits amounting to about HK$62.4 million have been received.

2. For Po Shan Road joint venture project, site formation and foundation works have just been completed. Two sets of building plans to develop the property into (1) two semi-detached residences (left/right) and (2) a single residence were approved by the Buildings Department respectively. At the same time, the Group is also studying the possibility of a third set of building plans to develop the property into two residences (top/bottom) with application of technical/lease modification submitted to the relevant authorities for approval. In the meantime, both joint venture partners are also exploring other options (including disposal) to accelerate return on this investment. Marketing to promote this project has been commenced.

3. For the redevelopment project at Gage Street, following the auction for Nos. 16–18 Gage Street in mid-July 2020, the compulsory acquisition of the remaining 3 units was subsequently completed in August 2020. The Group has therefore unified the ownership of Nos. 16–20 Gage Street and successfully consolidated this project with a total site area of about 3,600 *sq. ft.*. It is currently planned that a residential/commercial building with GFA of about 35,000 *sq. ft.* will be developed. Hoarding and demolition works have been commenced which will be completed in the third quarter of 2021. Foundation work will be followed promptly. With the prime location at Central, the Group is optimistic about the prospect of this project.

4. For the development project, Greenview Garden, in Vietnam, in order to capitalize on the rising property market in Vietnam and to unlock its stored value for generation of revenue and cashflow, the Group had negotiation and, subsequent to the year end, entered into a conditional sale and purchase agreement and disposed of Greenview Garden to an independent third party for a consideration of about US$25.6 million (equivalent to approximately HK$198.8 million). The transaction is completed with consideration duly received by the Group in May 2021 except for an amount of about US$1.3 million (equivalent to approximately HK$10.1 million) which is held in an escrow account with a bank pending the assessment of tax obligations by the Vietnam Tax Authority. The surplus, if any, will be released to the Group after the tax clearance or 2 years after completion of the disposal (whichever is earlier). A net profit of approximately HK$85 million (subject to the adjustment of the outcome of the tax clearance) will be recorded for this transaction. This disposal can help to unlock the stored value in this project and has further strengthened the financial position of the Group.

5. For Ap Lei Chau project acquired in 2019, the Group has obtained vacant possession of the whole property during the year. 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. Hoarding and demolition works have been completed, and foundation work is in progress.

6. For The Esplanade in Tuen Mun, upon the issuance of certificate of compliance, all residential units have been sold up to the date of this report, and 365 units (out of the 371 units) have been handed-over to end-buyers during the year ended 31 March 2021. This has improved the Group's financial performance and position. The Group will continue to market the remaining unsold carparking spaces, as well as to lease out the commercial units in the commercial podium in order to generate more income to the Group.

7. In September 2020, the Group has successfully completed the disposal of the investment property in the United Kingdom for approximately GBP93.8 million (equivalent to approximately HK$971.5 million). The disposal has strengthened the Group's overall financial position.

8. For Panyu project in the People's Republic of China, subsequent to the year end, the Group has completed the disposal of the subsidiaries that held this property project with an aggregate consideration of about RMB1,571.3 million (equivalent to approximately HK$1,872.2 million), and a net gain of approximately HK$1.0 billion (before deducting non-controlling interests of about HK$0.4 billion) will be recorded. The disposal represented a valuable opportunity for the Group to accelerate the return on this investment at a considerable profit and generate substantial cash inflow to the Group.

Financial

- Revenues increased by 2.5 times to HK$2,106.8 million

- Turnaround to have profit attributable to equity holders of the Company of HK$37.5 million

- Total cash resources of the Group (including bonds and securities investments amounting to HK$3,336.7 million) increased by 14% to HK$5.6 billion

- Net debt to equity ratio of the Group improved from 19.2% to 12.9%

- Final dividend of 1.5 HK cents per share was recommended

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2021

	Note	2021 HK$'000	2020 HK$'000
Revenues	3	**2,106,779**	598,987
Cost of sales		**(1,127,572)**	(174,679)
Gross profit		**979,207**	424,308
Other income and net gain/(loss)	5	**306,295**	(151,687)
Fair value gain on transfer of properties from properties for sale to investment properties	6	**8,190**	217,976
Selling and marketing expenses		**(115,945)**	(37,420)
Administrative and other operating expenses		**(388,866)**	(445,851)
Change in fair value of investment properties		**(442,093)**	(458,133)
Operating profit/(loss)	7	**346,788**	(450,807)
Finance costs	8	**(147,233)**	(263,841)
Share of results of associated companies		**(2,235)**	2,020
Share of results of joint ventures	9	**(3,382)**	10,962
Profit/(loss) before taxation		**193,938**	(701,666)
Taxation credit/(charge)	10	**5,673**	(77,041)
Profit/(loss) for the year		**199,611**	(778,707)
Attributable to:			
Equity holders		**37,452**	(705,084)
Non-controlling interests		**162,159**	(73,623)
		199,611	(778,707)
		HK cents	*HK cents*
Earnings/(loss) per share (basic and diluted)	12	**2.24**	(42.16)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

	2021 *HK$'000*	2020 *HK$'000*
Profit/(loss) for the year	**199,611**	(778,707)
Other comprehensive income:		
Items that had been/may be reclassified subsequently to profit and loss:		
Net exchange differences	**284,987**	(227,098)
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	**281,871**	(242,636)
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	**306,438**	(246,814)
Total comprehensive income/(loss) for the year	**506,049**	(1,025,521)
Total comprehensive income/(loss) attributable to:		
Equity holders	**228,940**	(860,991)
Non-controlling interests	**277,109**	(164,530)
	506,049	(1,025,521)

CONSOLIDATED BALANCE SHEET
As at 31 March 2021

	Note	**2021** **HK$'000**	2020 HK$'000
Non-current assets			
Property, plant and equipment		**441,307**	469,226
Investment properties		**9,080,726**	10,308,325
Right-of-use assets		**691,440**	701,054
Properties for/under development		**508,523**	1,054,166
Cemetery assets		**285,376**	260,624
Associated companies		**58,183**	60,518
Joint ventures		**785,730**	739,005
Financial assets at fair value through other comprehensive income		**154,190**	128,730
Loans and receivables and other deposits		**419,879**	396,135
Deferred taxation assets		**24,700**	31,254
		12,450,054	14,149,037
Current assets			
Properties for sale		**1,712,522**	2,631,037
Cemetery assets		**452,153**	419,112
Inventories		**104,397**	103,104
Debtors and prepayments	*13*	**288,609**	242,608
Financial assets at fair value through profit or loss		**3,442,193**	2,437,230
Cash and bank balances		**2,296,665**	2,520,301
		8,296,539	8,353,392
Assets of disposal group classified as held for sale	*14*	**770,429**	–
		9,066,968	8,353,392
Current liabilities			
Creditors and accruals	*15*	**632,366**	407,575
Sales deposits received		**10,984**	1,552,356
Short-term bank borrowings		**1,250,948**	646,777
Current portion of long-term bank borrowings		**4,781,697**	1,481,741
Taxation payable		**68,414**	224,315
		6,744,409	4,312,764
Liabilities of disposal group classified as held for sale	*14*	**69,437**	–
		6,813,846	4,312,764
Net current assets		**2,253,122**	4,040,628
Total assets less current liabilities		**14,703,176**	18,189,665

	2021	2020
	HK$'000	*HK$'000*
Equity		
Share capital	**418,138**	418,138
Reserves	**10,893,071**	10,689,219
Shareholders' funds	**11,311,209**	11,107,357
Non-controlling interests	**1,761,696**	1,498,430
Total equity	**13,072,905**	12,605,787
Non-current liabilities		
Long-term bank borrowings	**1,060,051**	4,957,204
Deferred taxation liabilities	**441,615**	519,168
Loans and payables with non-controlling interests	**47,688**	47,472
Other non-current liabilities	**80,917**	60,034
	1,630,271	5,583,878
	14,703,176	18,189,665

NOTES:

1. GENERAL INFORMATION

Chuang's Consortium International 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.

