Chuang's China Investments Limited

Annual Report 2021

Contents

Chairman's Statement

Highlights for the year ended 31 March 2021

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

Results Review

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

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

- sales of development properties significantly increased by about 38 times to about HK$1,651.6 million (2020: HK$42.4 million) mainly due to the recognition of completed sales of The Esplanade, Tuen Mun in Hong Kong after the handover of completed properties to the end-buyers;
- rental and management fee income decreased by 39.7% to about HK$39.9 million (2020: HK$66.2 million), mainly due to the decrease in rental income recorded for the investment property in the UK as a result of the completion of the disposal of this property on 1 September 2020;
- revenues from securities investment and trading increased by 37.4% to about HK$62.5 million (2020: HK$45.5 million), as a result of the increase in the portfolio of bonds investments held by the Group comparing to that in the last corresponding year; and
- sales of cemetery assets in the PRC increased by 21.2% to about HK$25.7 million (2020: HK$21.2 million) mainly due to the general increase in sales.

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

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

Other income and net gain amounted to about HK$111.7 million (2020: net loss of HK$51.1 million). It mainly comprised interest income, dividend income and the fair value gain of bonds investments. The net gain recorded during the year was principally due to the record of unrealized fair value gain of bonds investments. A breakdown of other income and net gain is shown in note 7 to the consolidated financial statements of this report.

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

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

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

Dividends

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

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

Business Review

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

A. Investment Properties

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

THE ESPLANADE PLACE

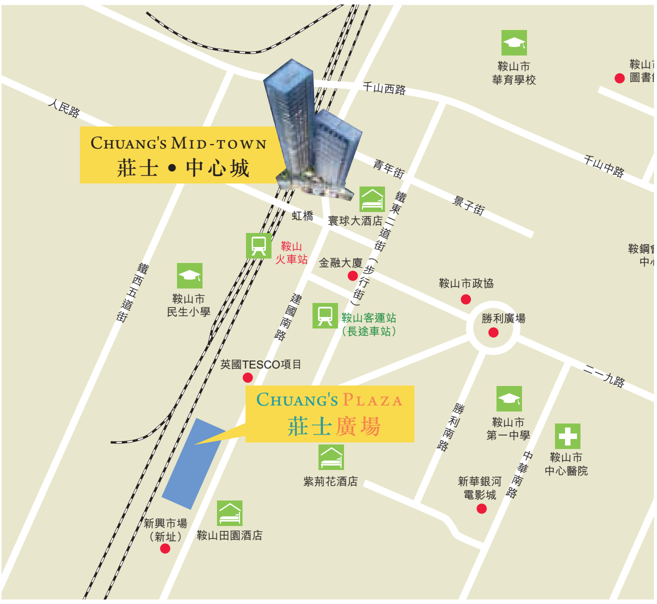
Yip Wong Road, Tuen Mun, New Territories, Hong Kong
(100% owned)

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

CHUANG'S MID-TOWN

Anshan, Liaoning
(100% owned)

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



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

A. Investment Properties

HOTEL AND RESORT VILLAS

Xiamen, Fujian

(59.5% owned)

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

A. Investment Properties

HOTEL AND RESORT VILLAS

Xiamen, Fujian

(59.5% owned)

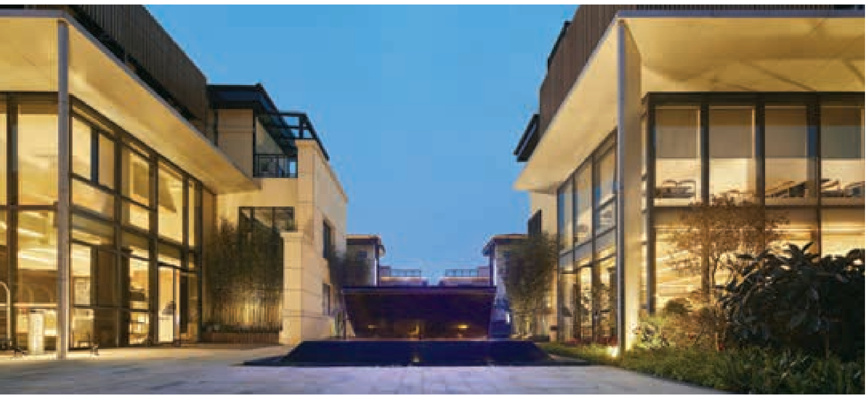
During the year under review, the tourism industry in Xiamen has been affected by the pandemic of Covid-19. A tenant of the 21 villas was in default to pay rents to the joint venture company since the last quarter in 2019. In March 2021, the Group terminated the tenancy in view of the continuous default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

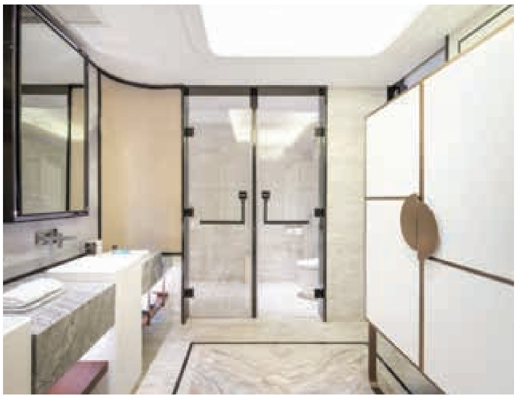
A. Investment Properties

HOTEL AND RESORT VILLAS

Xiamen, Fujian

(59.5% owned)





COMMERCIAL PROPERTY

Shatian, Dongguan, Guangdong

(100% owned)

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

A. Investment Properties

WISMA CHUANG

Jalan Sultan Ismail,
Kuala Lumpur, Malaysia
(100% owned)

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

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

OFFICE PROPERTY

Fenchurch Street, London, UK

(100% owned before disposal)

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

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

B. Property Development

THE ESPLANADE

Yip Wong Road, Tuen Mun,
New Territories, Hong Kong
(100% owned)

This photograph was taken on 19 August 2020 and had been edited and processed with computerized imaging techniques.

▲ *This photograph was taken on 3 June 2021 and had been edited and processed with computerized imaging techniques.*

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

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

B. Property Development

NOS. 6–8 PING LAN STREET AND NOS. 26–32 MAIN STREET

Ap Lei Chau, Hong Kong

(100% owned)

▲ *Perspective*

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

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

CHUANG'S LE PAPILLON

Guangzhou, Guangdong

(100% owned before disposal)

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

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

B. Property Development

CHANGAN

Dongguan, Guangdong

(100% owned)

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

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

CHUANG'S PLAZA

Anshan, Liaoning

(100% owned)

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

B. Property Development

CHANGSHA

Hunan

(69% owned)

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

CHENGDU

Sichuan

(51% owned)

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

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

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

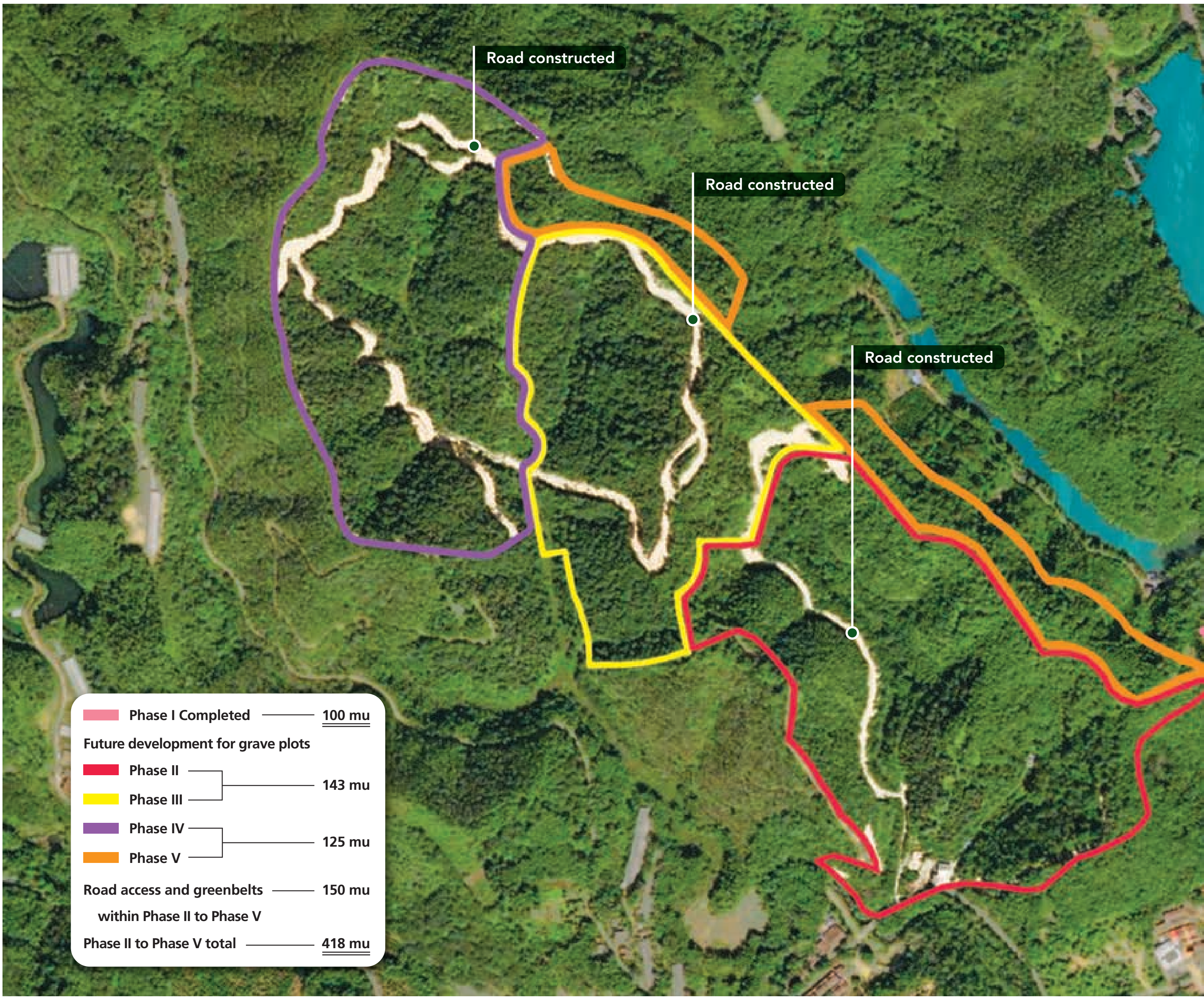
B. Property Development

FORTUNE WEALTH

Sihui, Guangdong

(86% owned)

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



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

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

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

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

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

C. Securities Investments

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

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

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

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

2. Investments in high yield bonds and other securities

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

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

(a) Bonds investments

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

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

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

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

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

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

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

Financial Review

Net asset value

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

Financial resources

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

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

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

Foreign exchange risk

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

Prospects

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

Staff

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

Appreciation

On behalf of the Board, I would like to thank my fellow Directors and our dedicated staff for their hard work and contribution during the year.

Albert Chuang Ka Pun
Chairman

Hong Kong, 29 June 2021

Corporate Information

Honorary Chairman	Abraham Shek Lai Him, G.B.S., J.P.
Directors	Albert Chuang Ka Pun, J.P. *(Chairman)* Ann Li Mee Sum *(Deputy Chairman)* Edwin Chuang Ka Fung *(Managing Director)* Sunny Pang Chun Kit Geoffrey Chuang Ka Kam Neville Charles Kotewall Dominic Lai@ Abraham Shek Lai Him, G.B.S., J.P.* Andrew Fan Chun Wah, J.P.* Eddy Li Sau Hung, G.B.S., J.P.* Ng Kit Chong, M.H.* @ *Non-Executive Director* * *Independent Non-Executive Directors*
Audit Committee	Abraham Shek Lai Him, G.B.S., J.P.# Andrew Fan Chun Wah, J.P. Eddy Li Sau Hung, G.B.S., J.P.
Nomination Committee	Abraham Shek Lai Him, G.B.S., J.P.# Andrew Fan Chun Wah, J.P. Ng Kit Chong, M.H.
Remuneration Committee	Abraham Shek Lai Him, G.B.S., J.P.# Andrew Fan Chun Wah, J.P. Eddy Li Sau Hung, G.B.S., J.P.
Corporate Governance Committee	Albert Chuang Ka Pun, J.P.# Ann Li Mee Sum Edwin Chuang Ka Fung
Company Secretary	Lee Wai Ching
Independent Auditor	PricewaterhouseCoopers *Certified Public Accountants and Registered Public Interest Entity Auditor* 22nd Floor, Prince's Building, 10 Chater Road, Central, Hong Kong

Chairman of the relevant committee

Corporate Information (continued)

Registrars	**Bermuda:** MUFG Fund Services (Bermuda) Limited 4th floor North, Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda **Hong Kong:** Tricor Progressive Limited Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Principal Bankers	The Hongkong and Shanghai Banking Corporation Limited Bank of China (Hong Kong) Limited Nanyang Commercial Bank, Limited Bank of Communications Co., Ltd.
Registered Office	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda
Principal Office in Hong Kong	25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong Telephone: (852) 2522 2013 Facsimile: (852) 2810 6213 Email address: chuangs@chuangs.com.hk Website: *www.chuangs-china.com*
Regional Office in the People's Republic of China (the "PRC")	**Guangdong Regional Office** 2nd Floor, Chuang's New City Administration Building, No. 8 Chuang's Road, Dongguan, Guangdong, the PRC
Office in Malaysia	Suite 16.05, 16th Floor, Wisma Chuang, 34 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia

Sales/Leasing Offices in the PRC	**Chuang's Mid-town Sales/Leasing Office** No. 690 Jian Guo Road, Tie Dong Qu, Anshan, Liaoning, the PRC **Xiamen Leasing Office** Xiamen Mingjia Binhai Resort Company Limited No. 382 Long Hu Shan Road, Siming District, Xiamen, Fujian, the PRC **Fortune Wealth Sales Office** Jiang Gu, Sihui, Guangdong, the PRC
Stock Code	298

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Albert Chuang Ka Pun J.P., (aged 41), the chairman, has over 17 years of experience in property business and general management. He is the chairman of the corporate governance committee of the Company. He is also the chairman and managing director of Chuang's Consortium International Limited (stock code: 367) ("Chuang's Consortium", the controlling shareholder of the Company) which is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He holds a Bachelor degree of Arts with major in Economics. He is a committee member (the Hong Kong Special Administrative Region) of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference and a standing committee member of the Thirteenth All-China Youth Federation. Mr. Albert Chuang Ka Pun is the son of Mr. Alan Chuang Shaw Swee (the controlling shareholder of Chuang's Consortium). He is also the brother of Mr. Edwin Chuang Ka Fung, Mrs. Candy Kotewall Chuang Ka Wai (the spouse of Mr. Neville Charles Kotewall and an executive director of Chuang's Consortium) and Mr. Geoffrey Chuang Ka Kam; and the brother-in-law of Mr. Neville Charles Kotewall. He joined the Group in 2008.

