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## **South Shore Holdings Limited**

**南岸集團有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 577)

**(1) UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2021;  
(2) FURTHER DELAY IN PUBLICATION OF FINAL RESULTS  
FOR THE YEAR ENDED 31 MARCH 2021;  
(3) DELAY IN DESPATCH OF ANNUAL REPORT; AND  
(4) CONTINUED SUSPENSION OF TRADING OF SHARES**

This announcement is made by South Shore Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.49(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the Company’s announcement dated 28 June 2021 (the “**Announcement**”) in relation to, among other things, the delay in publication of the Company’s audited final results for the year ended 31 March 2021 (the “**Final Results**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning ascribed to them in the Announcement.

### **UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 MARCH 2021**

As stated in the Announcement, the Company was not able to publish the Final Results by 30 June 2021 as the Company required more time to provide information (including the impairment assessment on certain financial assets and obtaining certain audit confirmations from suppliers and sub-contractors) requested by the Auditor. The Auditor also indicated that it would take time to conduct further audit work after receiving such requested information from the Group. However, in order to keep the Shareholders and the public informed of the Group’s business operation and financial position, the Board would like to provide the Shareholders and the public with the preliminary unaudited consolidated financial information (the “**Unaudited Financial Information**”) of the Group for the year ended 31 March 2021 (“**FY2021**”) together with the audited comparative figures for the year ended 31 March 2020 (“**FY2020**”).

## UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 March 2021*

	2021 (Unaudited) <i>HK\$'000</i>	2020 (Audited) <i>HK\$'000</i>
Revenue	10,887,493	10,899,289
Cost of construction business	(10,388,849)	(10,558,716)
Cost of sales and services on hotel, food & beverage and related services	<u>(454,723)</u>	<u>(424,194)</u>
Gross profit (loss)	43,921	(83,621)
Other income	16,093	13,206
Administrative and other expenses	(345,528)	(523,763)
Finance costs	(675,691)	(562,066)
Gain on disposal of subsidiaries	–	153,705
Impairment loss on hotel property	(49,493)	–
Impairment allowance on financial assets and contract assets	(105,525)	(15,288)
Share of results of associates	(6)	26
Share of results of joint ventures	<u>(3,892)</u>	<u>(1,523)</u>
Loss before tax	(1,120,121)	(1,019,324)
Income tax (expense) credit	<u>(26,912)</u>	<u>719</u>
Loss for the year	<u><u>(1,147,033)</u></u>	<u><u>(1,018,605)</u></u>
(Loss) Profit for the year attributable to:		
Owners of the Company	(1,163,551)	(1,021,702)
Non-controlling interests	<u>16,518</u>	<u>3,097</u>
	<u><u>(1,147,033)</u></u>	<u><u>(1,018,605)</u></u>
Loss per share		
Basic (HK cents)	<u>(114.9)</u>	<u>(100.9)</u>
Diluted (HK cents)	<u>(114.9)</u>	<u>(100.9)</u>

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the year ended 31 March 2021*

	<b>2021</b> <b>(Unaudited)</b> <b>HK\$'000</b>	2020 (Audited) HK\$'000
Loss for the year	<u><b>(1,147,033)</b></u>	<u>(1,018,605)</u>
Other comprehensive income (expense) for the year:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	<b>2,983</b>	(5,000)
Share of translation reserve of an associate and joint ventures	<u><b>7,004</b></u>	<u>(5,944)</u>
	<u><b>9,987</b></u>	<u>(10,944)</u>
Total comprehensive expense for the year	<u><b>(1,137,046)</b></u>	<u>(1,029,549)</u>
Total comprehensive (expense) income for the year attributable to:		
Owners of the Company	<b>(1,158,383)</b>	(1,027,367)
Non-controlling interests	<u><b>21,337</b></u>	<u>(2,182)</u>
	<u><b>(1,137,046)</b></u>	<u>(1,029,549)</u>

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	2021 (Unaudited) <i>HK\$'000</i>	2020 (Audited) <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>		
Hotel property	3,185,067	3,202,597
Property, plant and equipment	214,401	300,097
Right-of-use assets	621,423	675,002
Deposits paid for acquisition of property, plant and equipment	20,791	21,642
Goodwill	61,646	61,646
Other intangible assets	8,062	8,062
Interests in joint ventures	89,836	86,477
	<b>4,201,226</b>	4,355,523
<b>CURRENT ASSETS</b>		
Inventories	10,415	22,012
Trade and other debtors, deposits and prepayments	1,197,625	1,022,861
Contract assets	3,385,837	2,688,865
Amounts due from associates	18,642	17,634
Amounts due from joint ventures	4,863	6,830
Amounts due from joint operations/other partners of joint operations	90,250	78,026
Amount due from a subsidiary of a shareholder	94	94
Other loans receivable	–	48,084
Taxation recoverable	4,213	4,755
Pledged bank deposits	26,630	291
Short term bank deposits	131,600	108,170
Bank balances and cash	609,660	325,357
	<b>5,479,829</b>	4,322,979