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, manufacturing, sales and trading of goods and merchandises, securities investment and trading and money lending business.

On 9 February 2021, the wholly-owned subsidiaries of Chuang's China Investments Limited ("Chuang's China") (a listed subsidiary of 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 14).

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 (Amendments)	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	**184,648**	235,288
Income from hotel operation and management	**17,317**	41,015
Sales of cemetery assets	**25,733**	21,252
Sales of goods and merchandises	**16,164**	83,003
Interest income from money lending business	**3,623**	6,476
Interest income from bonds investments of financial assets at fair value through profit or loss	**207,480**	169,946
Dividend income from securities investments for trading of financial assets at fair value through profit or loss	**22**	45
Net fair value gain/(loss) of securities investments for trading of financial assets at fair value through profit or loss	**177**	(467)
	2,106,779	598,987

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, hotel operation and management, development and operation of cemetery, sales of goods and merchandises, securities investment and trading and money lending business. The CODM assesses the performance of the operating segments based on the measure of earning/(loss) before interest, tax, depreciation and amortization (the "EBITDA/(LBITDA)") and segment result.

The segment information by business lines is as follows:

	Property development, investment and trading HK$'000	Hotel operation and management HK$'000	Cemetery HK$'000	Sales of goods and merchandises HK$'000	Securities investment and trading HK$'000	Money lending business HK$'000	Corporate HK$'000	2021 Total HK$'000
Revenues from contracts with customers:								
— Recognized at a point in time	1,651,615	–	25,733	16,164	–	–	–	1,693,512
— Recognized over time	8,243	17,317	–	–	–	–	–	25,560
Revenues from other sources	176,405	–	–	–	207,679	3,623	–	387,707
Revenues	1,836,263	17,317	25,733	16,164	207,679	3,623	–	2,106,779
Other income and net (loss)/gain	(1,657)	426	87	5,227	281,560	–	20,652	306,295
EBITDA/(LBITDA)	147,148	(7,336)	7,656	5,706	488,152	2,967	(200,949)	443,344
Operating profit/(loss)	146,548	(67,273)	6,928	(16)	488,152	2,967	(230,518)	346,788
Finance costs	(121,640)	(13,241)	–	(1,745)	(9,525)	–	(1,082)	(147,233)
Share of results of associated companies	103	(2,225)	–	–	–	–	(113)	(2,235)
Share of results of joint ventures	(3,382)	–	–	–	–	–	–	(3,382)
Profit/(loss) before taxation	21,629	(82,739)	6,928	(1,761)	478,627	2,967	(231,713)	193,938
Taxation credit/(charge)	18,301	(5,000)	(3,434)	–	(4,194)	–	–	5,673
Profit/(loss) for the year	39,930	(87,739)	3,494	(1,761)	474,433	2,967	(231,713)	199,611
Segment assets	11,782,612	1,025,821	773,701	161,661	3,445,476	169,954	2,543,455	19,902,680
Associated companies	136	54,252	–	–	–	–	3,795	58,183
Joint ventures	785,730	–	–	–	–	–	–	785,730
Assets of disposal group classified as held for sale	770,429	–	–	–	–	–	–	770,429
Total assets	13,338,907	1,080,073	773,701	161,661	3,445,476	169,954	2,547,250	21,517,022
Segment liabilities	6,288,507	628,626	195,262	38,329	1,124,567	971	98,418	8,374,680
Liabilities of disposal group classified as held for sale	69,437	–	–	–	–	–	–	69,437
Total liabilities	6,357,944	628,626	195,262	38,329	1,124,567	971	98,418	8,444,117
Other segment items are as follows:								
Capital expenditure	171,270	291	969	5,505	–	–	43,111	221,146
Depreciation of property, plant and equipment	3,871	23,239	602	1,419	–	–	14,976	44,107
Depreciation of right-of-use assets	8	38,923	126	4,303	–	–	14,706	58,066
Provision for impairment of trade debtors	3,197	–	–	–	–	–	–	3,197
Reversal of provision for impairment of inventories	–	–	–	2,300	–	–	–	2,300
Fair value gain on transfer of properties from properties for sale to investment properties	8,190	–	–	–	–	–	–	8,190
Fair value loss of investment properties	442,093	–	–	–	–	–	–	442,093

	Property development, investment and trading HK$'000	Hotel operation and management HK$'000	Cemetery HK$'000	Sales of goods and merchandises HK$'000	Securities investment and trading HK$'000	Money lending business HK$'000	Corporate HK$'000	2020 Total HK$'000
Revenues from contracts with customers:								
— Recognized at a point in time	42,429	–	21,252	83,003	–	–	–	146,684
— Recognized over time	10,418	41,015	–	–	–	–	–	51,433
Revenues from other sources	224,870	–	–	–	169,524	6,476	–	400,870
Revenues	277,717	41,015	21,252	83,003	169,524	6,476	–	598,987
Other income and net gain/(loss)	3,018	(1)	65	2,720	(222,319)	(2)	64,832	(151,687)
(LBITDA)/EBITDA	(108,921)	5,153	8,077	12,286	(53,613)	6,003	(193,795)	(324,810)
Operating (loss)/profit	(132,100)	(63,270)	7,334	5,730	(53,613)	6,003	(220,891)	(450,807)
Finance costs	(217,976)	(23,283)	–	(1,908)	(20,355)	–	(319)	(263,841)
Share of results of associated companies	81	3,078	–	–	–	–	(1,139)	2,020
Share of results of joint ventures	10,962	–	–	–	–	–	–	10,962
(Loss)/profit before taxation	(339,033)	(83,475)	7,334	3,822	(73,968)	6,003	(222,349)	(701,666)
Taxation (charge)/credit	(77,803)	(7)	451	739	(421)	–	–	(77,041)
(Loss)/profit for the year	(416,836)	(83,482)	7,785	4,561	(74,389)	6,003	(222,349)	(778,707)
Segment assets	14,725,348	1,056,952	722,456	158,071	2,437,787	179,389	2,422,903	21,702,906
Associated companies	133	56,477	–	–	–	–	3,908	60,518
Joint ventures	739,005	–	–	–	–	–	–	739,005
Total assets	15,464,486	1,113,429	722,456	158,071	2,437,787	179,389	2,426,811	22,502,429
Total liabilities	8,516,710	624,772	174,853	34,383	499,697	468	45,759	9,896,642
Other segment items are as follows:								
Capital expenditure	1,165,736	445	1,666	461	–	–	38,210	1,206,518
Depreciation of property, plant and equipment	12,089	26,422	656	1,523	–	–	12,306	52,996
Depreciation of right-of-use assets	47	38,923	87	5,033	–	–	15,929	60,019
Provision for impairment of trade debtors	2,263	–	–	–	–	–	–	2,263
Reversal of provision for impairment of other deposits	2,813	–	–	–	–	–	–	2,813
Reversal of provision for impairment of inventories	–	–	–	6,500	–	–	–	6,500
Fair value gain on transfer of properties from properties for sale to investment properties	217,976	–	–	–	–	–	–	217,976
Fair value loss of investment properties	458,133	–	–	–	–	–	–	458,133