Miss Ann Li Mee Sum (aged 60), the deputy chairman, has over 35 years of experience in finance, corporate finance and business management. She is a member of the corporate governance committee of the Company. She is also an executive director of Chuang's Consortium. She holds a Master degree in Business Administration and is a fellow member of the Chartered Institute of Management Accountants. She joined the Group in 1999.

Mr. Edwin Chuang Ka Fung[1] (aged 36), the managing director, has over 11 years of experience in architecture, interior design and general management. He is a member of the corporate governance committee of the Company. He is also the deputy managing director of Chuang's Consortium. He holds a Bachelor degree of Fine Arts in Architecture Design covering architecture; interior; and urban planning. He is a committee member of The Chinese General Chamber of Commerce ("CGCC") and a vice chairman of the Community Affairs Committee of CGCC. He is also a director of the Hong Kong Chang Sha Chamber of Commerce, the vice chairman of Hong Kong Huian Natives Association, the deputy secretary general of the Hunan Youth Federation, a vice secretary general of The Y. Elites Association Limited and a member of China Green Building (Hong Kong) Council and the Hong Kong–Shanghai Youth Exchange Promotion Association. Mr. Edwin Chuang Ka Fung is the son of Mr. Alan Chuang Shaw Swee. He is also the brother of Mr. Albert Chuang Ka Pun, Mrs. Candy Kotewall Chuang Ka Wai and Mr. Geoffrey Chuang Ka Kam; and the brother-in-law of Mr. Neville Charles Kotewall. He joined the Group in 2012.

Mr. Sunny Pang Chun Kit (aged 63), an executive director, has over 43 years of experience in construction and real estate development business. He holds a Master of Science degree in Construction and Project Management and is a member of the Chartered Institute of Building and the Architects and Surveyors Institute, United Kingdom and an associate member of the Hong Kong Institution of Engineers. He joined the Group in 1992.

Mr. Geoffrey Chuang Ka Kam (aged 33), an executive director, has 12 years of experience in financial and general management. He is also an executive director of Chuang's Consortium. He holds a Bachelor degree of Arts with major in Economics. Mr. Geoffrey Chuang Ka Kam is the son of Mr. Alan Chuang Shaw Swee, the brother of Mr. Albert Chuang Ka Pun, Mrs. Candy Kotewall Chuang Ka Wai and Mr. Edwin Chuang Ka Fung; and the brother-in-law of Mr. Neville Charles Kotewall. He joined the board in December 2017.

[1] *formerly known as Chong Ka Fung*

Executive Directors (continued)

Mr. Neville Charles Kotewall (aged 40), an executive director, has 10 years of experience in asset management, wealth management, corporate and investment banking and manufacturing business. He also has experiences in managing entrepreneurial ventures in the information technology, beverage, music and real estate industries. He holds a Bachelor of Science degree in Information Systems and a Master of Science degree in Investment Management. Mr. Kotewall is the spouse of Mrs. Candy Kotewall Chuang Ka Wai (the sister of Mr. Albert Chuang Ka Pun, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam and the daughter of Mr. Alan Chuang Shaw Swee); the brother-in-law of Mr. Albert Chuang Ka Pun, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam; and the son-in-law of Mr. Alan Chuang Shaw Swee. He joined the board in March 2019.

Non-Executive Director

Mr. Dominic Lai[2] (aged 74), was appointed as a non-executive director in December 2017. He is a practising solicitor in Hong Kong and is admitted as a solicitor in England and Wales, the Republic of Singapore and the States of New South Wales and Victoria, Australia. Mr. Lai is currently a non-executive director of NWS Holdings Limited (stock code: 659) and Oriental Press Group Limited (stock code: 18), both are listed on the Stock Exchange.

Independent Non-Executive Directors

Mr. Abraham Shek Lai Him[3] G.B.S., J.P., (aged 76), was appointed as an independent non-executive director of the Company in April 2008. He has acted as the honorary chairman of the Company since 29 April 2019 following his retirement from his position as the chairman. Mr. Shek is the chairman of the audit committee, the nomination committee and the remuneration committee of the Company. He is currently a member of the Legislative Council for the Hong Kong Special Administrative Region, the Court and the Council of The University of Hong Kong, a honorary member of the Court of The Hong Kong University of Science & Technology and a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption. He holds a Bachelor degree of Arts. He is the vice chairman and an executive director of Goldin Financial Holdings Limited (stock code: 530) which is listed on the Stock Exchange. He is also an independent non-executive director of Chuang's Consortium, Paliburg Holdings Limited (stock code: 617), Lifestyle International Holdings Limited (stock code: 1212), NWS Holdings Limited (stock code: 659), Country Garden Holdings Company Limited (stock code: 2007), ITC Properties Group Limited (stock code: 199), China Resources Cement Holdings Limited (stock code: 1313), Lai Fung Holdings Limited (stock code: 1125), Cosmopolitan International Holdings Limited (stock code: 120), Everbright Grand China Assets Limited (stock code: 3699), CSI Properties Limited (stock code: 497), Far East Consortium International Limited (stock code: 35), Landing International Development Limited (stock code: 582) and Hao Tian International Construction Investment Group Limited (stock code: 1341), all are listed on the Stock Exchange. Mr. Shek is also an independent non-executive director of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust (stock code: 2778), and Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust (stock code: 1881), both trusts are listed on the Stock Exchange.

[2] *also known as Dominic Lai Wing or Lai Hing Chiu*

[3] *also known as Abraham Razack*

Independent Non-Executive Directors (continued)

Mr. Andrew Fan Chun Wah J.P., (aged 42), was appointed as an independent non-executive director in January 2013. Mr. Fan is a member of the audit committee, the nomination committee and the remuneration committee of the Company. He is a practising certified public accountant in Hong Kong with over 15 years of experience. He holds a Bachelor degree of Business Administration (accounting and finance) from The University of Hong Kong and a Bachelor degree in Laws from the University of London. Mr. Fan is a member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants. He is also a committee member of the tenth to twelfth Chinese People's Political Consultative Conference of the Zhejiang Province, the fourth and fifth Chinese People's Political Consultative Conference of Shenzhen and the tenth vice chairman of Zhejiang Province United Youth Association.

Mr. Fan is currently an independent non-executive director of Culturecom Holdings Limited (stock code: 343), Nameson Holdings Limited (stock code: 1982) and Space Group Holdings Limited (stock code: 2448), all are listed on the Main Board of the Stock Exchange. Mr. Fan had been an independent non-executive director of Sinomax Group Limited (stock code: 1418) from March 2014 to June 2020, Universal Star (Holdings) Limited (stock code: 2346) from April 2019 to September 2020 and Fulum Group Holdings Limited (stock code: 1443) from October 2014 to May 2021, the shares of these companies are listed on the Main Board of the Stock Exchange, and Sanbase Corporation Limited (stock code: 8501) from December 2017 to December 2019, CNC Holdings Limited (stock code: 8356) from January 2018 to August 2020 and Omnibridge Holdings Limited (stock code: 8462) from June 2017 to November 2020, the shares of these companies are listed on the Growth Enterprise Market of the Stock Exchange.

Dr. Eddy Li Sau Hung G.B.S., J.P., (aged 66), was appointed as an independent non-executive director in December 2017. Dr. Li is a member of the audit committee and the remuneration committee of the Company. He has over 36 years of experience in the manufacturing business. He is the president of Hong Kong Economic & Trade Association. Dr. Li holds a Master degree in Business Administration and a Ph.D. degree in Economics. He was the 1991 awardee of The Ten Outstanding Young Persons and the 1993 awardee of Young Industrialists of Hong Kong. He is currently an independent non-executive director of Oriental Watch Holdings Limited (stock code: 398) and Man Yue Technology Holdings Limited (stock code: 894), both are listed on the Stock Exchange.

Biographical Details of Directors and Senior Management (continued)

Independent Non-Executive Directors (continued)

Dr. Ng Kit Chong M.H., (aged 46), was appointed as an independent non-executive director in May 2019. Dr. Ng is a member of the nomination committee of the Company. He has over 22 years of experience in information technology. He holds a Ph.D. and a bachelor degree of Engineering in Manufacturing Engineering from The Hong Kong Polytechnic University and post-doctorate research degree from Tsing Hua University. Dr. Ng is the founder and chairman of Goldford Business Inc., which engages in technology, media and telecommunication, education and creative industries. He is a member of Hong Kong Art Development Council, Private Columbaria Licensing Board and Employees Retraining Board. He is an adjunct professor of The Hong Kong Polytechnic University. He is a convener of Hong Kong Youth Synergy Foundation, a founding convener of Young Professionals Alliance, a committee member of Chinese People's Political Consultative Conference and Guangdong-People's Political Consultative Committee and a vice-president of Guangdong Youth Federation. Dr. Ng was awarded Ten Outstanding Young Digi Person in Hong Kong in 2000, the Innovative Entrepreneur of the Year for 2003 sponsored by Hong Kong Science and Technology Park, and the Top Ten Outstanding Cantonese Youth in Guangzhou in 2013. He is currently the chairman and an executive director of Oriental Payment Group Holdings Limited (stock code: 8613) which is listed on the Stock Exchange.

Senior Management

Mr. Huang Shi Zhao (aged 65), the general manager of the Group's operation in Guangdong, the PRC. He has over 47 years of experience in legal field, electrical engineering, property development, construction project, administration and management. He is a university graduate in PRC laws and is a National Constructor (Class II) in the PRC. He is the president of The Association of Foreign Investment Enterprises of Shatian, Dongguan and the supervisor of Guangdong Quangang Association for Economic & Cultural Advancement. He joined the Group in 1993.

Mr. Guo Caihong (aged 51), the general manager of the Group's development project in Anshan, the PRC. He has 29 years of experience in project planning, design and management. He joined the Group in 1992.

Mr. Zhuang Xue Nong (aged 47), the general manager of the Group's cemetery project in Guangdong, the PRC. He has over 26 years of experience in real estate and project management, construction, administration, marketing and finance. He holds a postgraduate certificate in Economic Management. He joined the Group in 2003.

Mr. Ting Lik (aged 47), the assistant director of the Company, has over 13 years of experience in business development, strategy planning and corporate management. He holds a Bachelor degree of Art in Political Science. He joined the Group in 2007.

Mr. Chan Hing Kwong (aged 45), the assistant general manager of property development and sales department, has over 22 years of experience in property sales, leasing, marketing and property management. He holds a bachelor degree in science and a master degree in housing management. He joined the Group in 2008.

Senior Management (continued)

Mr. Andrew Ho Kar Kin (aged 38), the financial controller, has over 16 years of experience in finance, accounting and auditing. He holds a bachelor degree in Accountancy. He is a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of the Institute of Chartered Accountants in England & Wales. He joined the Group in 2009.

Ms. Lee Wai Ching (aged 60), the company secretary, has over 37 years of experience in corporate services and office administration. She holds a Master degree in Business Administration and a Master degree in Laws. She is a fellow of both the Chartered Governance Institute in the United Kingdom and the Hong Kong Institute of Chartered Secretaries. She joined the Group in 1998.

Mr. Ng Kek Chong (aged 63), the chief executive officer of the Malaysia office, is responsible for the Group's operation in Malaysia. He has over 39 years of experience in project management and property development. He holds a bachelor degree in architecture and is a member of the Malaysian Institute of Architects. He joined the Group's Malaysia office in 1994.

Corporate Governance Report

Introduction

The Company is committed to achieving a high standard of corporate governance that properly protects and promotes the interests of its shareholders.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Report on corporate governance practices

(A) The Board

The board of Directors (the "Board") is responsible for overseeing the business and strategies of the Company and its subsidiaries (collectively as the "Group") with the objective of enhancing value for its shareholders.

A new Board diversity policy (the "Board Diversity Policy") and a nomination policy (the "Nomination Policy") have been approved by the Board with effect from 1 January 2019.

A summary of the Board Diversity Policy is extracted below:

The Company continuously seeks to enhance the effectiveness of its Board and to maintain high standards of corporate governance and recognizes and embraces the benefits of diversity in the boardroom. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance.

The Company endeavours to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy for sustainable and balanced development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience and skills. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Board selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience and skills. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Board Diversity Policy to ensure that recruitment and selection practices are appropriately structured so that a diverse range of candidates are considered.

The Nomination Committee will review this Board Diversity Policy, as appropriate, to ensure the effectiveness of this Board Diversity Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

Report on corporate governance practices (continued)

(A) The Board (continued)

A summary of the selection criteria and nomination procedures as set out in the Nomination Policy and adopted by the Nomination Committee is extracted below:

Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.