	<b>2021</b> <b>(Unaudited)</b> <b>HK\$'000</b>	2020 <b>(Audited)</b> <b>HK\$'000</b>
<b>CURRENT LIABILITIES</b>		
Trade and other creditors and accrued expenses	<b>4,958,629</b>	3,352,582
Contract liabilities	<b>451,627</b>	495,374
Deposits/earnest money received	<b>264,000</b>	294,000
Amount due to a joint venture	<b>60</b>	60
Amounts due to joint operations/other partners of joint operations	<b>67,085</b>	77,588
Amount due to a subsidiary of a shareholder	<b>13,825</b>	8,175
Amount due to a related company	<b>15,584</b>	1,544
Loan from a subsidiary of a shareholder	<b>75,000</b>	75,000
Loan from a related company	<b>93,594</b>	93,594
Taxation payable	<b>27,529</b>	1,440
Lease liabilities	<b>27,375</b>	27,112
Bank and other borrowings - due within one year	<b>5,207,268</b>	4,297,428
	<u><b>11,201,576</b></u>	<u>8,723,897</u>
<b>NET CURRENT LIABILITIES</b>	<u><b>(5,721,747)</b></u>	<u>(4,400,918)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u><b>(1,520,521)</b></u>	<u>(45,395)</u>
<b>NON-CURRENT LIABILITIES</b>		
Bank and other borrowings – due after one year	–	514,300
Convertible bonds	<b>1,145,611</b>	964,903
Obligation in excess of interests in associates	<b>9,250</b>	9,002
Lease liabilities	<b>57,461</b>	62,197
	<u><b>1,212,322</b></u>	<u>1,550,402</u>
<b>NET LIABILITIES</b>	<u><b>(2,732,843)</b></u>	<u>(1,595,797)</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>202,591</b>	202,591
Reserves	<b>(3,180,625)</b>	(2,022,242)
Equity attributable to owners of the Company	<b>(2,978,034)</b>	(1,819,651)
Non-controlling interests	<b>245,191</b>	223,854
<b>TOTAL DEFICIT</b>	<u><b>(2,732,843)</b></u>	<u>(1,595,797)</u>

## **Major Events After the Reporting Period**

### ***Disposal of motor vehicle***

On 7 April 2021, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with a third party to dispose of a motor vehicle for a consideration of HK\$3,500,000 and the consideration was received on 8 April 2021. For details, please refer to the announcement of the Company dated 7 April 2021.

### ***Termination notice of the evergreen renewal of bridge loan***

On 13 May 2021, the legal representatives of Wise Park Business Limited (“**Wise Park**”) gave the legal representatives of a subsidiary of the Company and the Company a termination notice of the evergreen renewal of the bridge loan and demanded payment of HK\$592,915,593.78. On 18 May 2021, the legal representatives of Wise Park notified the subsidiary of the Company and the Company that it had already exercised its rights under the share charge over the entire share capital of The 13 (BVI) Limited to sell the charged share of The 13 (BVI) Limited to a third party at HK\$150,000,000.00 and that the sale proceeds would be applied by it towards the overdue amount due to Wise Park and further demanded for the net balance of the overdue amount after deduction of the said sale proceeds. As the Company has been informed that Wise Park has already sold The 13 (BVI) Limited to a third party, it is highly probable that Paul Y. Engineering Group Limited will no longer be a subsidiary of the Company. For details, please refer to the announcements of the Company dated 21 May 2021 and 3 June 2021.

### ***Statutory demand***

On 2 June 2021, the Company received a statutory demand dated 31 May 2021 from the legal adviser acting on behalf of the creditor pursuant to Section 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of Laws of Hong Kong), demanding the Company to pay the amount of HK\$3,279,307,116.80, being (a) outstanding principal of a facility agreement in respect of HK\$3,045,000,000.00 term loan facility dated 11 April 2014; and (b) accrued interest, default interest, handling fee and management fee in respect of the said facility agreement. For details, please refer to the announcement of the Company dated 3 June 2021.

### ***Voluntary liquidation of a subsidiary in Macau***

On 21 June 2021, New Concordia Hotel Limited (“**New Concordia**”) (an indirect wholly-owned subsidiary of the Company) has applied to the court of Macau for voluntary liquidation. The principal activity of New Concordia is hotel development. For details, please refer to the announcements of the Company dated 23 June 2021 and 24 June 2021.