(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	**1,999,363**	417,847	**172,572**	996,013
The PRC	**58,208**	91,924	**32,158**	144,588
United Kingdom	**14,694**	38,135	**–**	–
Other countries	**34,514**	51,081	**16,416**	65,917
	2,106,779	598,987	**221,146**	1,206,518

	Non-current assets *(Note)*		**Total assets**	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**8,311,869**	9,015,088	**16,056,930**	16,356,769
The PRC	**2,347,805**	2,486,413	**4,062,678**	3,843,801
United Kingdom	**–**	926,400	**–**	935,983
Other countries	**1,191,611**	1,165,017	**1,397,414**	1,365,876
	11,851,285	13,592,918	**21,517,022**	22,502,429

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	**15,565**	59,970
Dividend income from financial assets at fair value through other comprehensive income	**7,469**	3,647
Net realized gain/(loss) of bonds and other investments of financial assets at fair value through profit or loss	**61,475**	(4,012)
Net fair value gain/(loss) of bonds and other investments of financial assets at fair value through profit or loss	**220,134**	(219,111)
Forfeited deposits from sales of properties	**333**	1,751
Loss on disposal of a subsidiary *(note)*	**(10,280)**	–
Net loss on disposal of investment properties	**(1,315)**	(2,127)
Net loss on disposal of property, plant and equipment	**(728)**	(2,546)
Net exchange loss	**(5,591)**	(989)
Others	**19,233**	11,730
	306,295	(151,687)

Note: On 30 April 2020, an indirect wholly-owned subsidiary of Chuang's China 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 Chuang's China at its special general meeting held on 23 June 2020. Details of the transaction were announced by Chuang's China and the Company on 3 May 2020, and published in the circulars of Chuang's China and the Company on 3 June 2020 respectively. 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. FAIR VALUE GAIN ON TRANSFER OF PROPERTIES FROM PROPERTIES FOR SALE TO INVESTMENT PROPERTIES

During the year ended 31 March 2021, upon the change of intended use, the Group had transferred certain properties in Hong Kong (2020: Mongolia) from properties for sale to investment properties at aggregate fair value of HK$175,920,000 (2020: HK$584,155,000). Fair value gain on transfer of these properties of approximately HK$8.2 million (2020: HK$218.0 million) and the related taxation of approximately HK$37,000 (2020: HK$49.2 million) (note 10) were recorded respectively.

7. OPERATING PROFIT/(LOSS)

	2021	2020
	HK$'000	*HK$'000*
Operating profit/(loss) is stated after crediting:		
Reversal of provision for impairment of inventories	**2,300**	6,500
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	**5,389**	4,645
Cost of inventories sold	**11,799**	66,315
Depreciation of property, plant and equipment	**44,107**	52,996
Depreciation of right-of-use assets	**58,066**	60,019
Provision for impairment of trade debtors	**3,197**	2,263
Staff costs, including Directors' emoluments		
Wages and salaries *(note)*	**119,115**	165,408
Retirement benefit costs	**4,738**	5,786

Note: Government grants amounting to HK$11,957,000 have been recognized and deducted in wages and salaries expenses for the year ended 31 March 2021.

8. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interest expenses of		
Bank borrowings	**144,404**	272,478
Bank overdraft	**86**	209
Lease liabilities	**2,743**	2,020
	147,233	274,707
Amounts capitalized into properties under development	**–**	(10,866)
	147,233	263,841

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

9. SHARE OF RESULTS OF JOINT VENTURES

Share of loss of joint ventures of HK$3,382,000 (2020: profit of HK$10,962,000) in the consolidated income statement included the rental income received by a 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).

10. TAXATION (CREDIT)/CHARGE

	2021 *HK$'000*	2020 *HK$'000*
Current taxation		
Hong Kong profits tax	**32,887**	–
PRC corporate income tax	**14,487**	7,108
PRC land appreciation tax	**12,942**	19,396
Overseas profit tax	**1,453**	864
Over-provision in prior years	**(41,149)**	–
Deferred taxation	**(26,293)**	49,673
	(5,673)	77,041

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 sufficient tax losses brought forward to set off against the 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 sales of properties in the PRC in prior years upon final clearance with the local tax authorities.

Share of taxation charge of associated companies for the year ended 31 March 2021 of HK$11,000 (2020: HK$14,000) is included in the consolidated income statement as "Share of results of associated companies". There were no taxation charges of joint ventures for the year ended 31 March 2021 as they either had sufficient tax losses brought forward to set off against the estimated assessable profits for the year or had no estimated assessable profits for the year (2020: same).

11. DIVIDENDS

	2021 *HK$'000*	2020 *HK$'000*
Interim dividend of 1.5 HK cents (2020: 1.5 HK cents) per share	**25,088**	25,088
Final dividend of 1.5 HK cents (2020: Nil) per share	**25,088**	–
	50,176	25,088

On 29 June 2021, the board of Directors proposed a final dividend of 1.5 HK cents (2020: Nil) per share amounting to HK$25,088,000 (2020: Nil). The amount is calculated based on 1,672,553,104 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 shareholders.

12. EARNINGS/(LOSS) PER SHARE

The calculation of the earnings/(loss) per share is based on the profit attributable to equity holders of HK$37,452,000 (2020: loss attributable to equity holders of HK$705,084,000) and the weighted average number of 1,672,553,104 (2020: 1,672,553,104) 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.

13. 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. Credit terms of hotel income and sales of goods and merchandises mainly range from 30 days to 45 days and 30 days to 90 days respectively. The aging analysis of trade debtors of the Group is as follows:

	2021	2020
	HK$'000	*HK$'000*
Below 30 days	**4,003**	7,341
31 to 60 days	**3,184**	3,522
61 to 90 days	**2,349**	730
Over 90 days	**7,099**	10,197
	16,635	21,790

Debtors and prepayments include net deposits of HK$22,560,000 (2020: HK$8,869,000) for acquisition of property projects, properties and right-of-use assets after the accumulated provision for impairment of HK$125,666,000 (2020: HK$125,666,000) as at 31 March 2021. It also includes prepayments of sales commissions of HK$2,541,000 (2020: HK$85,756,000) which represent costs incurred to obtain property sale contracts.

14. 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 wholly-owned subsidiaries of Chuang's China 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 Chuang's China and the Company on 13 April 2021 respectively, and was completed on 14 May 2021. Details of the Panyu Disposal were announced by Chuang's China and the Company on 11 February 2021 and 14 May 2021, and published in the circulars of Chuang's China and 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.

15. 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	**60,945**	2,014
31 to 60 days	**2,430**	433
Over 90 days	**3,528**	3,094
	66,903	5,541

Creditors and accruals include the construction cost payables and accruals of HK$219,245,000 (2020: HK$196,964,000) 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 14.

16. FINANCIAL GUARANTEES

As at 31 March 2021, the Company had provided guarantees of HK$419,945,000 (2020: HK$399,557,000) for the banking facilities granted to the joint ventures, and 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.