- Reputation for integrity
- Accomplishment and experience in the industry which the Group operates
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, professional experience and skills

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Nomination Procedures

The secretary of the Nomination Committee shall call a meeting of the Nomination Committee after receiving nominations of candidates from the management of the Company for consideration by the Nomination Committee by way of meeting or by way of resolution in writing of all members of the Nomination Committee.

- For filling a casual vacancy and/or as an addition to the Board, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.
- Until the issue of the shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.
- In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, a circular will be sent to shareholders. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the Listing Rules, applicable laws, rules and regulations, of the proposed candidates will be included in the circular to shareholders.

Report on corporate governance practices (continued)

(A) The Board (continued)

Nomination Procedures (continued)

- A shareholder can serve a notice to the Company Secretary within the lodgement period of its intention to propose a resolution to elect a certain person as a director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular in accordance with Bye-law no. 88 of the Company. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular, if necessary.

- A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.

- The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

The Nomination Committee will monitor and review the Nomination Policy, as appropriate, to ensure that the Nomination Policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice.

Report on corporate governance practices (continued)

(A) The Board (continued)

(i) Board composition

The Board comprises 11 Directors as at the date of this report. The Board members are as follows:

Name	Position
Mr. Albert Chuang Ka Pun* (“Mr. Albert Chuang”)	Chairman
Miss Ann Li Mee Sum (“Miss Ann Li”)	Deputy Chairman
Mr. Edwin Chuang Ka Fung* (“Mr. Edwin Chuang”)	Managing Director
Mr. Sunny Pang Chun Kit (“Mr. Sunny Pang”)	Executive Director
Mr. Geoffrey Chuang Ka Kam* (“Mr. Geoffrey Chuang”)	Executive Director
Mr. Neville Charles Kotewall* (“Mr. Neville Kotewall”)	Executive Director
Mr. Dominic Lai	Non-Executive Director
Mr. Abraham Shek Lai Him (“Mr. Abraham Shek”)	Independent Non-Executive Director
Mr. Andrew Fan Chun Wah (“Mr. Andrew Fan”)	Independent Non-Executive Director
Dr. Eddy Li Sau Hung (“Dr. Eddy Li”)	Independent Non-Executive Director
Dr. Ng Kit Chong ("Dr. Johnny Ng")	Independent Non-Executive Director

* *Mr. Albert Chuang, Mr. Edwin Chuang and Mr. Geoffrey Chuang are siblings. Mr. Neville Kotewall is the brother-in-law of Mr. Albert Chuang, Mr. Edwin Chuang and Mr. Geoffrey Chuang.*

The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business of the Group. The Board has on a regular basis reviewed the composition of the Board and the skills and experience required for all the Executive, Non-Executive and Independent Non-Executive Directors of the Board, in the context of the business and strategies of the Company. Each of the Directors’ respective biographical details are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report.

(ii) Appointment, re-election and removal of Directors

There are formal, considered and transparent procedures for the appointment and removal of Directors. All Directors newly appointed to fill a casual vacancy are subject to election at the first general meeting after their appointment. Every Director is subject to retirement by rotation and re-election in annual general meeting at least once every three years. All Non-Executive and Independent Non-Executive Directors are appointed for a term of three years, subject to retirement by rotation and re-election as aforesaid.

Report on corporate governance practices (continued)

(A) The Board (continued)

(iii) Nomination Committee

A Nomination Committee was established by the Company with clear terms of reference. The Nomination Committee currently comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Andrew Fan and Dr. Johnny Ng. The committee met once during the year to review the structure, size and composition of the Board and to assess the independence of each Independent Non-Executive Director.

The attendance record of each committee member is as follows:

Name	No. of meeting attended/held
Mr. Abraham Shek*	1/1
Mr. Andrew Fan	1/1
Dr. Johnny Ng	1/1

* *Chairman of the Nomination Committee*

(iv) Board meetings

The Board held four regular board meetings during the year. Arrangements were in place to ensure that sufficient notice and adequate information were given to each Director prior to the regular meetings. The Chairman, together with the Deputy Chairman and the Managing Director, established the agendas for the meetings. Other Directors were invited to include items in the agendas. Minutes of the meetings were kept in sufficient details to reflect the decisions made in the meetings.

The attendance record of each Director in Board meetings is as follows:

Name	Position	No. of meetings attended/held
Mr. Albert Chuang	Chairman	4/4
Miss Ann Li	Deputy Chairman	4/4
Mr. Edwin Chuang	Managing Director	4/4
Mr. Sunny Pang	Executive Director	4/4
Mr. Geoffrey Chuang	Executive Director	4/4
Mr. Neville Kotewall	Executive Director	4/4
Mr. Dominic Lai	Non-Executive Director	4/4
Mr. Abraham Shek	Independent Non-Executive Director	4/4
Mr. Andrew Fan	Independent Non-Executive Director	4/4
Dr. Eddy Li	Independent Non-Executive Director	4/4
Dr. Johnny Ng	Independent Non-Executive Director	4/4

Report on corporate governance practices (continued)

(A) The Board (continued)

(v) Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are separated. Currently, Mr. Albert Chuang is the Chairman and Mr. Edwin Chuang, the Managing Director, is the Chief Executive Officer.

(vi) Responsibilities of Directors

Each Director of the Company is required to keep abreast of his/her responsibilities as a Director of the Company and each Director is provided in a timely manner with appropriate information of the Group to enable him/her to make an informed decision and to discharge his/her duties and responsibilities as a Director of the Company. On appointment, new Directors will be given a comprehensive induction to the Group's business.

(vii) Directors' dealings in securities

The Company has 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.

(viii) Independence of Independent Non-Executive Directors

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

Report on corporate governance practices (continued)

(A) The Board (continued)

(ix) Directors' training

According to the code provision A.6.5 of the CG Code, all Directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the Directors of the Company.

During the year, the Company had arranged seminar and provided reading materials to the Directors that are relevant to their duties and responsibilities. A summary of the training record of each Director received by the Company is as follows:

Name	Reading regulatory updates relating to the director's duties and responsibilities or information relevant to the Group or its business	Reading newspapers, journals and updates relating to the economy, environment and social issues or the director's duties and responsibilities	Attending in-house seminar(s) or seminar(s) organized by external professional institution(s) or attending conference(s) relevant to the director's duties and responsibilities or reading materials of such seminar(s) or conference(s)
Mr. Albert Chuang	✓	✓	✓
Miss Ann Li	✓	✓	✓
Mr. Edwin Chuang	✓	✓	✓
Mr. Sunny Pang	✓	✓	✓
Mr. Geoffrey Chuang	✓	✓	✓
Mr. Neville Kotewall	✓	✓	✓
Mr. Dominic Lai	✓	✓	✓
Mr. Abraham Shek	✓	✓	✓
Mr. Andrew Fan	✓	✓	✓
Dr. Eddy Li	✓	✓	✓
Dr. Johnny Ng	✓	✓	✓

Report on corporate governance practices (continued)

(B) Remuneration of Directors and senior management

(i) Remuneration policy of Executive Directors and senior management

The Group's remuneration policy seeks to provide a fair market remuneration so as to attract, retain and motivate high quality staff. The Group will set levels of remuneration to ensure comparability and competitiveness with companies competing within a similar talent pool.

(ii) Fees paid to Non-Executive Directors

The former Chairman was appointed as the Honorary Chairman and, being an Independent Non-Executive Director, entitles to an annual fee of HK$400,000. Each of the other Non-Executive Directors of the Company entitles to an annual fee of HK$120,000. In determining such fee, the Board has taken into account the current market conditions. The Board is authorized to fix the remuneration of the Directors by the shareholders in annual general meetings.

(iii) Remuneration Committee

A Remuneration Committee was established by the Company with clear terms of reference and is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the Company's establishment of a formal and transparent procedure for developing remuneration policy.

The Remuneration Committee comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Andrew Fan and Dr. Eddy Li. The committee met once during the year to review the remuneration policy of the Group and the management's remuneration proposals with reference to the Board's corporate goals and objectives. The committee performs an advisory role to the Board with the Board retaining the final authority to approve the remuneration packages of Directors and senior management and the model (c)(ii) as stipulated in code provision B.1.2 of the CG Code was adopted.

The attendance record of each committee member is as follows:

Name	No. of meeting attended/held
Mr. Abraham Shek*	1/1
Mr. Andrew Fan	1/1
Dr. Eddy Li (appointed on 8 June 2020)	1/1

* *Chairman of the Remuneration Committee*

Report on corporate governance practices (continued)

(C) Accountability and audit

(i) Financial reporting

The Board acknowledges that it is its responsibility to prepare the consolidated financial statements and to present a balanced, clear and comprehensive assessment of the performance, position and prospects of the Group in the interim and annual reports of the Group.

The reporting responsibility of the Company's auditor on the consolidated financial statements of the Group is set out in the "Independent Auditor's Report" on pages 102 to 109 of this annual report.

(ii) Risk management and internal control

(a) Responsibilities of the Board and management

The Board acknowledges that it is responsible for maintaining an appropriate and effective risk management and internal control systems in the Group and reviewing the systems effectiveness to safeguard the Group's assets and shareholders' interests. These risk management and internal control systems can only reasonably, but do not absolutely ensure the non-occurrence of material misstatement, significant loss, error or fraud and they are designed to manage, rather than eliminate the risk of failure in the Group's operational systems to achieve its business objectives.

Management of the Company is responsible for designing, implementing and monitoring the risk management and internal control systems; and providing confirmation to the Audit Committee on the systems effectiveness through the completion of controls self-assessment on key business processes in the Group.

(b) Risk Management

To provide sound and effective risk management, the Board has established an enterprise risk management framework which includes the following key features:

- Risk Governance Structure

  The Group's risk governance structure comprises of day-to-day operational management and control, risk and compliance oversight, and independent assurance. The Group has developed a risk management policy which outlines the principles and procedures for the Group to manage its risks and also clearly defines roles and responsibilities of each of the multiple layers of the structure, including the Board, the Audit Committee, department heads, staff at operational levels and the internal audit, in order to achieve the Group's strategic and operational goals and objectives.

Report on corporate governance practices (continued)

(C) Accountability and audit (continued)

(ii) Risk management and internal control (continued)

(b) Risk Management (continued)

○ Risk Management Process

A robust risk management process is developed to identify, evaluate and manage significant risks. The risk management process includes the following elements:

- Risk identification – Identify the risks faced by the Group.

- Risk assessment and prioritization – Analyze the identified risks based on two dimensions: potential impact and likelihood of occurrence; prioritize key risks and confirm top risks.

- Risk treatment – Select an appropriate risk treatment and develop the relevant risk management strategies for identified key risks.

- Control activities – Controls must be designed, evaluated and implemented on the identified risks.

- Risk monitoring – Perform ongoing and periodic monitoring of risks to ensure the risk management strategies are operating effectively.

- Risk reporting – Consolidate the results from the risk assessment; establish detailed action plan; and report to management and the Audit Committee in a timely manner.

The Group maintains a risk register, which includes information of key enterprise-level risks, their potential consequences, likelihood, impact and overall risk rating. Risk owners will execute risk mitigation actions and respond to their assigned risks in the risk register based on the Board's risk tolerance. On an annual basis, the risks in the risk register are re-evaluated, with consideration of potential new or emerging risks. Also, depending on changes in circumstances and the external environment, risk tolerances and risk responses are adjusted accordingly.

Report on corporate governance practices (continued)

(C) Accountability and audit (continued)

(ii) Risk management and internal control (continued)

(c) Internal Control

The Group has implemented an internal control system in accordance with an integrated internal control framework established by the COSO (Committee of Sponsoring Organizations of the Treadway Commission), which comprises five main features and principal components of internal control: the control environment, risk assessment, control activities, information and communication, and monitoring activities.

The Group has an Internal Audit Department which used a risk-based approach to derive an internal audit plan and it is approved by the Audit Committee on an annual basis to assess the adequacy, effectiveness, efficiency and reliability of internal control procedures over financial, operational and compliance activities of the Group. The results of the independent reviews together with the recommended remedial actions, in the form of internal audit reports, are submitted to the Audit Committee and management on a regular basis. Follow-up reviews are performed to ensure that all identified issues have been resolved satisfactorily.

The Head of the Internal Audit Department reports directly to the Audit Committee. During the year, the Internal Audit Department conducted reviews and reported the status of implementation of follow-up actions on control deficiencies. Relevant recommendations reported by the Internal Audit Department will be implemented by management to enhance the Group's internal control policies, procedures and practices, and to resolve material internal control deficiencies in a timely manner.

The Group has also developed an Inside Information Disclosure Policy and internal controls for the handling and dissemination of inside information to ensure consistent and timely disclosure, and fulfilment of the Group's disclosure obligations. The Group has also established and implemented procedures to guide its staff on how to report, escalate and handle inside information, and strictly prohibit them from any unauthorized use of inside information.

(d) Review of Systems Effectiveness

Through the Audit Committee, the Board had conducted an annual review of the effectiveness and adequacy of the risk management and internal control systems by reviewing the work performed by the Internal Audit Department and the controls self-assessment on key business processes performed by management for the year ended 31 March 2021. The review covered all material controls, including financial, operational and compliance controls, and risk management functions. The scope and quality of ongoing monitoring of risks and the internal control systems have been assessed. The changes in the nature and extent of significant risks faced by the Group and response plans have been evaluated. The Board considered that the risk management and internal control systems are functioning effectively and adequately.

Report on corporate governance practices (continued)

(C) Accountability and audit (continued)

(ii) Risk management and internal control (continued)

(d) Review of Systems Effectiveness (continued)

During the review, the Board also assessed and was satisfied with the adequacy of the resources, staff qualification and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions. Qualified personnel throughout the Group maintains and monitors these internal control procedures on an ongoing basis.

The Board is satisfied that the Group has fully complied with the code provisions C.2 on risk management and internal control set out in the CG Code as set forth in the Appendix 14 of the Listing Rules for the year ended 31 March 2021.