### ***Winding-up petition***

On 25 June 2021 (Hong Kong time), the Company received a winding up petition (the “**Bermuda Petition**”) dated 24 June 2021 filed by a creditor with the Supreme Court of Bermuda (the “**Bermuda Supreme Court**”) against the Company for the debt and interest accrued thereunder, in the aggregate amount of HK\$7,016,849.32 in respect of a term loan facility agreement. The Bermuda Petition has been fixed for hearing before the Bermuda Supreme Court on Friday, 23 July 2021 at 9:30 a.m. (Bermuda time). For details, please refer to the announcements of the Company dated 25 June 2021 and 29 June 2021.

### ***Legal Proceedings***

On 12 July 2021, an urgent *ex parte* (on notice) application was filed by two plaintiffs (the “**Plaintiffs**”) against the Company and its subsidiaries under High Court Intended Action 82/2021 (the “**Ex Parte Application**”). The Plaintiffs sought urgent injunctive relief against the Company and its subsidiaries. The Company and its subsidiaries opposed the Ex Parte Application. Accordingly, on 13 July 2021, the Plaintiffs issued a writ of summons in the High Court of Hong Kong under HCA 1054/2021 against the Company and its subsidiaries. Thereafter, the Plaintiffs further issued an inter partes summons (the “**Summons**”) against the Company and its subsidiaries seeking the same injunctive relief they sought under the Ex Parte Application. The Summons is returnable before the Honourable Mr. Justice Ng at the High Court of Hong Kong on 16 July 2021 at 10:00 a.m. (the “**Hearing**”). At the Hearing, the Company and its subsidiaries opposed the Summons seeking urgent injunctive relief. The Honourable Mr. Justice Ng directed that the Summons be adjourned to a date to be fixed for substantive argument with half-day reserved. In this regard, the parties have scheduled to attend the High Court on 21 July 2021 for the purpose of fixing the hearing date for substantive argument of the Summons with half-day reserved. For details, please refer to the announcements of the Company dated 15 July 2021 and 16 July 2021.

### **Review of Unaudited Final Results**

Shareholders and potential investors should note that the Unaudited Financial Information set out above has not been reviewed or audited by the Auditor, and is therefore subject to possible adjustment and finalisation pending the completion of the audit by the Auditor. The Unaudited Financial Information contained herein have been reviewed by the Audit Committee.

The unaudited results of the Group for FY2021 are subject to uncertainties and final agreement with the Auditor, including but not limited to in respect of the following items:

- (a) As part of the audit process, the Group conducted an impairment test of the assets of hotel business according to relevant accounting standards and engaged an independent valuer to assess the value of the hotel project. For FY2020, the predecessor auditor of the Company expressed a disclaimer of opinion in relation

to the recoverable amount of the hotel business and its financial impacts for the financial results for FY2020. For FY2021, the Auditor is still reviewing the bases and assumptions adopted by the Company for the valuation of the hotel project; and

- (b) According to the Unaudited Financial Information set out above, the Group recorded a net loss of approximately HK\$1,147 million for FY2021 and net current liabilities of approximately HK\$5,722 million and net liabilities of approximately HK\$2,733 million as at 31 March 2021. The Group was heavily in debts to various creditors. These indicate that multiple uncertainties existed as to the Group's ability to continue as a going concern.

The Company is working on its best effort to provide additional documents and information to resolve the above concerns. However, the final audit opinion and the contents and basis of the audit opinion are subject to the completion of audit works by the Auditor, and disclaimer of opinion, including but not limited to, the above issues, may be included in the Auditor's report.

#### **FURTHER DELAY IN PUBLICATION OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021**

The Board wishes to inform Shareholders that as additional time is required for the Company to finalise the Final Results, there will be a further delay in publication of the Final Results. Based on the information currently available to the Company, the Board estimates that the Final Results will be released on or before 16 August 2021.

#### **DELAY IN DESPATCH OF ANNUAL REPORT**

Pursuant to Rule 13.46(2)(a) of the Listing Rules, the Company is required to send its annual report for the year ended 31 March 2021 (the “**Annual Report**”) to the Shareholders not later than 31 July 2021. Due to the delay in the publication of the Final Results, the despatch of the Annual Report will be delayed. The Company will use its best endeavours to despatch the Annual Report as soon as possible.



## **CONTINUED SUSPENSION OF TRADING OF SHARES**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 July 2021. Trading in the shares of the Company will remain suspended until further notice.

**Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

By Order of the Board of  
**South Shore Holdings Limited**  
**Peter Lee Coker Jr.**  
*Chairman (Executive Director)*

Hong Kong, 16 July 2021

As at the date of this announcement, the directors of the Company are:

*Executive Directors:*

Mr Peter Lee Coker Jr. (*Chairman*)  
Mr Chow Chi Wah, Vincent  
Ms Chow Mun Yee

*Independent Non-Executive Directors:*

Dr Lo Wing Yan, William, *JP*  
Mr Choi Wai Hong, Clifford  
Ms Lam Yan Fong, Flora  
Ms Liu Tsui Fong