17. COMMITMENTS

As at 31 March 2021, the Group had commitments contracted but not provided for in respect of properties, property projects and property, plant and equipment of HK$315,006,000 (2020: HK$299,322,000).

18. PLEDGE OF ASSETS

As at 31 March 2021, the Group had pledged certain assets including property, plant and equipment, investment properties, right-of-use assets, properties for/under development, properties for sale and financial assets at fair value through profit or loss, with an aggregate carrying value of HK$10,142,654,000 (2020: HK$10,987,959,000), to secure banking facilities granted to the subsidiaries.

19. CAPITAL EXPENDITURE

For the year ended 31 March 2021, the Group incurred acquisition and development costs on property, plant and equipment of HK$14,985,000 (2020: HK$38,930,000), right-of-use assets of HK$46,147,000 (2020: HK$2,043,000) and property projects, properties, investment properties and cemetery assets of HK$160,014,000 (2020: HK$1,165,545,000) respectively.

FINANCIAL REVIEW

Businesses and economies of the world were still reeling from the prolonged adverse effects of the Covid-19 pandemic. Coupled with the strained Sino-US relationship as well as the escalating geopolitical and trade tensions, the operating environment of the financial year under review was difficult. The financial performance of the Group for the underlying year had inevitably been affected by these factors. Despite this macro back-drop, the Group has completed the disposal of the investment property in the United Kingdom (the "UK"), sold all residential units of The Esplanade in Tuen Mun and delivered majority of the units to the end-buyers before the year end so that the Group can recognize the relevant revenues and profit of the sales in its consolidated financial statements. Furthermore, subsequent to the year end, the Group has successfully completed the disposal of the Panyu project in the People's Republic of China (the "PRC") with the total consideration of about RMB1,571.3 million (equivalent to approximately HK$1,872.2 million), and also has concluded negotiation with and completed the disposal of the Vietnam development project to an independent third party at the consideration of about US$25.6 million (equivalent to approximately HK$198.8 million). All these have helped the Group to strengthen its foundation as well as financial position, and well position the Group to meet the upcoming challenges and to grasp opportunities ahead.

Profit attributable to equity holders of the Company for the year ended 31 March 2021 amounted to HK$37.5 million (2020: loss of HK$705.1 million). Earnings per share was 2.24 HK cents (2020: loss of 42.16 HK cents). A review of the results is set out below.

For the year ended 31 March 2021, revenues of the Group amounted to HK$2,106.8 million (2020: HK$599.0 million), representing an increase of about 2.5 times compared to that of the last corresponding year. Revenues of the Group comprised revenues from sales of properties of HK$1,651.6 million (2020: HK$42.4 million), revenues from rental and other income of investment properties of HK$184.7 million (2020: HK$235.3 million), revenues from hotel operation of HK$17.3 million (2020: HK$41.0 million), revenues from cemetery business of HK$25.7 million (2020: HK$21.2 million), revenues from sales of goods and merchandises of HK$16.2 million (2020: HK$83.0 million), revenues from money lending business of HK$3.6 million (2020: HK$6.5 million), and revenues from securities investment and trading business of HK$207.7 million (2020: HK$169.6 million).

As a result of the increase in revenues, gross profit during the year increased to HK$979.2 million (2020: HK$424.3 million). Gross profit margin decreased to 46.5% (2020: 70.8%), which was mainly due to the increase in proportion of revenues generated from sales of properties segment which had a relatively lower profit margin than the other revenue segments of the Group.

Other income and net gain amounted to HK$306.3 million (2020: net loss of HK$151.7 million) mainly due to the unrealized fair value gain of bonds investments recorded during the year under review. A breakdown of other income and net gain/(loss) is shown in note 5 on page 14 of this report. Fair value gain on transfer of properties in Hong Kong from properties for sale to investment properties amounted to HK$8.2 million (2020: HK$218.0 million for properties in Mongolia). Loss from change in fair value of investment properties of the Group amounted to HK$442.1 million (2020: HK$458.1 million) mainly due to the decrease in fair value of the investment properties of the Group under the current market environment.

On the costs side, selling and marketing expenses increased to HK$115.9 million (2020: HK$37.4 million) principally due to the sales commission of The Esplanade in Tuen Mun recorded upon the sales recognition during the year. Administrative and other operating expenses decreased to HK$388.9 million (2020: HK$445.9 million) mainly due to the decrease in business activities and overheads of the Group after various cost reduction measures had been implemented. Finance costs decreased to HK$147.2 million (2020: HK$263.8 million) due to the decrease in interest rates of bank borrowings of the Group. Share of losses of associated companies and joint ventures amounted to HK$5.6 million (2020: profit of HK$13.0 million). Taxation credit amounted to HK$5.7 million (2020: taxation charge of HK$77.0 million) mainly due to a write-back of over-provision of taxation charges in respect of the sales of properties in the PRC in prior years, and the deferred taxation credit arising from the fair value loss of investment properties during the year.

DIVIDENDS

As regards payment of dividend, it is the policy of the Group to pay a recurrent and steady dividend to its shareholders. After taking into account the need to maintain sufficient financial resources for the working capital of the Group's projects and businesses, in particular under the current uncertain market environment, 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: 1.5 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year amount to 3.0 HK cents (2020: 1.5 HK cents) per share. Total dividend amount in respect of the current financial year will be about HK$50.2 million (2020: HK$25.1 million).

BUSINESS REVIEW

(A) Investment Properties

(i) Chuang's Tower, Nos. 30–32 Connaught Road Central, Hong Kong (100% owned)

The property is a commercial/office building and is strategically located at the heart of Central District and close to the exits of both the Central Station of the Mass Transit Railway and the Hong Kong Station of the Airport Express Line. The property has a site area of about 3,692 *sq. ft.* and a total gross floor area ("GFA") of about 55,367 *sq. ft.*. During the year, rental and other income from this property amounted to about HK$48.7 million. Rental allowances have been offered to selected tenants whose businesses were adversely impacted by the current market situation. Renovation and upgrading works were completed which have improved the esthetics of the property. The Group will closely review and monitor the tenant status as well as the tenant mix in order to improve the rental yield of the property.

(ii) Chuang's London Plaza, No. 219 Nathan Road, Tsim Sha Tsui, Kowloon (100% owned)

Strategically located at the heart of shopping centres in Tsim Sha Tsui, Kowloon, and near the exits of the Mass Transit Railway and the Guangzhou-Shenzhen-Hong Kong Express Rail Link Hong Kong Section, the property is a shopping and entertainment complex. The property has a site area of about 9,145 *sq. ft.* and a total GFA of about 103,070 *sq. ft.*. During the year, rental and other income from this property amounted to about HK$34.9 million.

The impositions by the government of quarantine requirements and bans on gathering as well as social distancing have led to drastic decline in tourist arrival and low local traffic. Business of tenants engaged in food and beverage operation and retails sales have been hard hit. The Group has granted rental allowances to some tenants to offer immediate support under the unprecedented difficult time. The Group is taking actions to carry out lease restructuring with tenants and reshuffle the tenant mix of the property to mitigate the impact of Covid-19. Besides the food and beverage segment, the Group will explore and consider leasing opportunities with other business segments in order to diversify the tenant base of the property for steady income. A fitness centre has joined as tenant of the property during the financial year which has helped to increase customer flow to the plaza.