(iii) Audit Committee

An Audit Committee was established by the Company with clear terms of reference to review and supervise the financial reporting process, and the risk management and internal control of the Group. The Audit Committee comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Andrew Fan and Dr. Eddy Li. The committee held four meetings during the year to discuss the relationship with the external auditor, to review the consolidated interim financial information for the six months ended 30 September 2020 and the consolidated annual financial statements for the year ended 31 March 2021 of the Group, and to evaluate the risk management and internal control systems of the Group.

The attendance record of each committee member is as follows:

Name	No. of meetings attended/held
Mr. Abraham Shek*	4/4
Mr. Andrew Fan	4/4
Dr. Eddy Li	4/4

* *Chairman of the Audit Committee*

(iv) Auditor's remuneration

During the year, the remuneration paid or payable to the principal auditor, PricewaterhouseCoopers, is set out as follows:

Services rendered	HK$'000
Audit and audit related services	2,220
Non-audit services	1,780
	4,000

Report on corporate governance practices (continued)

(D) Delegation by the Board

(i) Board Committees

The Company has established four committees, namely Audit Committee, Nomination Committee, Remuneration Committee and Corporate Governance Committee (the "CG Committee"). These committees were formed with specific clear terms of reference which deal clearly with the committees' authorities and duties.

(ii) Management function

The Board has determined which matters are to be retained by the full Board sanction and which matters are to be delegated to the executive management. The executive management has been given clear terms of reference, in particular, circumstances where the executive management should report to and obtain prior approval from the Board. All delegations to executive management are reviewed periodically to ensure that they remain appropriate.

(E) Corporate Governance

The Board delegated the corporate governance functions to the CG Committee which was established with clear terms of reference and is responsible for developing and reviewing the Company's policies and practices on corporate governance. The CG Committee is also delegated the responsibility to review any potential inside information of the Group and to make recommendations to the Board for any disclosure requirement or actions required.

The CG Committee comprises three Executive Directors, Mr. Albert Chuang, Miss Ann Li and Mr. Edwin Chuang. The committee met twice during the year to review the corporate governance matters of the Company to ensure that the Company has complied with the principles and applicable code provisions of the CG Code.

The attendance record of each committee member is as follows:

Name	No. of meetings attended/held
Mr. Albert Chuang*	2/2
Miss Ann Li	2/2
Mr. Edwin Chuang	2/2

* *Chairman of the CG Committee*

Report on corporate governance practices (continued)

(F) Communication with shareholders

The Company has established a shareholders communication policy with the objectives of enabling its shareholders to exercise their rights in an informed manner and to allow the shareholders and the investment communities to engage actively with the Company. The Board has the responsibility to review the policy regularly to ensure its effectiveness. A summary of the policy is set out below:

(i) General meetings

The Board regards annual general meeting as the principal opportunity to meet the shareholders of the Company. All Directors attended the special general meeting of the Company (the "2020 SGM") and the 2020 annual general meeting of the Company (the "2020 AGM") to answer questions raised by the shareholders.

The attendance records of each of the current Directors in the 2020 SGM and 2020 AGM are as follows:

		Attendance	
Name	Position	2020 SGM on 23 June 2020	2020 AGM on 18 September 2020
Mr. Albert Chuang	Chairman	Yes	Yes
Miss Ann Li	Deputy Chairman	Yes	Yes
Mr. Edwin Chuang	Managing Director	Yes	Yes
Mr. Sunny Pang	Executive Director	Yes	Yes
Mr. Geoffrey Chuang	Executive Director	Yes	Yes
Mr. Neville Kotewall	Executive Director	Yes	Yes
Mr. Dominic Lai	Non-Executive Director	Yes	Yes
Mr. Abraham Shek	Independent Non-Executive Director	Yes	Yes
Mr. Andrew Fan	Independent Non-Executive Director	Yes	Yes
Dr. Eddy Li	Independent Non-Executive Director	Yes	Yes
Dr. Johnny Ng	Independent Non-Executive Director	Yes	Yes

A special general meeting of the Company (the "2021 SGM") was held on 13 April 2021 to approve a transaction of the Group. All Directors attended the 2021 SGM. Owing to the pandemic of Covid-19, six Directors attended the 2021 SGM through dial-in arrangements.

(ii) Significant issues

The Company has ensured that any significant issue to be dealt with in general meetings had been proposed as a separate resolution.

Report on corporate governance practices (continued)

(F) Communication with shareholders (continued)

(iii) Voting by poll

Pursuant to Rule 13.39(4) of the Listing Rules, votes of shareholders in all general meetings of the Company have been taken by poll and results of the poll have been announced in accordance with the procedures prescribed under Rule 13.39(5) of the Listing Rules.

(iv) Corporate documents available in websites of the Company and the Stock Exchange

The Company has placed on the websites of the Company and the Stock Exchange the announcements, circulars, annual/interim reports, notices of general meetings and other information of the Company as required by the Listing Rules.

(v) Shareholders' enquiries

Shareholders of the Company may direct their questions about their shareholdings to the Company's share registrar and all other questions to the Board.

(G) Shareholders' rights

(i) Convening a special general meeting

Pursuant to Bye-law no. 57 of the Company, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting ("SGM") to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date. The written requisition must state the purposes of the general meeting and is signed by the shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those shareholders.

If the requisition is in order, the secretary of the Company will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the shareholders. On the contrary, if the requisition is invalid, the shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.

Report on corporate governance practices (continued)

(G) Shareholders' rights (continued)

(ii) Enquiries to the Board

Shareholders of the Company will have the opportunity to ask questions to the Board in general meetings. Shareholders of the Company may also make enquires to the Board at their discretion. Such enquiries shall be made in writing directed to "The Board of Directors, Chuang's China Investments Limited" by one of the following means:

- By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
- By email to : china-board@chuangs.com.hk
- By facsimile to : (852) 2810 6213

The Board will respond promptly to proper enquiries raised by the shareholders.

(iii) Putting forward proposals at shareholders' meetings

(a) Shareholders may put forward proposals relating to the election of Directors in general meetings as follows:

◦ Pursuant to Bye-law no. 88 of the Company, a shareholder or shareholders (not being the person to be proposed) who holds or collectively hold not less than 5% in the nominal value of the issued shares of any class of the Company may propose a person for election as a Director at any general meeting of the Company by giving the secretary of the Company a notice in writing:

- of his/their intention to propose such person for election; and
- signed by the person to be proposed of his willingness to be elected.

Report on corporate governance practices (continued)

(G) Shareholders' rights (continued)

(iii) Putting forward proposals at shareholders' meetings (continued)

(a) (continued)

◦ Any notice given for such proposal must include such person's information as may from time to time be required to be disclosed under Rule 13.51(2) of the Listing Rules in the event that such person is elected as a Director or any other applicable laws, rules and regulations which the Company may be subject to. Currently, the following information are required:

- Full name and age;
- Positions held with the Company and other members of the Group (if any);
- Experience including (i) other directorships held in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and (ii) other major appointments and professional qualifications;
- Length or proposed length of service with the Company;
- Relationships with any Directors, senior management or substantial or controlling shareholders of the Company;
- His interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
- Amount of the Director's or supervisor's emoluments and the basis of determining the Director's or supervisor's emoluments and how much of these emoluments are covered by a service contract; and
- A declaration by the nominated person stating that he is not and has not been subject to any of the events provided for under Rule 13.51(2)(h) to (w) of the Listing Rules, or if any one or more of these provisions are applicable to him, full details thereof.

◦ Any notice given for this purpose shall be directed to "The secretary, Chuang's China Investments Limited" by one of the following means:

- By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
- By email to : chuangs@chuangs.com.hk
- By facsimile to : (852) 2810 6213

Report on corporate governance practices (continued)

(G) Shareholders' rights (continued)

(iii) Putting forward proposals at shareholders' meetings (continued)

(a) (continued)

- Any such shareholder(s) shall be one(s) that is/are entitled to attend and vote at the meeting for which such notice is given.

- The minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. If the notice is received less than fifteen (15) business days prior to that general meeting, the Company will need to consider adjournment of the general meeting in order to (i) assess the suitability of the proposed candidate; and (ii) publish an announcement or circulate a supplementary circular in relation to the proposal to the shareholders at least fourteen (14) clear days and not less than ten (10) business days prior to the general meeting.

(b) Except for proposals relating to the election of Directors which should follow the procedures mentioned in (a) above, shareholders may put forward proposals at general meetings by following the requirements and procedures as set out in sections 79 and 80 of the Companies Act 1981 of Bermuda (the "Act"). Specifically, such shareholders should:

- Collectively hold not less than one-twentieth of the total voting rights of all shareholders of the Company having at the date of the requisition the right to vote at the meeting to which the requisition relates, or constitute not less than 100 shareholders.

- Submit a written request stating the resolution intended to be moved at the annual general meeting ("AGM"), or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or business to be dealt with at that general meeting.

- The written request/statement must be signed by such shareholders, or two more copies which between them contain the signatures of all such shareholders, and deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal office in Hong Kong at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong, for the attention of the secretary of the Company:

  - In the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and

  - In the case of any other requisition, not less than one week before the meeting, provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the time required by section 80 of the Act shall be deemed to have been properly deposited for the purposes thereof.

Report on corporate governance practices (continued)

(G) Shareholders' rights (continued)

(iii) Putting forward proposals at shareholders' meetings (continued)

(b) (continued)

- If the written request is in order, the secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the shareholder(s) concerned in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid or the shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM; or the statement will not be circulated for the general meeting.

- Any questions relating to putting forward proposals at shareholders' meetings should be directed in writing to "The Board of Directors, Chuang's China Investments Limited" by one of the following means:

  - By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
  - By email to : china-board@chuangs.com.hk
  - By facsimile to : (852) 2810 6213

Report on corporate governance practices (continued)

(H) Amendments to constitutional documents of the Company

No amendments had been made to the constitutional documents of the Company during the year ended 31 March 2021.

Conclusion

Except as mentioned above, the Company has complied with the code provisions of the CG Code for the year ended 31 March 2021.

On behalf of the Board of
Chuang's China Investments Limited

Edwin Chuang Ka Fung
Managing Director

Hong Kong, 29 June 2021

Environmental, Social and Governance Report

Environmental, Social and Governance Report

About This Report

This Environmental, Social and Governance ("ESG") report covers the Company and its subsidiaries (collectively as the "Group") which are principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, sales of goods and merchandises, and securities investment and trading.

The Group is committed to the long-term sustainability of its businesses, which is one of the key focuses of the Group's development and growth strategy, and is committed to developing initiatives that will merit value and positive impact for the betterment of its stakeholders and of the communities within which it operates and serves. From our on-going communications with them, we are aware that they consider our property development and investment businesses as more relevant for ESG reporting. Therefore, this report places emphasis on the ESG achievements and challenges as well as initiatives undertaken for the financial year ended 31 March 2021 in respect of the property development and investment businesses of the Group. Nevertheless, in this reporting year, we have further expanded the reporting boundary to cover the following properties: Wisma Chuang (property investment in Malaysia) (change to a full scope reporting basis) and Fortune Wealth Memorial Park (cemetery development and operation in the People's Republic of China (the "PRC")).

The ESG report is prepared in accordance with the ESG Reporting Guide under Appendix 27 of the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The preparation of this ESG report adopts the following four reporting principles stated in the ESG Reporting Guide:

Materiality Senior management conducted materiality review of ESG topics to identify ESG issues material to our business operations and stakeholders.

Quantitative Quantitative metrics are collected and regularly monitored to review the progress and evaluate the effectiveness of our ESG initiatives.

Balance ESG accomplishments are highlighted while areas for improvement are also drawn attention to, providing an unbiased picture of our ESG performance.

Consistency Consistent methodologies are adopted to provide meaningful comparison of our ESG performance over time. Any changes in data compilation and scope are disclosed.

Approach to Sustainability

Beyond delivering quality products and service excellence, we strive to create long-term value for our key stakeholders by keeping close communication with them and operating in a sustainable and responsible manner. While sustainability is believed to be one of the keys for the Group's development and growth strategy, we are committed to developing initiatives that will merit value and positive impact through our operations to our stakeholders. Through the implementation of ESG management systems and initiatives, we incorporate sustainability considerations in the way we grow and develop.

The Group recognizes the importance of establishing a robust governance structure to facilitate an effective management across our business operations, further ensuring compliance with applicable laws and regulations. To this end, the Group adopts a top-down approach to involve all levels of personnel in the Group in driving our sustainability visions into action. The board of Directors (the "Board") is responsible for overseeing the business and strategies of the Group, in which ESG-related risks are also assessed, to ensure important issues are dealt with according to their priorities. Day-to-day operations are managed by corresponding operation sites and departments according to the policies and management approaches set out by the Group. Senior management reviews and monitors the on-going ESG performance of the Group and reports to the Board to ensure effective ESG risk management and internal control system are in place.

Approach to Sustainability (continued)

Stakeholder Engagement

As we strive to create long-term value for our stakeholders, on-going communication with stakeholders is essential to understand their expectations and feedback, while identifying opportunities for continuous improvement. To maintain effective communication with our stakeholders and incorporate their feedback into our decision-making process, we conduct regular engagement exercises with different stakeholder groups through appropriate communication channels.

Stakeholder Groups	Engagement Approaches
Employees	• Email • Internal memo • Meeting • Survey
Shareholders and investors	• Regular announcements • Annual general meeting
Customers	• Service hotlines • Email • Meeting
Suppliers/Contractors	• Email • Communication at site • Meeting • Survey
Industry associations	• Email • Meeting
Media	• Press release • Annual general meeting • Email

Approach to Sustainability (continued)

Material Topics on Environmental, Social and Governance

To effectively manage ESG issues and determine appropriate management approach, we identified and analyzed ESG topics that matter most to our stakeholders and our business operations through our on-going stakeholders engagement process. The list of material ESG topics is reviewed and approved by senior management in the reporting year to ensure the relevancy and materiality to the Group. The list of material topics is summarized below and addressed in detail in this report, which is organized into two sections, namely environmental and social. Nevertheless, the Group has been taking steps to enhance the process of collecting resource consumption data so that a more comprehensive picture of the Group's ESG performance can be provided.