(iii) Posco Building, No. 165 Un Chau Street, Sham Shui Po, Kowloon (100% owned)

The property is a commercial/industrial building located in between the Cheung Sha Wan (approximately 0.4 kilometre) and the Sham Shui Po (approximately 0.5 kilometre) Mass Transit Railway Stations, enjoying the convenience of good transportation network. The property has a site area of about 3,920 *sq. ft.* and a total GFA of about 47,258 *sq. ft.*. During the year, rental and other income from this property amounted to about HK$8.7 million. Rental allowances have been granted to certain distressed tenants to ease their operating pressures during the outbreak. Currently, the property is for commercial (G/F to 3/F and 12/F) and industrial (4/F to 11/F) use. Building plans to redevelop the property into a commercial/residential property with a total GFA of about 35,280 *sq. ft.* have been approved by the Buildings Department. The Group will carry out the detailed studies on the redevelopment scheme and the building plans, and evaluate the best timing to carry out such redevelopment (if any).

(iv) House A, No. 37 Island Road, Deep Water Bay, Hong Kong (100% owned)

Located at Deep Water Bay, a prestigious residential area, the property enjoys a glamourous sea-view. The property was leased out for rental income during the year.

(v) 1st to 3rd Floors of Peng Building, Luohu District, Shenzhen, the PRC (100% owned)

This property is located next to an exit of Honghu Station of Line 7, Shenzhen Metro, and it is for commercial use with a total gross area of about 5,318 *sq. m.*. The property is subject to a rental guarantee of HK$1.8 million per month from the vendor of the property for 36 months starting from November 2018, and the total amount of rent received for the year ended 31 March 2021 is HK$21.6 million.

(vi) International Finance Centre, Sukhbaatar District, Ulaanbaatar, Mongolia (100% owned)

The project has a site area of about 3,269 *sq. m.* and is located within the central business district. It is planned that a 26-storey retail/office building with GFA of about 40,000 *sq. m.*, comprising office units and carparking spaces with shopping units at the podium levels will be developed, and upon completion, the property will become the highest office building in Mongolia. Superstructure works have been topped off. However, as Mongolia had imposed country lockdown since the beginning of year 2020 due to Covid-19, internal structural works and external cladding works of the property have been halted. The Group will keep track of the status of country lockdown and monitor the impact on the finishing works, and will adopt a flexible approach in coordinating with contractors. Marketing works for leasing have been commenced.

(B) Hotels and Serviced Apartments

(i) Hotel sáv, No. 83 Wuhu Street, Hunghom, Kowloon (100% owned)

Hotel sáv, is located at the heart of Hunghom with close proximity to three Mass Transit Railway Stations including Whampoa Station (approximately 0.3 kilometre), Ho Man Tin Station (approximately 0.4 kilometre) and Hunghom Station (approximately 0.6 kilometre). It comprises 388 rooms together with shopping units and restaurants on the ground and first floors.

The Covid-19 pandemic has continued to affect Hong Kong's tourism severely by travel bans and quarantine requirements. Occupancy of hotel has been adversely impacted by a significant drop in tourists and business travelers. During the year under review, total revenues from the hotel amounted to about HK$26.5 million (2020: HK$50.7 million), which comprised room revenues of HK$17.3 million (2020: HK$41.0 million) and rental income from the shopping units and restaurants of HK$9.2 million (2020: HK$9.7 million).

Over the time, the Group has contributed additional efforts promoting its Co-Living concept to attract more university students and long term tenants of different purposes through effective channels. Through various marketing efforts and competitive pricing, as well as further enhancing communal facilities, the long-staying segment was expanded significantly. Moreover, dynamic packages were launched to create demands for the local staycation customers and long staying/monthly room rental segment. The Group also keeps on deploying cost reduction measures while maintaining efficiency and service standard so as to mitigate the impact on the hotel.

The performance of the hotel is gradually recovering from the impact of Covid-19 in the second half of the financial year under review. The average occupancy rate has increased from about 13% in the first half of the year to about 52% in the second half, which has led to an earning before interest, tax, depreciation and amortization of about HK$1.1 million in the second half of the year for the hotel operation (excluding the rental income), showing a turnaround from a loss of about HK$6.2 million in the first half.

As for the shopping units and restaurants, the hotel has offered rental allowances to some tenants who have been affected by government social distancing requirements and critical market environment.

During the current pandemic situation, the hotel has practiced effective preventive measures and developed appropriate strategies at different stages to strengthen health and hygiene of all its major stakeholders in order to sustain its operation. Furthermore, the Group is also exploring with experts the possibility/feasibility to convert portion of the hotel into office/residential use through planning application or rezoning in order to enhance the overall flexibility and revenue source. The Group will continue to monitor the market situation closely and take necessary actions to preserve its competitiveness. The Group is also exploring other options (including disposal) to accelerate return on this investment.

(ii) Pacific Cebu Resort, Cebu, Philippines (40% owned)

Pacific Cebu Resort, which is 40% owned by the Group, is a resort established in 1992 with 134 rooms (comprising 114 hotel rooms and 20 villas) and abundant diving facilities. It is located at Lapu-Lapu City, Mactan Island in Cebu of Philippines occupying a site area of about 64,987 *sq. m.*.

The resort was closed from mid-March 2020 to 31 July 2020 due to the Covid-19 pandemic and was reopened on 1 August 2020. With a limitation of 50% allowed occupancy and other restrictions imposed by the local government (such as no diving activities allowed in Cebu and designated quarantine requirements for tourists), the business of the resort is seriously affected. As a result, revenue of the resort for the year dropped to about HK$3.1 million (2020: HK$34.9 million) and a loss of HK$5.5 million (2020: a profit of HK$7.8 million) was recorded. The Group's 40% share of loss was about HK$2.2 million (2020: profit of HK$3.1 million). The resort is currently operating with minimal manpower to reduce cost.

(iii) Parkes Residence, No. 101 Parkes Street, Kowloon, Hong Kong (100% owned)

The property is close to the Jordan Station of the Mass Transit Railway and had been developed by the Group into a 25-storey commercial/residential building comprising 114 fully furnished studio units with clubhouse facilities and shopping units at the podium levels (G/F to 2/F). The Group still owns 18 residential units of this property operating as serviced apartments. Rental income from the serviced apartments during the year amounted to approximately HK$2.3 million. In view of the recent atmosphere of the local property market, the Group will closely monitor the market opportunity and adopt a flexible approach to sell these 18 units in order to cash out on this investment.

(iv) sáv Residence, Xinyi District, Taipei City, Taiwan (100% owned)

In Taiwan, the Group owns sáv Residence which is located nearby the city centre of Taipei City. The property is a residential complex developed by the Group and comprises a fully furnished villa and 6 serviced apartments (of which 2 are duplex) with a total GFA of about 20,600 *sq. ft.*. The serviced apartments have been leased out with rental income amounting to approximately HK$2.0 million for the year under review. Marketing work for leasing the villa is in progress.

(v) sáv Plaza, Sukhbaatar District, Ulaanbaatar, Mongolia (100% owned)

The project is located in the city centre within the embassy district and has a site area of about 3,431 *sq. m.*. This 19-storey serviced apartment/office complex comprises 142 units with clubhouse facilities, a ground floor shop with a total GFA of about 19,000 *sq. m.* and 48 carparking spaces. Internal and external finishing works have been completed during the year. Application for the issuance of occupation permit of the project has been submitted to the relevant authorities for approval in the first quarter of 2020. However, as Mongolia has imposed country lockdown since the beginning of 2020 due to Covid-19, the approval process has been significantly delayed. The Group will closely monitor the progress with the relevant authorities and adopt flexible approach in order to obtain the occupation permit promptly. Marketing works for leasing have been commenced with potential tenants showing genuine interests.

(C) Development Properties

(i) Nos. 16–20 Gage Street, Central, Hong Kong (100% owned)

Following the auction for Nos. 16–18 Gage Street in mid-July 2020, the compulsory acquisition of the remaining 3 units was subsequently completed in August 2020. The Group has therefore unified the ownership of Nos. 16–20 Gage Street and successfully consolidated this project with a total site area of about 3,600 *sq. ft.*. It is currently planned that a residential/commercial building with GFA of about 35,000 *sq. ft.* will be developed. Detailed studies on the redevelopment scheme and building plans for this project are at the final stage, while hoarding and demolition works have been commenced which will be completed in the third quarter of 2021. Foundation work will be followed promptly. With the prime location at Central, the Group is optimistic about the prospect of this project.

(ii) Villa 28, Po Shan Road, Hong Kong (50% owned)

This project is owned as to 50% by the Group and 50% by a wholly-owned subsidiary of K. Wah International Holdings Limited (stock code: 173), and the Group is the project manager of the development. The property, with a site area of about 10,000 *sq. ft.*, is located in a prestigious mid-level area that enjoys a glamorous sea-view. Two sets of building plans to develop the property into (1) two semi-detached residences (left/right) with GFA of about 40,662 *sq. ft.*, and (2) a single residence with GFA of about 45,379 *sq. ft.*, were approved by the Buildings Department respectively. The Group is now evaluating these two sets of building plans, and at the same time, studying the possibility of a third set of building plans to develop the property into two residences (top/bottom) with application of technical/lease modification submitted to the relevant authorities for approval.

Site formation and foundation works have just been completed. In the meantime, both joint venture partners are also exploring other options (including disposal) to accelerate return on this investment. Marketing to promote this project has been commenced.

(iii) *ONE SOHO, Kowloon Inland Lot No. 11254, Reclamation Street/Shantung Street, Mongkok, Kowloon, Hong Kong (40% owned)*

Through the joint venture with a wholly-owned subsidiary of Sino Land Company Limited (stock code: 83), the Group participated in this project tendered by the Urban Renewal Authority in December 2017. The site is well located in the heart of the Mongkok district, neighbouring Langham Place. It covers a site area of approximately 14,900 *sq. ft.*. The project will provide residential GFA of about 112,200 *sq. ft.* and commercial GFA of about 22,400 *sq. ft.* and, upon completion, the commercial portion will be retained by the Urban Renewal Authority. Development of a residential/commercial building comprising 322 residential units, clubhouse facilities, commercial podium and carparking spaces is now underway.

General building plans of the project were approved by the relevant authorities. Site formation and foundation works have been completed, and superstructure works are in progress. Pre-sale consent of the 322 residential units of ONE SOHO has been obtained in April 2021 and pre-sale has commenced. Up-to-date, a total of 148 units have been pre-sold at aggregate amount of about HK$1.0 billion, and aggregate deposits amounted to about HK$62.4 million have been received. According to the current market conditions, the estimated total sales proceeds of the residential portion of this project will amount to about HK$2.2 billion, and the Group's share of the 40% portion will be about HK$900 million.

(iv) *Greenview Garden, Thu Duc District, Ho Chi Minh City, Vietnam (100% owned before disposal)*

The project covers a site area of about 20,200 *sq. m.* and can be developed into a commercial/residential complex with GFA of about 91,000 *sq. m.*. The construction permit has been obtained.

To capitalize on the rising property market in Vietnam and to unlock its stored value for generation of revenue and cashflow, the Group had negotiation and, subsequent to the year end, entered into a conditional sale and purchase agreement and disposed of Greenview Garden to an independent third party for a consideration of about US$25.6 million (equivalent to approximately HK$198.8 million). The transaction is completed with consideration duly received by the Group in May 2021 except for an amount of about US$1.3 million (equivalent to approximately HK$10.1 million) which is held in an escrow account with a bank pending the assessment of tax obligations by the Vietnam Tax Authority. The surplus, if any, will be released to the Group after the tax clearance or 2 years after completion of the disposal (whichever is earlier). A net profit of approximately HK$85 million (subject to the adjustment of the outcome of the tax clearance) will be recorded for this transaction in the financial year ending 31 March 2022. This disposal can help to unlock the stored value in this project and has further strengthened the financial position of the Group.

(D) Chuang's China Investments Limited ("Chuang's China", stock code: 298) (60.7% owned)

Chuang's China and its subsidiaries (the "Chuang's China Group") are principally engaged in, inter alia, property development and investment. For the year ended 31 March 2021, the Chuang's China Group recorded profit attributable to equity holders of HK$419.0 million (2020: loss of HK$192.4 million) and revenues of HK$1,779.7 million (2020: HK$177.5 million) (which comprised revenues from sales of properties of HK$1,651.6 million (2020: HK$42.4 million), revenues from rental and management fee of HK$39.9 million (2020: HK$66.2 million), revenues from cemetery assets of HK$25.7 million (2020: HK$21.2 million), no revenues from sales and trading business (2020: HK$2.2 million) and revenues from securities investment and trading of HK$62.5 million (2020: HK$45.5 million)).

(i) Investment Properties

The Chuang's China 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 by Chuang's China)

   The Esplanade Place is developed by the Chuang's China Group in Tuen Mun which comprises a two-storey commercial podium having a total 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 Chuang's China 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 by Chuang's China)

   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 Chuang's China 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 by Chuang's China)

   This hotel complex is developed by the Chuang's China 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 Chuang's China Group was about RMB266.4 million (equivalent to approximately HK$315.2 million), whereas the total investment costs of the Chuang's China 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 Chuang's China 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 Chuang's China 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 Chuang's China 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 by Chuang's China)

   The Chuang's China 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 Chuang's China 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 by Chuang's China)

   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 Chuang's China Group had completed a lobby renovation work. The Chuang's China 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 Chuang's China 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 by Chuang's China 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 Chuang's China 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 Chuang's China on 23 June 2020, and was completed on 1 September 2020. A net cash consideration of GBP45.8 million received by the Chuang's China Group has been converted to about HK$475.0 million after the completion.

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

(ii) Property Development

1. The Esplanade, Yip Wong Road, Tuen Mun, New Territories, Hong Kong (100% owned by Chuang's China)

   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 Chuang's China 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 by Chuang's China)

   In 2019, the Chuang's China 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 Chuang's China 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 by Chuang's China before disposal)

   Chuang's Le Papillon is an integrated residential and commercial community and its development is implemented by phases. The Chuang's China 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 Chuang's China 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 Chuang's China 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 Chuang's China Group. The disposal was approved by the shareholders of Chuang's China and the Company on 13 April 2021 respectively, 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 Chuang's China Group in the first half for the financial year ending 31 March 2022. Details of the disposal were announced by Chuang's China and the Company on 11 February 2021 and 14 May 2021, and published in the circulars of Chuang's China and the Company on 19 March 2021 respectively.

4. Changan, Dongguan, Guangdong (100% owned by Chuang's China)

   The Chuang's China 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 Chuang's China 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 Chuang's China Group will also consider disposal of the property when suitable opportunities arise.