Material ESG topics	Relevance to the Group
Environmental	
Air and greenhouse gas emissions	Buildings account for a significant amount of cities' electricity consumption. As a responsible business, we recognize our role in ensuring our properties are energy efficient.
Social	
Employment and labour practices	Adopting fair and lawful labour practices are key to attracting and retaining top talents and safeguarding the rights and interests of our employees.
Health and safety	Occupational health and safety of workers are of significant importance to the Group's operations, in particular to property development projects.
Development and training	Training and developments enhance the skills and knowledge of employees which contribute significantly to the growth and success of the Group's business.
Supply chain management	The Group's diverse business operations require collaboration with contractors and a diverse range of suppliers. Stringent supply chain management is important to maintain product and service quality across the entire supply chain.
Product responsibility	Delivering quality products and services are essential to fulfil our priorities in customer health and safety, customer satisfaction and efficient operation.
Anti-corruption	Property investment and development businesses could be subject to high risk of corruption as per some stakeholders perceived. We consider compliance to corruption-related laws to manage such risks an important part of our operation.

Environmental

The Group is mindful of minimizing disturbance to the environment and use of natural resources. We have established environmental protection policies that include both emissions reduction and energy saving policies in order to achieve such an objective. The Group also has a procedure in place to ensure we have an up-to-date understanding of the environmental protection regulations set out by respective environmental protection bureaus of countries in which we operate.

The Group strictly adheres to all relevant environmental laws and regulations in Hong Kong, the PRC and Malaysia, including Waste Disposal Ordinance (Cap. 354), Air Pollution Control Ordinance (Cap. 311), Water Pollution Control Ordinance (Cap. 358), Noise Control Ordinance (Cap. 400) of the laws of Hong Kong, the Environmental Protection Law of the PRC and Solid Waste and Public Cleansing Management Act 2007 (Act 672) of Malaysia, which cover regulations on controlling pollution to air, water and land during property development and construction stages. During the reporting year, the Group was not aware of any non-compliance with the environmental laws and regulations.

Emissions

Air and Greenhouse Gas ("GHG") Emissions

The Group is committed to promoting a green environment and being environmentally responsible. The Group has strict policies and procedures in place to achieve this. This includes:

- Developing and promoting the culture of an environmentally responsible company;
- Ensuring that environmental protection objectives and targets are achieved by providing adequate and appropriate resources; and
- Educating, training and encouraging employees to participate in environmental protection initiatives to cultivate a spirit of corporate social responsibility.

Environmental (continued)

Emissions (continued)

Air and GHG Emissions (continued)

During project planning, design and construction stages of the Group's property development projects, the Group makes reference to industry best practice in constructing green buildings wherever possible. The Group applies different sustainability considerations, such as, taken into account energy consumption and GHG emission impact, into different projects according to their locations and customers' requirements. For example, the following measures have been included in its projects:

- Seasonal wind direction is considered and applied in residential architecture design to improve natural ventilation;
- Tinted and/or insulating glass curtain walls are double glazed and made with low emissive glass to increase visibility and natural lighting which could save energy and/or reduce solar heat radiation;
- The oxide film of the surface area is used to minimize reflectivity of the glass;
- Natural, energy efficient and automatic control light systems are installed in its buildings to reduce energy needed for lighting and to reduce overall running cost; and
- The low temperature radiant floor heating systems are adopted in its projects which provide uniform cooling and heating, and are a cost effective way for its buildings to achieve a higher level of energy performance.

Moreover, during planning and design stages, the Group would ensure that its buildings can be seamlessly integrated into the neighbourhood and environment. The Group embeds its commitment to being environmentally responsible into its day-to-day business activities. For example, as part of the procurement process, the Group prioritizes the selection of greener or environmentally-friendly materials and products in order to minimize its carbon footprint. Some of the factors considered include:

- Use of materials and products with high reusability and proportion of recycled content;
- Business conduct which fosters the sustainable use of the earth's resources by minimizing waste and mitigating any adverse environmental impacts; and
- Use of "greener" alternatives and adoption of, or investment in, energy efficient practices and technologies.

The Group also encourages employees to participate in environmental protection initiatives. For example, the Group tries to reduce energy use and GHG emissions by adopting energy efficient technologies and by switching off lights, computers and copying machines whenever they are not required after work.

Environmental (continued)

Emissions (continued)

Waste Management

For hazardous waste, we understand the importance of minimizing waste and mitigating any adverse environmental impacts; and recognize the benefits of doing so. Hence, we consider environmental responsibility throughout the procurement process. While paper and other office materials are our major non-hazardous waste sources, we implemented waste-reduction measures ranging from using double-sided printing, issuing memos in electronic form across offices; collecting and recycling used ink cartridges.

Use of Resources

The Group strives to drive sustainable business growth through effective and efficient utilization of the resources, including energy, water and other raw materials. This objective is made aware of across our management and staffs, and a number of "green office practices" have been implemented.

Eco-friendly measures are being introduced to a substantial portfolio of properties that the Group managed. Such measures include but not limited to the reduction in the use of paper. Examples on how we reduce the use of paper include closely monitoring total amount of paper printed by every employee, enforcing the use of recycled paper and use of electronic memo across offices. In addition, Wisma Chuang has installed a smart gadget on the wash basins of all restrooms in the property and adopted ticketless parking solution to reduce excessive use of water and paper respectively.

To further reduce the negative environmental impacts associated with our businesses, our cemetery operation is taking steps to reduce waste generation. We actively encouraged visitors to minimize waste disposal such as those respective offerings while honouring and commemorating the ancestors.

Social

Employment and Labour Practices

The Group is an equal opportunity employer, offering equal employment and advancement opportunities to all candidates and employees as well as implementing fair and consistent human resource policies and programmes in relation to recruitment, compensation and dismissal, promotion, working hours, resting periods, equal opportunity, diversity and anti-discrimination. We adhere to all applicable labour laws and regulations including the Employment Ordinance (Cap. 57) and anti-discrimination legislation of the laws of Hong Kong, the Labour Law and the Labour Contract Law of the PRC, and the relevant employment laws in Malaysia[1].

As of 31 March 2021, the Group had 143 employees in total under the reporting boundary, including 23 employees in Hong Kong, 108 in the PRC, and 12 in other regions. The Group believes that its human resource is the most valuable asset because it recognizes that it is the people that delivers business growth and success. The Group is committed to retaining and empowering talent through various measures. The Group believes that continued workforce satisfaction is critical in order to achieve sustained outstanding business outcomes. As a measure of this, the Group is passionately committed to providing a safe and healthy working environment for all employees and site staff.

As part of its core strategy to create an open and harmonious workplace, the Group seeks to provide its employees with the most competitive compensation and benefits. These include:

- Entitlement to paid marriage leave and paid leaves beyond those required by the law including compassionate leave;
- Financial allowance for external training, as well as entitlement to training leave for eligible employees to pursue their learning and development;
- Depending on individual circumstances, employees are allowed to leave their workplace early to attend to personal matters;
- Early retirement schemes for eligible employees; and
- Other privileges, including birthday leave and discounts on accommodation at hotels of the Group.

[1] *The major employment regulations in Malaysia include Employment Act 1955, Minimum Wages Order, Children and Young Persons (Employment) Act 1966, Employment Regulations 2010, Industrial Relations Act 1967, Employees Provident Fund Act 1991, Employees' Social Security Act 1969 and Employment Insurance System 2017.*

Social (continued)

Employment and Labour Practices (continued)

To maintain a strong and diverse workforce, the Group continues to nurture its employees through its retention policy:

- Excellent culture: The Group advocates an open and trusting working relationship amongst its employees.

- Competitive package: The Group offers full-time employees compensation such as discretionary bonus, double pay, contributory provident fund, share options and medical insurance to employees and their family members.

- Emotional care: The Group understands the importance of family values and culture and encourages celebration of international and national holidays and events such as Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival and Christmas, and complement these festivities with gift packages to the staff, lunch gatherings and early leave.

- Employee referral programme: The Group uses various recruitment channels to attract and retain talents. It launched an employee referral programme to encourage its employees to refer talents to the Group to maintain its culture and would provide employee referral rewards for the successful cases.

Furthermore, the Group emphasizes in building employee engagement, striving to enrich both their work and personal lives. Various kinds of activities ranging from movie nights, yoga classes to bread-spread-making classes were regularly organized for employees for enjoyment and relaxation and promoting teambuilding and bonding. The Group dismisses employees and compensates them in accordance with the relevant laws and regulations including the Employees' Compensation Ordinance (Cap. 282) and Minimum Wage Ordinance (Cap. 608) of the laws of Hong Kong, the Labour Law and the Labour Contract Law of the PRC, and the Minimum Wages Order of Malaysia.

Health and Safety

The Group is committed to providing a safe and secure workplace for employees, contractors and site staff across its entire operations. With its core business in property development, safety at construction sites is of utmost importance. We adhere to all applicable laws and regulations including the Occupational Safety and Health Ordinance (Cap. 509) of the laws of Hong Kong, the Labour Law of the PRC, Production Safety Law of the PRC, Law of the PRC on the Prevention and Control of Occupational Diseases and Occupational Safety and Health Act 1994 of Malaysia.

Social (continued)

Health and Safety (continued)

To achieve this, the Group has adopted a number of health and safety initiatives and requirements, including:

- Fulfilment of all relevant and applicable legal obligations;
- Systematic framework for identifying and reviewing safety responsibilities;
- Management of the health and safety risks arising from work activities;
- Communication of relevant policies and procedures to employees and other stakeholders as appropriate;
- Adequate and sufficient personal protective equipment and tools required for the job;
- Adequate training and motivation of team members to observe health and safety preventive measures at workplace;
- Communication of applicable health and safety requirements to employees and contractors;
- Regular fire drills and emergency evacuation simulations in place to prepare employees for handling real emergencies;
- Health related books as gifts to employees to encourage office exercise;
- Corporate flu vaccination programme offered on a free of charge basis to employees to promote a safe and healthy workplace; and
- Continuous improvement of corporate policies, procedures, programmes and work performance.

During the outbreak of Covid-19, the Group has implemented additional measures to safeguard the health and safety of our employees, including:

- Purchase of multiple air purifiers to improve the workplace air quality;
- Additional recruitment of cleaning staff and increased frequency of cleaning and disinfection;
- Hiring of a professional disinfection company for regular deep cleaning of office; and
- Provision of epidemic prevention supplies to employees in a timely manner and supply of full set of protective equipments for employees performing higher-risk duties.

Social (continued)

Development and Training

The Group believes that the development of employees and enhancement of their skills and knowledge will contribute significantly to the growth and success of the business. As such, the Group is committed to developing and implementing a number of comprehensive training programmes for its people. These programmes seek to advance the employees' professional development based on identified areas of growth, while ensuring that the credibility of the Group's workforce meets current business needs. The Group's commitment to this is demonstrated through the following programmes:

- On boarding programme – this programme seeks to enable employees, especially new hires to learn and understand about the mission, vision, values and service culture of the Group;

- Compliance programme – this programme is designed for all staff, such as anti-corruption training in order to avoid bribery, extortion and fraud activities;

- Operations and job skills programme – the aim of this programme is to develop employees to obtain the essential skills and competencies required for their jobs. In addition to participation in on-the-job training programmes, employees are also encouraged to attend external seminars and workshops to keep themselves on the cutting edge of the industry development; and

- Manager and leadership programme – this includes the accelerated development programme and leader programme, which assists employees in creating personal management plans to progress their careers and achieve higher levels of responsibility. For the directors of the Group, they are offered in various programmes for continuous development to constantly enhance their skills and knowledge in leading the Group. With an emphasis on developing the directors' understanding of their roles, functions and duties, their contribution to the Group can be assured to be informed and relevant.

Through these programmes, the Group ensures that all employees receive full support in their development and progress in the Group. These initiatives differentiate the Group from other competitive businesses to attract, retain, and prepare the workforce for greater personal and organizational success while achieving employee satisfaction and gratification.

Labour Standards

The Group is against and prohibits the employment of child and forced labour and strictly adheres with applicable laws and regulations. The human resources department of the Group would examine the identification documents of the applicants to make sure that they are qualified as lawful hiring.

Social (continued)

Supply Chain Management

The Group has a diverse range of supply chain relationships. The Group recognizes the critical role supply chain management plays in running an efficient business operation and to provide quality services in accordance with the highest ethical, social and environmental standards. The Group is committed to being a responsible corporation to include a good management of its suppliers so as to maintain the high standard of products delivered to its customers.

The Group is committed to developing initiatives to manage environmental and social risks of the supply chain. This includes the implementation of strict standards and policies to select and provide services, adhering to and exceeding where practicable, all relevant legal obligations and codes of practice ensuring that, where possible:

- Minimal to naught adverse impact on the environment; and
- Prevention of pollution, reduction of waste production and efficient utilization of resources.

Embedded within its supplier selection process, the Group considers the following key aspects:

- The environmental values and commitments of suppliers;
- The environmental certification and memberships of suppliers;
- Supplier's compliance with international environmental laws and regulations; and
- Supplier's commitment to meeting the Group's environmental specification.

The Group remains in close contact with its suppliers, monitoring their performance to ensure alignment with its commitments.

Product Responsibility

As part of the Group's operating practices, we employ group-wide quality assurance procedures to protect the health and safety of its employees, contractors and customers while providing high quality products and services.

These are strictly imposed across all business operations, employees and third parties under the Group. For example, to ensure high quality service delivery and performance, all new employees must undergo:

- Induction training which instils the mission and vision of the Group;
- Training in relation to proper product knowledge and customer service standards;
- Buddy training in order to identify areas for improvement of the new team member; and
- Refresher and additional training to develop in areas of improvement.