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

   Adjacent to Chuang's Mid-town, the Chuang's China 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 Chuang's China 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 Chuang's China 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 by Chuang's China)

   The Chuang's China 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 Chuang's China 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 Chuang's China and an executive director of Chuang's China, as announced on 24 June 2021 by Chuang's China, 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 by Chuang's China)

   The Chuang's China Group holds a 51% development interest in a project in Wuhou District, Chengdu. As at 31 March 2021, the Chuang's China 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 Chuang's China Group has received the final judgment from the court and made a revision of the judgement payments in favour of the Chuang's China 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 Chuang's China 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 Chuang's China 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 Chuang's China Group. Procedure for the transfer implemented by court is in progress. The Chuang's China 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 Chuang's China Group regarding the appointment of the handling agent for the aforesaid courtyard house. Based on the legal advice obtained by the Chuang's China Group, this claim is not supported by sufficient facts and/or legal basis, and the Chuang's China Group has sufficient grounds to contest this claim.

9. Fortune Wealth, Sihui, Guangdong (86.0% owned by Chuang's China)

   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 Chuang's China 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 RMB623.3 million (equivalent to approximately HK$737.5 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.

(iii) Investments in CNT Group Limited ("CNT") and CPM Group Limited ("CPM")

As at the date hereof, the Chuang's China 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 Chuang's China 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 Chuang's China 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.

(E) Other Businesses

(i) Sintex Nylon and Cotton Products (Pte) Limited ("Sintex")

Sintex is engaged in the sales of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the year, Sintex recorded revenues of HK$16.2 million (2020: HK$30.8 million), and incurred a loss of HK$1.2 million (2020: HK$7.6 million). It is expected that the Covid-19 would continue to have a negative impact on Sintex's business due to the various quarantine requirements imposed by the government. As such, Sintex is adjusting for a business model that has less reliance on in-store shopping and concentrate more resources for developing online business. Moreover, Sintex is taking steps to reduce significant amount of overhead, solidify its internal operation and further evaluate the effectiveness of its retail stores by reorganizing the retail store portfolio. After the closure of non-performing retail stores, currently there are 4 retail stores operating with minimal overhead to maintain the business and market network. Furthermore, the Group is actively reviewing the business and operating scale of Sintex and is exploring other options (including disposal of its warehouse and property) in order to unlock the stored value in this investment.

(ii) Securities Investment and Trading

During the year, securities investment and trading business of the Group recorded net realized gain on disposal of investments of HK$61.5 million, dividend and interest income from investments of HK$207.5 million, and unrealized fair value gain on investments of HK$220.1 million as a result of mark to market valuations as at the balance sheet date.

As at 31 March 2021, investments of the Group amounted to HK$3,442.2 million (HK$2,120.3 million were held by the wholly-owned subsidiaries of the Group and HK$1,321.9 million were held by the Chuang's China Group), and comprised as to HK$3,334.8 million for investments in high yield bonds, HK$1.9 million for investments in securities listed on the Stock Exchange and the balance of HK$105.5 million for other investments in some FinTech companies, venture capital and funds which are not listed in the markets.

The Group will closely monitor the performance of the investment portfolio in light of the monetary environment and with reference to the Group's financial position.

Set out below is further information of the investments of the Group as at 31 March 2021:

(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 and its wholly-owned subsidiary			0.4%		
	(a) 5.8%, due 2022	2,000	15,749		–	243
	(b) 7.5%, due 2022	8,000	64,640		4,652	6,060
813	Shimao Group Holdings Limited (6.375%, due 2021)	4,000	32,707	0.2%	1,980	521
846	Mingfa Group (International) Company Limited (15%, due 2021) (fully redeemed at maturity)	49,000	393,209	1.8%	–	13,322
884	CIFI Holdings (Group) Co. Ltd.			0.2%		
	(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			0.2%		
	(a) 6.15%, due 2023	2,500	20,565		596	152
	(b) 6.45%, due 2022	3,300	26,924		825	540
1233	Times China Holdings Limited			0.3%		
	(a) 5.75%, due 2022	4,000	32,177		1,560	2,048
	(b) 6%, due 2021	2,000	15,964		465	502
	(c) 6.75%, due 2023	3,000	24,545		1,570	3,062
1238	Powerlong Real Estate Holdings Limited			0.4%		
	(a) 4.875%, due 2021	2,000	15,660		756	1,592
	(b) 6.95%, due 2021	4,000	32,138		2,158	2,003
	(c) 6.95%, due 2023	3,400	27,944		1,833	525
	(d) 7.125%, due 2022	200	1,667		110	217
1638	Kaisa Group Holdings Ltd.			0.8%		
	(a) 7.875%, due 2021	2,000	15,886		1,221	1,604
	(b) 8.5%, due 2022	14,400	116,352		4,217	9,362
	(c) 11.25%, due 2022	6,000	50,715		5,233	6,698

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*
1668	China South City Holdings Limited			0.7%		
	(a) 6.75%, due 2021	1,605	12,051		420	(101)
	(b) 10.75%, due 2023	2,700	19,426		–	(2,231)
	(c) 10.875%, due 2022	2,500	18,730		–	(618)
	(d) 11.5%, due 2021	3,000	23,382		–	(87)
	(e) 11.5%, due 2022	9,000	68,603		2,229	(1,779)
1777	Fantasia Holdings Group Co., Limited			0.8%		
	(a) 7.95%, due 2022	1,000	7,668		–	(126)
	(b) 11.75%, due 2022	17,000	141,837		–	(576)
	(c) 12.25%, due 2022	2,000	16,676		–	(251)
1813	KWG Group Holdings Limited			0.8%		
	(a) 6%, due 2022	10,000	79,576		4,651	5,261
	(b) 7.4%, due 2024	7,000	57,386		4,016	7,688
	(c) 7.875%, due 2023	5,000	40,302		3,053	3,731
1966	China SCE Group Holdings Limited			0.4%		
	(a) 5.95%, due 2024	3,500	26,945		–	(111)
	(b) 7.25%, due 2023	6,150	50,656		1,728	663
2007	Country Garden Holdings Company Limited			1.8%		
	(a) 4.75%, due 2023	10,000	79,512		3,683	5,087
	(b) 5.625%, due 2026	34,000	299,080		14,820	32,101
2768	Jiayuan International Group Limited			0.2%		
	(a) 12.5%, due 2023	4,000	31,085		–	714
	(b) 13.75%, due 2023	2,000	16,842		–	296
2777	Easy Tactic Limited, a wholly-owned subsidiary of Guangzhou R&F Properties Co., Ltd.			1.9%		
	(a) 5.75%, due 2022	51,000	391,757		22,734	33,504
	(b) 8.875%, due 2021	2,000	15,570		1,376	747
3301	Ronshine China Holdings Limited			0.7%		
	(a) 7.35%, due 2023	10,000	75,289		1,994	(3,157)
	(b) 8.1%, due 2023	10,000	77,500		–	(1,441)