Social (continued)

Product Responsibility (continued)

In light of Covid-19, we have carried out a wide array of measures at our properties to safeguard the health and safety of our employees and customers in Hong Kong, the PRC and Malaysia. These include:

- Conduct temperature checks at the entrance of buildings/offices/property sites;
- Require visitors of buildings to fill in personal details on a website for contact tracing purpose;
- Provide alcohol-based hand sanitizers at the entrance of buildings/offices/property sites;
- Regularly clean and disinfect space at buildings/offices/property sites;
- Demand building users and visitors to wear face masks and perform personal hand hygiene at our buildings/offices/property sites; and
- Divide the elevators in buildings into four squares to limit four people per elevator.

The Group commits to providing high quality products to customers. The Group keeps good relationships and maintains effective communication mechanisms with its customers. This is to ensure that the Group is well aware of all customers' requirements or feedbacks on a timely basis and provide high quality services to its customers.

The Group believes that providing accurate and complete information about its products and services is vital for customers to make informed decisions. To ensure compliance with the Residential Properties (First-hand Sales) Ordinance (Cap. 621) of the laws of Hong Kong, the Law of the PRC on Protection of Consumer Rights and Interests, and Standards of Malaysia Act 1996 (Act 549) of Malaysia, products are required to be labelled and advertised with due care for the sake of customer interest.

The Group pays high attention to privacy, protecting the data of its customers, staff and potential recruits. All job applicants had agreed to the personal information collection statement, while the data the Group collected from all employees would not be released to any third party without the prior consent from the employees. All customers' and employees' data is protected by the Personal Data (Privacy) Ordinance in Hong Kong, whereas in the other countries the Group followed all relevant local and national regulations. Well-established procedures and training programmes are in place to guide employees on how to handle customer personal information.

Social (continued)

Anti-corruption

The Group embraces and enforces rules, regulations and procedures in accordance with the Group's code of business conduct to ensure that the business is conducted in full compliance with all applicable laws and regulations including the Prevention of Bribery Ordinance (Cap. 201) of the laws of Hong Kong, Unfair Competition Law of the PRC, the Criminal Law of the PRC, the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 of Malaysia. In recognition of the importance of anti-corruption, a 'Code of Conduct', which includes strict standards and policies, are in place to prevent bribery, corruption, extortion, money laundering and fraud. These standards and practice expectations are imposed on all employees, contracted independent third parties, as well as the Group's business partners. Training on relevant laws and regulations is also provided to directors and senior management in an ongoing basis.

The Group has maintained a whistle-blowing system to allow whistle-blowers to disclose information in relation to any misconduct, malpractice or irregularity through a confidential reporting channel. All reported cases would be investigated in a fair and proper manner by the Audit Committee of the Company. The Audit Committee classifies the reported cases according to their nature and reports the cases directly to the Board on a regular basis.

Community

Community Investments

The Group advocates the philosophy of "what is taken from the community is to be used for the good of the community". It continuously aims to incorporate this idea as part of its business strategy in helping to meet the needs of society.

The Group brought back to the society through making donations in cash to different non-profit making organizations. During the reporting year, the Group had contributed charitable donations and sponsorships amounting to approximately HK$3,114,000. This amount was used to sponsor organizations and institutions that support the needy.

Staff members are encouraged to play an active role in charity projects, organized either by the Group or other organizations. The Group is dedicated to fostering volunteerism as part of its corporate culture of giving back to the community. The Group supported the "Love Teeth Day" organized by The Community Chest of Hong Kong as Group event and helped to raise funds to support the needy.

Performance Data Summary

Environmental Performance[2]	Unit	2021	2020
Air Emissions[3]			
NOx Emissions	kg	**45.84**	40.77
SOx Emissions	kg	**0.46**	0.33
PM Emissions	kg	**2.46**	2.14
Greenhouse gas (GHG) emissions[4]			
Direct GHG emissions (Scope 1)	tonnes CO_2e	**86**	97
Indirect GHG emissions (Scope 2)	tonnes CO_2e	**1,762**	115
Total GHG emissions (Scope 1 and 2)	tonnes CO_2e	**1,848**	212
Total GHG emissions per GFA m^2	kg CO_2e/m^2	**13.29**	6.89
Energy consumption			
Electricity purchased	kWh	**2,961,768**	184,664
Unleaded petrol consumption for vehicle[5]	kWh	**293,603**	207,267
Total energy consumption	kWh	**3,255,371**	391,931
Total energy consumption per GFA m^2	kWh/m^2	**23.42**	12.75
Resource consumption			
Total paper consumption	kg	**920**	680
Total water consumption	m^3	**14,834**	9,346
Total water consumption per GFA m^2	m^3/m^2	**0.11**	0.30

2 *Reporting boundary covers environmental activities in offices and employee dormitories in Xiamen, Panyu, Anshan, Changsha, Dongguan, Beijing and Chengdu in the PRC. In addition, Fortune Wealth Memorial Park in the PRC and Wisma Chuang in Malaysia (on a full scope reporting basis) were newly added this year.*

3 *It refers to air emissions from vehicles calculated with reference to How to Prepare an ESG Report Appendix 2: Reporting guidance on Environmental KPIs, published by the Stock Exchange.*

4 *Direct GHG emissions (Scope 1) refers to the emissions from combustion of unleaded petrol for vehicles and HFC emissions for refrigerants used. Indirect GHG emissions (Scope 2) refers to emissions derived from the purchase of electricity. The GHG emissions calculation method and emission factors for Scope 1 emissions are with reference to "Guideline to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong", and that of Scope 2 emissions are taken from the "Average Carbon Dioxide Emission Factors of Regional Power Grids in China for 2011 and 2012" (《2011年和2012年中國區域電網平均二氧化碳排放因子》).*

5 *Conversion factors for unleaded petrol: 9.296 kWh/litre.*

Performance Data Summary (continued)

Social performance[6]	Unit	2021	2020
Employee profile (as of 31 March 2021/2020)			
Total workforce	no. of people	**143**	112
Total workforce by employee category			
Senior management	no. of people	**11**	10
Middle management	no. of people	**27**	30
General staff	no. of people	**105**	72
Total workforce by gender			
Male	no. of people	**92**	73
Female	no. of people	**51**	39
Total workforce by age group			
30 or under	no. of people	**11**	10
31–50	no. of people	**90**	77
Above 51	no. of people	**42**	25
Total workforce by geographic region			
Hong Kong	no. of people	**23**	24
The PRC	no. of people	**108**	74
Other regions	no. of people	**12**	14
Employee turnover rate by gender			
Male	percentage	**33%**	–
Female	percentage	**29%**	–
Employee turnover rate by age group			
30 or under	percentage	**35%**	–
31–50	percentage	**36%**	–
Above 51	percentage	**21%**	–
Employee turnover rate by geographical region			
Hong Kong	percentage	**30%**	–
The PRC	percentage	**30%**	–
Other regions	percentage	**46%**	–

6 *Reporting boundary covers employees directly employed by the Group limited to those engaging in property development, investment and management and cemetery operation businesses across Hong Kong, the PRC and Malaysia. Compared to the reporting scope in 2020, Wisma Chuang in Malaysia (on a full scope reporting basis) and Fortune Wealth Memorial Park in the PRC were newly added in 2021.*

Performance Data Summary (continued)

Social performance[6]	Unit	2021	2020
Occupational health and safety			
Total number of work-related fatalities	no. of people	**0**	0
Work related injury cases	no. of cases	**0**	0
Lost days due to work injury	days	**0**	0
Development and training			
Average training hours			
Total training hours	hours	**55**	78
Average training hours	hours	**0.4**	1
Average training hours per employee by gender			
Male	hours	**0.6**	1
Female	hours	**0.1**	1
Average training hours per employee by employee category			
Senior management	hours	**1**	1
Middle management	hours	**2**	2
General staff	hours	**0**	0.5
Percentage of employees trained by gender			
Male	percentage	**78%**	–
Female	percentage	**22%**	–
Percentage of employees trained by employee category			
Senior management	percentage	**67%**	–
Middle management	percentage	**33%**	–
General staff	percentage	**0%**	–
Community investments			
Total amount of cash donations	HK$	**3,114,000**	2,004,000

References to the Stock Exchange ESG Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs		Reference/Remarks
A. Environmental		
Aspect A1: Emission		
General Disclosure		Environmental Emissions
KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Operations within the reporting boundary did not generate significant quantity of hazardous waste during the reporting year.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Operations within the reporting boundary generated insignificant quantity of non-hazardous waste during the reporting year.
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions
Aspect A2: Use of Resources		
General Disclosure		Environmental Use of Resources
KPI A2.1	Directed and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Performance Data Summary
KPI A2.2	Water consumption in total and intensity.	Performance Data Summary
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Not disclosed. Water sourcing issues are not encountered in operations, hence is not material to the Group.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not disclosed. Operations within the reporting boundary do not use packaging material for finished products.
Aspect A3: The Environment and Natural Resources		
General Disclosure		Not disclosed. Operations within the reporting boundary have no significant impact on natural ecosystems.
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

References to the Stock Exchange ESG Reporting Guide (continued)

Subject Areas, Aspects, General Disclosures and KPIs		Reference/Remarks
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure		Employment and Labour Practices
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
Aspect B2: Health and Safety		
General Disclosure		Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Performance Data Summary
KPI B2.2	Lost days due to work injury.	Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure		Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary
Aspect B4: Labour Standards		
General Disclosure		Employment and Labour Practices, Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Labour Practices, Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Labour Practices, Labour Standards

References to the Stock Exchange ESG Reporting Guide (continued)

Subject Areas, Aspects, General Disclosures and KPIs		Reference/Remarks
B. Social (continued)		
Operating Practices *Aspect B5: Supply Chain Management*		
General Disclosure		Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	All major suppliers for operations within the reporting boundary are based in Hong Kong, the PRC and Malaysia.
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure		Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This indicator is not applicable to the operations within the reporting boundary. No physical goods were produced under the reported business segments.
KPI B6.2	Number of products and services related complaints received and how they are dealt with.	No critical products and service-related complaints were received within the reporting year.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property rights are not considered a material topic to the operations within the reporting boundary.
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility
Aspect B7: Anti-corruption		
General Disclosure		Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	There were no cases regarding corrupt practices brought against the Group during the reporting year.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-Corruption

References to the Stock Exchange ESG Reporting Guide (continued)

Subject Areas, Aspects, General Disclosures and KPIs		Reference/Remarks
B. Social (continued)		
Community *Aspect B8: Community Investment*		
General Disclosure		Community Investments
KPI B8.1	Focus areas of contribution.	Community Investments
KPI B8.2	Resources contributed to the focus area.	Performance Data Summary

On behalf of the Board of
Chuang's China Investments Limited

Edwin Chuang Ka Fung
Managing Director

Hong Kong, 29 June 2021

Report of the Directors

Report of the Directors

The board of Directors (the "Board") presents the report of the Directors together with the audited consolidated financial statements of the Company and its subsidiaries (collectively as the "Group") for the year ended 31 March 2021.

Business review

The review of the business of the Group during the year including discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred during and subsequent to the year ended 31 March 2021, and an indication of likely future developments in the Group's business are provided in the Chairman's Statement as set out on pages 2 to 33 of this report. Financial risks of the Group are shown in note 3 to the consolidated financial statements. The key financial and business performance indicators of the Group included revenues, gross profit, profit/loss attributable to equity holders of the Company, shareholders' funds, net debt to equity ratio and segment information. Details of these indicators are provided in the Chairman's Statement and Summary of Financial Information as set out on pages 2 to 33 and page 203 of this report respectively, and note 6 to the consolidated financial statements.

In addition, discussions on the Group's environmental policies and performance and the key relationships with its employees, customers, suppliers and others that have significant impact on the Group are provided in the Environmental, Social and Governance Report as set out on pages 65 to 86 of this report.

On 29 June 2021, subsequent to the announcement of results, the Company and its wholly-owned subsidiary entered into a conditional sale and purchase agreement with Chuang's Consortium International Limited ("CCIL") and its wholly-owned subsidiaries to acquire the entire equity interests in the companies that hold Posco Building in Cheung Sha Wan and Nos. 16–20 Gage Street in Central respectively at a maximum aggregate net consideration of approximately HK$586 million (subject to adjustments) (the "Proposed Transaction"). The consideration of the Proposed Transaction will be satisfied entirely by way of allotment and issue of consideration shares of the Company to CCIL at the agreed issue price of HK$0.55 per share. It is expected that not more than 1,065,454,545 shares will be issued and CCIL's holding in the Company will be increased from about 60.71% to a maximum of about 72.97%. The Proposed Transaction was announced by the Company on 29 June 2021, and it is subject to the approval by the independent shareholders of the Company in its special general meeting.

At the same time, the Company announced that conditional upon the completion of the Proposed Transaction, the Company will distribute a special cash distribution of 8.5 HK cents per share to its shareholders. For avoidance of doubt, the consideration shares as mentioned in the Proposed Transaction will not be entitled to such proposed conditional special cash distribution. The proposed conditional special cash distribution was announced by the Company on 29 June 2021.

Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out in note 42 to the consolidated financial statements.

Analysis of the performance of the Group for the year by business lines and geographical segments is set out in note 6 to the consolidated financial statements.

Results and appropriations

The consolidated results of the Group for the year are set out in the consolidated income statement on page 110.

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

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

Dividend policy

The Company strives for generating steady returns to the shareholders of the Company (the "Shareholders"). It is the policy of the Company, in considering the payment of dividends, to allow the Shareholders to participate in the Company's profits whilst retaining adequate reserves for the Group's future growth.

The dividend payout ratio shall be determined by the Board at its absolute discretion after taking into account of, among others, the following factors:

- the Group's financial performance;
- retained earnings and distributable reserves of the Company and each of the subsidiaries of the Group;
- the Group's working capital requirements, capital expenditure requirements and future expansion plans;
- the Group's liquidity position;
- general economic environment; and
- other factors that the Board deems relevant.