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*
3333	China Evergrande Group			1.8%		
	(a) 7.5%, due 2023	10,743	73,645		6,246	12,103
	(b) 8.25%, due 2022	39,200	291,325		25,075	43,752
	(c) 8.75%, due 2025	4,714	30,143		3,198	3,395
3380	Logan Group Company Limited			0.4%		
	(a) 5.75%, due 2022	5,000	39,974		2,229	2,235
	(b) 6.875%, due 2021	4,000	32,094		2,132	600
	(c) 7.5%, due 2022	5,000	40,046		2,907	1,804
3383	Agile Group Holdings Limited			0.4%		
	(a) 5.125%, due 2022	10,000	79,310		3,973	7,901
	(b) 6.7%, due 2022	1,800	14,436		935	833
6158	Zhenro Properties Group Limited			0.8%		
	(a) 5.35%, due 2022	2,000	15,660		–	154
	(b) 5.95%, due 2021	2,000	15,886		–	382
	(c) 8.3%, due 2023	4,000	32,073		1,931	1,106
	(d) 8.7%, due 2022	2,000	16,237		1,350	(173)
	(e) 9.15%, due 2023	10,000	84,113		–	(318)
600606	Greenland Global Investment Limited, a wholly-owned subsidiary of Greenland Holdings Corporation Limited			0.2%		
	(a) 6.125%, due 2023	2,950	19,788		700	(2,894)
	(b) 6.75%, due 2022	2,600	19,161		1,360	(292)
	(c) 6.75%, due 2023	200	1,313		105	(63)
Z25	Yanlord Land Group Limited			0.3%		
	(a) 6.75%, due 2023	4,308	35,739		1,127	(369)
	(b) 6.8%, due 2024	2,500	20,544		1,318	2,689
	Bonds redeemed during the year	–	–	–	63,037	–
		420,770	3,334,845	15.5%	207,480	202,974

(b) Securities investments

Stock code	Investee company	Number of shares held as at 31 March 2021	Market value as at 31 March 2021 *HK$'000*	Percentage of market value to the Group's total assets as at 31 March 2021	Dividend income for the year ended 31 March 2021 *HK$'000*	Fair value gain/(loss) for the year ended 31 March 2021 *HK$'000*
276	Mongolia Energy Corporation Limited	434,950	487	0.00%	–	296
8439	Somerley Capital Holdings Limited	912,000	1,368	0.01%	22	(119)
			1,855	0.01%	22	177

(c) Brief description of principal business of the respective bond issuers and investee companies held as at 31 March 2021 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
Mingfa Group (International) Company Limited	Property development, property investment 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

Name of company	Principal business
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 operation and others
KWG Group Holdings Limited	Property development, property investment and hotel operation
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

Name of company	Principal business
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
Mongolia Energy Corporation Limited	Energy and related resources business
Somerley Capital Holdings Limited	Provision of corporate finance advisory service and asset management service

(iii) Money Lending Business

The Group had advanced loans to customers during the year. Revenues generated from this business during the year amounted to HK$3.6 million (2020: HK$6.5 million). As at 31 March 2021, outstanding amount of loans due from customers amounted to about HK$169.6 million (2020: HK$178.9 million), which were mainly relating to mortgage loans. Among these mortgage loans, one borrower with outstanding loan amount of approximately HK$117.5 million (the loan is secured by a property in Hong Kong with valuation higher than the outstanding loan amount) has failed to pay its monthly instalments since December 2019 with only HK$3.0 million settlement, and as such the corresponding unreceived interest income is not recognized for the current year. The Group is taking action to recover the overdue amount in order to protect the Group's interest.

FINANCIAL POSITION

Net asset value

As at 31 March 2021, net assets attributable to equity holders of the Company was HK$11,311.2 million (2020: HK$11,107.4 million). Net asset value per share was HK$6.76 (2020: HK$6.64), which is calculated based on the book costs of the Group's properties for sale before taking into account their appreciated values.

Financial resources

As at 31 March 2021, the Group's cash, bank balances and bonds and securities investments amounted to HK$5,633.4 million (2020: HK$4,957.5 million). Bank borrowings as at the same date amounted to HK$7,092.7 million (2020: HK$7,085.7 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash, bank balances and bonds and securities investments over net assets attributable to equity holders of the Company, was 12.9% (2020: 19.2%). The net debt to equity ratio has been further improved resulting in a net cash position to the Group subsequent to the year end after the completion of the disposals of the Panyu project and Vietnam development project.

Approximately 98.0% of the Group's cash, bank balances and bonds and securities investments were denominated in Hong Kong dollar and United States dollar, 1.2% were in Renminbi and the balance of 0.8% were in other currencies. Approximately 98.1% of the Group's bank borrowings were denominated in Hong Kong dollar and United States dollar, and the balance of 1.9% 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 80.6% of the Group's bank borrowings were repayable within the first year, 6.5% were repayable within the second year, 10.9% were repayable within the third to fifth years and the balance of 2.0% were repayable after the fifth year.

Foreign exchange risk

As disclosed in the "Business Review" section of this report, the Group also conducts its businesses in other places outside Hong Kong, 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

Subsequent to the year end date, the Group has successfully completed the disposal of the Panyu project in the PRC with the aggregate consideration of about RMB1,571.3 million (equivalent to approximately HK$1,872.2 million), and a net gain of approximately HK$1.0 billion will be recorded before deduction of non-controlling interests. Moreover, the Group has also disposed of the Vietnam development project for a consideration of about US$25.6 million (equivalent to approximately HK$198.8 million), and a net profit of approximately HK$85 million will be recorded. All these would enable the Group to increase its working capital, improve its liquidity and strengthen the overall financial position.

Looking forward, with the rollout of the Covid-19 vaccine, economic outlook in the PRC, Hong Kong and worldwide will gradually improve. We will monitor the situation closely and will take appropriate steps to grasp opportunities ahead. In the coming financial year, the Group will follow up the pre-sale progress of ONE SOHO at Mongkok. We will continue to monitor the progress of the construction works of the projects at Gage Street, Po Shan Road, ONE SOHO and Ap Lei Chau, and seek opportunities to replenish our land bank. We will also constantly review and monitor the tenant status and refine the tenant mix of our investment properties to enhance steady recurring rental income. Moreover, we will also further review our group structure so that resources can be deployed in a more effective and efficient manner. We are confident that, with the implementation of the above strategies, the Group's financial position as well as the net debt to equity ratio will be improved, and further value can be created for our 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 Standard 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 Standard 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 (excluding the Chuang's China Group) employed 219 staff and the Chuang's China 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

Since 15 October 2019, Mr. Albert Chuang Ka Pun has been appointed as the Chairman and the Managing Director of the Company and taken up both roles as the Chairman and the Chief Executive Officer. The roles of the chairman and the chief executive officer are not separated pursuant to Code A.2.1 of the code provisions set out in the Appendix 14 — Corporate Governance Code (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). However, the Board considers that this structure has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions efficiently and consistently. Except as mentioned hereof, the Company has complied throughout the year ended 31 March 2021 with the code provisions set out in the CG Code.

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. Fong Shing Kwong and Mr. Yau Chi Ming, 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 Consortium International Limited
Albert Chuang Ka Pun
Chairman and Managing Director

Hong Kong, 29 June 2021

As at the date of this announcement, Mr. Albert Chuang Ka Pun, Mr. Richard Hung Ting Ho, Mr. Edwin Chuang Ka Fung, Miss Ann Li Mee Sum, Mrs. Candy Kotewall Chuang Ka Wai, Mr. Geoffrey Chuang Ka Kam and Mr. Chan Chun Man are the Executive Directors of the Company, and Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong, Mr. Yau Chi Ming, Mr. David Chu Yu Lin and Mr. Tony Tse Wai Chuen are the Independent Non-Executive Directors of the Company.