The payment of the dividend by the Company is also subject to any restrictions under the applicable laws and regulations, including the Companies Act 1981 of Bermuda (as amended from time to time) and the memorandum of association and bye-laws of the Company.

Donations

During the year, the Group made charitable donations and sponsorships amounting to approximately HK$3,114,000.

Pre-emptive rights

No pre-emptive rights exist in Bermuda being the jurisdiction in which the Company is incorporated.

Reserves

Movements in reserves of the Group and the Company during the year are set out in note 33 and note 41(a) to the consolidated financial statements respectively. Total distributable reserves of the Company amounted to approximately HK$1,649,247,000 as at 31 March 2021.

Particulars of principal properties

Particulars of principal properties held by the Group as at 31 March 2021 are set out on pages 201 to 202.

Summary of financial information

A summary of financial information of the Group for the last five financial years is set out on page 203.

Directors

The Directors of the Company during the year and up to the date of this report are as follows:

Mr. Albert Chuang Ka Pun
Miss Ann Li Mee Sum
Mr. Edwin Chuang Ka Fung
Mr. Sunny Pang Chun Kit
Mr. Geoffrey Chuang Ka Kam
Mr. Neville Charles Kotewall
Mr. Dominic Lai
Mr. Abraham Shek Lai Him
Mr. Andrew Fan Chun Wah
Dr. Eddy Li Sau Hung
Dr. Ng Kit Chong
Mr. David Chu Yu Lin (resigned on 8 June 2020)

In accordance with the Company's Bye-law nos. 86(2) and 86(3), and Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum and Mr. Geoffrey Chuang Ka Kam will retire from the Board at the AGM and, being eligible, will offer themselves for re-election at the AGM.

Biographical details of Directors and senior management

Biographical details of the Directors and senior management as at the date of this report are set out on pages 38 to 43 of this report.

Directors' rights to acquire shares or debentures

Other than the share option scheme adopted by the Company as disclosed in the section headed "Share option scheme" below and the share option scheme adopted by CCIL, at no time during the year was the Company, any of its holding companies, its subsidiaries and fellow subsidiaries or its other associated corporations a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company, its specified undertaking or any of its associated corporations.

Directors' interests and short positions in shares, underlying shares and debentures

As at 31 March 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which had been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in the Company

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Sunny Pang Chun Kit	930,000	Beneficial owner	0.04
Mr. Neville Charles Kotewall ("Mr. Neville Kotewall")	1,255,004	*Note*	0.05

Note: Such interests arose by attribution through his spouse, Mrs. Candy Kotewall Chuang Ka Wai ("Ms. Candy Chuang").

Directors' interests and short positions in shares, underlying shares and debentures (continued)

(b) Interests in associated corporations

(i) Evergain Holdings Limited ("Evergain")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	1	Beneficial owner	10.00
Mr. Edwin Chuang Ka Fung ("Mr. Edwin Chuang")	1	Beneficial owner	10.00
Mr. Geoffrey Chuang Ka Kam ("Mr. Geoffrey Chuang")	1	Beneficial owner	10.00
Mr. Neville Kotewall	1	*Note*	10.00

Note: Such interests arose by attribution through his spouse, Ms. Candy Chuang.

(ii) CCIL

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Albert Chuang	1,299,678	Beneficial owner	0.08

Save as disclosed, during the year under review, none of the Directors and chief executive of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company, its specified undertaking or any of its associated corporations.

Other than as disclosed herein, as at 31 March 2021, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Directors' service contracts

None of the Directors has any service contract with the Company or any of its subsidiaries not terminable by the employing company within one year without payment of compensation (other than statutory compensation).

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Group's business

Save as disclosed, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, any of its holding companies or its subsidiaries and fellow subsidiaries was a party and in which a Director of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' interests in competing business

Pursuant to Rule 8.10 of the Listing Rules, the Company discloses that during the year ended 31 March 2021, Mr. Albert Chuang, Mr. Edwin Chuang and Mr. Geoffrey Chuang hold directorships in CCIL and hold equity interests and directorships in certain private companies. On 5 May 2020, Miss Ann Li Mee Sum ("Miss Ann Li") has also been appointed as a director of CCIL. The principal activities of CCIL include property development in Hong Kong and securities investment and trading, whereas the principal activities of the private companies include securities investment and trading. As the properties owned by CCIL are of different types and/or in different locations from those of the Group, and the compositions of the respective boards of directors of CCIL and the private companies are different from that of the Group, the Group operates its businesses independently of, and at arm's length from, the businesses of CCIL and the private companies.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Substantial shareholders

So far as is known to any Directors or chief executive of the Company and save as disclosed in the section headed "Directors' interests and short positions in shares, underlying shares and debentures" above, as at 31 March 2021, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

Name of Shareholder	Number of shares of the Company	Capacity	Percentage of shareholding
Profit Stability Investments Limited ("PSI")	1,426,074,923	Beneficial Owner	60.71
CCIL	1,426,074,923	*Note 1*	60.71
Evergain	1,426,074,923	*Note 1*	60.71
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	1,426,074,923	*Note 1*	60.71
Mrs. Chong Ho Pik Yu	1,426,074,923	*Note 2*	60.71

Note 1: Interests in 1,426,074,923 shares owned by PSI. PSI is a wholly-owned subsidiary of CCIL. Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of CCIL through Evergain which is 60% beneficially owned by Mr. Alan Chuang. Mr. Albert Chuang, Mr. Edwin Chuang, Ms. Candy Chuang and Mr. Geoffrey Chuang are directors of CCIL and directors and shareholders of Evergain, and Mr. Albert Chuang is also a director of PSI. Miss Ann Li is also a director of CCIL.

Note 2: Such interests arose by attribution through her spouse, Mr. Alan Chuang.

Save as disclosed above, as at 31 March 2021, there was no other person who was recorded in the register of the Company as having interests and short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

Controlling shareholder's interests in contracts

Save as the transactions as disclosed in the section headed "Continuing Connected Transactions" below, there was no other contract of significance between the Company or any of its subsidiaries and the controlling shareholder or any of its subsidiaries at the balance sheet date or at any time during the year and up to the date of this report.

Purchase, sale or redemption of the Company's listed securities

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

Major suppliers and customers

The aggregate purchases attributable to the largest supplier and five largest suppliers of the Group accounted for approximately 24% and 50% of the total purchases of the Group for the year respectively.

The aggregate revenues attributable to the five largest customers of the Group accounted for less than 30% of the total revenues of the Group for the year.

None of the Directors, their associates, or any shareholder (which to the knowledge of the Directors owns more than 5% of the share capital of the Company) had any interest in the five largest suppliers of the Group.

Relationships with suppliers and customers

The Group establishes long-term cooperation relationships with reputable suppliers within the industries. The Group implements a series of procurement management systems and control procedures so as to select suppliers in a prudent manner.

The Group keeps good relationship and maintains effective communication mechanisms with its customers. This is to ensure that the Group is well aware of all customers' requirements or feedbacks on a timely basis and provides high quality services to its customers.

Compliance with the relevant laws and regulations

During the year under review, the Group had complied with all the relevant laws and regulations that have significant impacts on the businesses and operations of the Group. As far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

Retirement schemes

Details of retirement schemes of the Group are set out in note 9 to the consolidated financial statements.

Permitted indemnity provision

Under Bye-law no. 166(1) of the Company's Bye-laws, the Directors for the time being acting in relation to any of the affairs of the Company, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts, provided that this indemnity shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to any of said persons. During the year under review, the Company had taken out and maintained an insurance in respect of the Directors' liabilities.

Share option scheme

Pursuant to the ordinary resolution passed in the annual general meeting of the Company held on 31 August 2012, a share option scheme (the "Scheme") has been adopted.

Summary of the Scheme is set out as follows:

1.	Purpose:	To give incentive to Directors, employees or business consultants of the Group and any other party as approved under the Scheme
2.	Participants:	Including, inter alia, Directors, employees or business consultants of the Group
3.	Total number of shares available for issue under the Scheme and percentage of the issued share capital that it represents as at the date of the annual report:	152,332,870 shares are available for issue under the Scheme, representing approximately 6.49% of the issued share capital as at the date of this report
4.	Maximum entitlement of each participant:	1% of the maximum aggregate number of shares that may be issued within 12 months pursuant to the Scheme
5.	Period within which the shares must be taken up under an option:	Not applicable. No share option has been granted since the date of adoption of the Scheme on 31 August 2012
6.	Amount payable on acceptance of an option and the period within which payments shall be made:	HK$1.00 payable to the Company upon acceptance of the option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day)
7.	The basis of determining the exercise price:	No less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five (5) trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share
8.	The remaining life of the Scheme:	Valid until 30 August 2022 unless otherwise terminated under the terms of the Scheme

Update on information of Directors pursuant to Rule 13.51B(1) of the Listing Rules

Save as disclosed in other sections of this annual report, other changes in the information of Directors during the year and up to the date of this report which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

(a) Mr. Andrew Fan Chun Wah resigned as an independent non-executive director of Omnibridge Holdings Limited with effect from 30 November 2020 and Fulum Group Holdings Limited with effect from 7 May 2021, the shares of both companies are listed on the Stock Exchange.

(b) Dr. Ng Kit Chong was appointed as the chairman and an executive director of Oriental Payment Group Holdings Limited with effect from 1 December 2020, the shares of which are listed on the Stock Exchange.

(c) Mr. Abraham Shek Lai Him was appointed as the vice chairman and re-designated from an independent non-executive director to an executive director of Goldin Financial Holdings Limited on 1 March 2021, and retired as an independent non-executive director of SJM Holdings Limited on 28 May 2021, the shares of both companies are listed on the Stock Exchange.

(d) Mr. Edwin Chuang Ka Fung changed his English name from Chong Ka Fung to Edwin Chuang Ka Fung with effect from 28 April 2021.

(e) The annual remuneration of the following Directors has been revised:

Name of Director	Revised annual remuneration# HK$'000
Mr. Albert Chuang	3,103
Miss Ann Li	3,082
Mr. Sunny Pang Chun Kit	2,489

\# *The annual remuneration includes salary, retirement scheme contribution, other benefits and Director's fee, which is determined by reference to the duties and experience as well as the prevailing market conditions.*

Continuing connected transactions

(a) On 19 January 2017, a joint venture of the Group ("Xiamen JV") as landlord entered into a tenancy agreement with Lujiang Hotel, a non-wholly-owned subsidiary of the joint venture partner of Xiamen JV, as tenant for the lease of a hotel for a term of nearly ten years from 24 March 2017 to 19 January 2027 with rental at RMB9 million per annum for years 1 to 5 and RMB10 million per annum for years 6 to 10. Details of the continuing connected transaction were announced by the Company on 19 January 2017. The tenancy agreement was subsequently assigned by Lujiang Hotel to its wholly-owned subsidiary, Xiamen Mingjia Lujiang Hotel Limited ("Mingjia Lujiang Hotel").

On 30 April 2018, Xiamen JV as landlord entered into another tenancy agreement with Mingjia Lujiang Hotel as tenant for the lease of the additional three villas situated right next to the hotel for a term of nearly 8.7 years from 1 May 2018 to 19 January 2027 (coterminous with the tenancy agreement of hotel) with rental at RMB159,348 per month for years 1 to 5 and RMB175,282.8 per month for year 6 onwards. Details of the transaction were announced by the Company on 30 April 2018.

(b) On 7 May 2018, a wholly-owned subsidiary of the Company as tenant entered into a tenancy agreement with a wholly-owned subsidiary of CCIL as landlord for the lease of one basement floor at its investment property in Hong Kong for a term of two years from 7 May 2018 to 6 May 2020 with monthly rental of HK$290,000. Details of the transaction were announced by the Company on 7 May 2018.

The Independent Non-Executive Directors have reviewed and confirmed that the above continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms and in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the disclosed continuing connected transactions, confirming that (i) nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board; (ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group; (iii) nothing has come to their attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iv) with respect to the aggregate amounts of the disclosed continuing connected transactions, nothing has come to their attention that causes the auditor to believe that the amounts have exceeded the annual caps as disclosed in the announcements dated 30 April 2018 and 7 May 2018 respectively. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of the Company's securities as required under the Listing Rules throughout the year ended 31 March 2021 and up to the date of this report.

Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board of
Chuang's China Investments Limited

Edwin Chuang Ka Fung
Managing Director

Hong Kong, 29 June 2021

Financial Information

羅兵咸永道

To the Shareholders of
Chuang's China Investments Limited
(Incorporated in Bermuda with limited liability)

Opinion

What we have audited

The consolidated financial statements of Chuang's China Investments Limited (the "Company") and its subsidiaries (the "Group") set out on pages 110 to 200, which comprise:

- the consolidated balance sheet as at 31 March 2021;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Valuation of investment properties; and
- Recoverability of properties for/under development, properties for sale and cemetery assets.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties *Refer to Notes 4(a), 16, 21 and 29 to the consolidated financial statements* As at 31 March 2021, the investment properties held by the Group's subsidiaries, including those reclassified as assets classified as held for sale, were carried at fair value of HK$1,636 million and HK$189 million respectively and the Group's proportionate share of fair value of investment properties was HK$315 million in the interest in a joint venture. Net fair value changes in investment properties held by subsidiaries amounting to loss of HK$136 million and fair value gain on transfer of properties from properties for sale to investment properties of HK$8 million were recorded in the consolidated income statement and no fair value change in investment properties held by a joint venture was recorded during the year ended 31 March 2021. The Group's investment property portfolio comprises commercial and residential properties in Hong Kong, the People's Republic of China and Malaysia.	Our procedures in relation to the key assumptions used in management's valuation of investment properties held by the Group's subsidiaries and a joint venture included: • Understanding management's controls and processes for determining the valuation of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgments involved in determining assumptions to be applied. • Evaluating the independent valuers' competence, capabilities and objectivity. • Obtaining the valuation reports and meeting with the independent valuers to discuss the valuation methodologies. • Checking the accuracy of the input data used by the independent valuers in the valuation of properties, on a sample basis, including rental rates and lease terms from existing tenancies, by agreeing them to underlying agreements with the tenants and management's record.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties (continued) Management has engaged independent valuers to determine the valuation of the Group's investment properties held by the Group's subsidiaries and a joint venture as at the date of transfer and 31 March 2021. The valuation was arrived at using the income capitalization method by considering the capitalized income derived from existing tenancies and the reversionary potential, including capitalization rates and prevailing market rents, of the properties, and wherever appropriate, the direct comparison method by reference to market evidence of recent transaction prices of comparable properties. Due to the existence of inherent estimation uncertainty on significant judgments and estimates of the assumptions involved in the valuation of investment properties held by the Group's subsidiaries and a joint venture, we considered this a key audit matter.	• Assessing the appropriateness of the key assumptions used in the valuation of properties by comparing published market yields for capitalization rates, prevailing market rents of leasing transactions of comparable properties and recent market transaction prices of properties with comparable conditions and locations, where appropriate. • Involving our internal valuation expert in assessing the valuations and the key assumptions of certain selected investment properties with the valuers. • Evaluating the appropriateness of the related disclosures made in the consolidated financial statements. Based on the procedures performed, we found the key assumptions used in management's valuation of investment properties were supported by the available evidence.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of properties for/under development, properties for sale and cemetery assets *Refer to Notes 4(c), 18, 19, 24 and 29 to the consolidated financial statements* The Group had HK$148 million, HK$678 million, HK$444 million and HK$1,081 million of properties for/under development, properties for sale, properties under development and properties for sale classified as held for sale and cemetery assets respectively as at 31 March 2021. Management assessed the recoverability of properties for/under development, properties for sale and cemetery assets based on an estimation of the net realizable value of the underlying properties and cemetery assets. This involves estimation of anticipated costs to completion based on existing plans for properties for/under development and cemetery assets and expected future sales prices based on prevailing market conditions such as current market prices of properties and cemetery assets with comparable conditions and locations or reference to the valuation reports from the independent valuers, if applicable. If the actual net realizable values of the underlying stock of properties and cemetery assets are significantly different from those values estimated as a result of changes in market condition and/or significant variation in the budgeted development costs, material reversal of or provision for impairment losses may result.	Our procedures in relation to management's assessment of recoverability of properties for/under development, properties for sale and cemetery assets (the "properties") included: • Understanding management's controls and processes for determining the net realizable value of the properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgments involved in determining assumptions to be applied. • Testing the key controls around the construction cycle of the properties with particular focus on, but not limited to, controls over cost budgeting and periodic review, sources of recoverability assessment data and calculation of provision for impairment loss. • Evaluating the independent valuers' competence, capabilities and objectivity. • Obtaining the valuation reports and meeting with the independent valuers to discuss the valuation methodologies for properties.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of properties for/under development, properties for sale and cemetery assets (continued) Due to the existence of inherent estimation uncertainty on the net realizable values and management judgment, we considered this a key audit matter.	• Assessing the reasonableness of key assumptions and estimates in management's assessment, on a sample of properties selected, including: – expected future sales prices which we compared to contracted sales prices of the underlying properties or current market prices of properties with comparable conditions and locations, where applicable; – anticipated costs to completion which we compared to latest approved budgets on total construction costs and checked to supporting documentation such as quantity surveyor reports and signed contracts. • Evaluating the appropriateness of the related disclosures made in the consolidated financial statements. Based on the procedures performed, we found the key assumptions used in management's assessment of recoverability of the properties were supported by the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tsang Nga Kwan.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 June 2021

(If there is any inconsistency between the English and Chinese versions of this independent auditor's report, the English version shall prevail.)

Consolidated Income Statement

For the year ended 31 March 2021

	Note	2021 HK$'000	2020 HK$'000
Revenues	5	**1,779,654**	177,523
Cost of sales		**(1,060,895)**	(44,384)
Gross profit		**718,759**	133,139
Other income and net gain/(loss)	7	**111,668**	(51,058)
Selling and marketing expenses		**(109,047)**	(27,212)
Administrative and other operating expenses		**(138,383)**	(125,084)
Change in fair value of investment properties	16	**(135,955)**	(25,793)
Operating profit/(loss)	8	**447,042**	(96,008)
Finance costs	10	**(48,209)**	(73,957)
Share of results of associated companies	20	**(113)**	(1,139)
Share of result of a joint venture	21	**2,281**	11,049
Profit/(loss) before taxation		**401,001**	(160,055)
Taxation credit/(charge)	12	**14,398**	(29,840)
Profit/(loss) for the year		**415,399**	(189,895)
Attributable to:			
Equity holders		**419,039**	(192,355)
Non-controlling interests		**(3,640)**	2,460
		415,399	(189,895)
		HK cents	HK cents
Earnings/(loss) per share (basic and diluted)	14	**17.84**	(8.19)

The notes on pages 116 to 200 are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2021

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

The notes on pages 116 to 200 are an integral part of the consolidated financial statements.

Consolidated Balance Sheet

As at 31 March 2021

	Note	2021 HK$'000	2020 HK$'000
Non-current assets			
Property, plant and equipment	15	**45,560**	59,430
Investment properties	16	**1,635,636**	2,608,396
Right-of-use assets	17(a)	**1,674**	1,865
Properties for/under development	18	**148,393**	137,253
Cemetery assets	19	**302,489**	276,396
Associated company	20	**3,795**	3,908
Joint venture	21	**362,498**	340,911
Financial assets at fair value through other comprehensive income	22	**154,190**	128,730
Loans and receivables and other deposits	23	**217,108**	207,895
Deferred taxation assets	35	**–**	1,554
		2,871,343	3,766,338
Current assets			
Properties for sale	24	**677,837**	2,162,230
Cemetery assets	19	**778,286**	723,987
Inventories	25	**49,795**	49,795
Debtors and prepayments	26	**156,754**	147,120
Financial assets at fair value through profit or loss	27	**1,321,870**	757,675
Cash and bank balances	28	**679,001**	703,794
		3,663,543	4,544,601
Assets of disposal group classified as held for sale	29	**770,429**	–
		4,433,972	4,544,601
Current liabilities			
Creditors and accruals	30	**346,509**	229,448
Sales deposits received	31	**10,984**	1,552,356
Short-term bank borrowings	34	**411,052**	80,351
Current portion of long-term bank borrowings	34	**700,557**	514,352
Taxation payable		**66,620**	223,657
		1,535,722	2,600,164
Liabilities of disposal group classified as held for sale	29	**69,437**	–
		1,605,159	2,600,164
Net current assets		**2,828,813**	1,944,437
Total assets less current liabilities		**5,700,156**	5,710,775

	Note	2021 HK$'000	2020 HK$'000
Equity			
Share capital	32	**117,442**	117,442
Reserves	33	**4,302,311**	3,652,212
Shareholders' funds		**4,419,753**	3,769,654
Non-controlling interests		**123,571**	107,319
Total equity		**4,543,324**	3,876,973
Non-current liabilities			
Long-term bank borrowings	34	**704,733**	1,306,272
Deferred taxation liabilities	35	**367,188**	445,746
Loans and payables with non-controlling interests	36	**47,688**	47,472
Other non-current liabilities		**37,223**	34,312
		1,156,832	1,833,802
		5,700,156	5,710,775

Albert Chuang Ka Pun
Director

Ann Li Mee Sum
Director

The notes on pages 116 to 200 are an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2021

	Note	2021 HK$'000	2020 HK$'000
Cash flows from operating activities			
Cash (used in)/from operations	39(a)	**(496,583)**	137,652
Interest paid		**(48,566)**	(85,252)
Tax paid		**(186,281)**	(5,781)
Net cash (used in)/from operating activities		**(731,430)**	46,619
Cash flows from investing activities			
Interest income received		**4,005**	10,755
Dividend income received from financial assets at fair value through other comprehensive income		**7,469**	3,647
Purchase of property, plant and equipment		**(1,011)**	(3,014)
Additions to investment properties		**(8,062)**	(102,130)
Purchase of financial assets at fair value through other comprehensive income		**–**	(2,111)
Acquisition of subsidiaries, net of cash and bank balances acquired		**–**	(9,892)
Proceeds from disposal of property, plant and equipment		**–**	133
Proceeds from disposal of investment properties		**29,203**	22,002
Net proceeds from disposal of a subsidiary	39(d)	**963,164**	–
Increase in loan to an associated company		**–**	(46)
Increase in investment in and decrease in amount due from a joint venture, net		**2,321**	17,949
Decrease in bank deposits maturing more than three months from date of placement		**502**	–
Net cash from/(used in) investing activities		**997,591**	(62,707)
Cash flows from financing activities			
New bank borrowings	39(b)	**471,836**	780,469
Repayment of bank borrowings	39(b)	**(601,207)**	(920,341)
Dividends paid to shareholders		**(35,233)**	(46,977)
Change in loans and payables with non-controlling interests, net	39(b)	**–**	5,093
Lease payments	39(b)	**(368)**	(3,574)
Net cash used in financing activities		**(164,972)**	(185,330)
Net increase/(decrease) in cash and cash equivalents		**101,189**	(201,418)
Cash and cash equivalents at the beginning of the year		**703,292**	919,000
Exchange difference on cash and cash equivalents		**9,170**	(14,290)
Cash and bank balances included in assets of disposal group classified as held for sale	29	**(134,650)**	–
Cash and cash equivalents at the end of the year	39(c)	**679,001**	703,292

The notes on pages 116 to 200 are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Attributable to equity holders of the Company					
	Share capital HK$'000	Other reserves HK$'000	Retained profits HK$'000	Shareholders' funds HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2019	117,442	2,345,107	1,790,324	4,252,873	114,090	4,366,963
(Loss)/profit for the year	–	–	(192,355)	(192,355)	2,460	(189,895)
Other comprehensive income:						
Net exchange differences	–	(226,502)	–	(226,502)	(692)	(227,194)
Share of exchange reserve of a joint venture	–	(13,207)	–	(13,207)	(2,331)	(15,538)
Change in fair value of financial assets at fair value through other comprehensive income	–	(4,178)	–	(4,178)	–	(4,178)
Total comprehensive loss for the year	–	(243,887)	(192,355)	(436,242)	(563)	(436,805)
Transactions with owners:						
2019 final dividend paid	–	–	(46,977)	(46,977)	–	(46,977)
Acquisition of subsidiaries *(note 20)*	–	–	–	–	(6,208)	(6,208)
At 31 March 2020	117,442	2,101,220	1,550,992	3,769,654	107,319	3,876,973
Profit/(loss) for the year	–	–	419,039	419,039	(3,640)	415,399
Other comprehensive income:						
Net exchange differences	–	247,781	–	247,781	16,953	264,734
Share of exchange reserve of a joint venture	–	16,657	–	16,657	2,939	19,596
Realization of exchange reserve upon disposal of a subsidiary *(note 39(d))*	–	(22,712)	–	(22,712)	–	(22,712)
Change in fair value of financial assets at fair value through other comprehensive income	–	24,567	–	24,567	–	24,567
Total comprehensive income for the year	–	266,293	419,039	685,332	16,252	701,584
Transfer to statutory reserve	–	19,474	(19,474)	–	–	–
Transactions with owners:						
2021 interim dividend paid	–	–	(35,233)	(35,233)	–	(35,233)
At 31 March 2021	**117,442**	**2,386,987**	**1,915,324**	**4,419,753**	**123,571**	**4,543,324**

The notes on pages 116 to 200 are an integral part of the consolidated financial statements.

1. General information

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

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

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

On 9 February 2021, the Group entered into the conditional sale and purchase agreements with independent third parties for the disposal of the properties holding subsidiaries that hold the property project in Panyu, Guangzhou, the People's Republic of China (the "PRC"), for an aggregate consideration of about RMB1,571.3 million (equivalent to approximately HK$1,872.2 million) (subject to adjustments) (the "Panyu Disposal"). As such, all related assets and liabilities of Panyu Disposal were classified as held for sale as at 31 March 2021 in accordance with the accounting policy for disposal group held for sale (see notes 2(ah) and 29).

2. Summary of significant accounting policies

The significant accounting policies adopted for the preparation of the consolidated financial statements are set out below, which have been consistently applied to all the years presented, unless otherwise stated.

(a) 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 areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) 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.

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

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

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

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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

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.

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March and include the share of post-acquisition results and reserves of its associated companies and joint ventures attributable to the Group.

Results attributable to subsidiaries, associated companies and joint ventures acquired or disposed of during the financial period are included in the consolidated income statement from the date of acquisition or up to the date of disposal as applicable.

The gain or loss on disposal of subsidiaries, associated companies or joint ventures is calculated by reference to the share of net assets at the date of disposal including the attributable amount of goodwill not yet written off.

(c) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2. Summary of significant accounting policies (continued)

(c) Subsidiaries (continued)

(i) Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by HKFRS.

If the business combination is achieved in stages, the acquisition-date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognized in the consolidated income statement.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with HKFRS 9 either in the consolidated income statement or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference (negative goodwill) is recognized directly in the consolidated income statement.

2. Summary of significant accounting policies (continued)

(c) Subsidiaries (continued)

(ii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the subsidiary is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in the consolidated income statement. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associated company, a joint venture or a financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognized in other comprehensive income are reclassified to the consolidated income statement or transferred to another category of equity as specified/permitted by applicable HKFRSs.

(iii) Separate financial statements

In the balance sheet of the Company, investments in subsidiaries are carried at cost less impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(d) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. Summary of significant accounting policies (continued)

(e) Associated companies

An associated company is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associated companies are accounted for under the equity method of accounting. Under the equity method, the investments are initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associated companies include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associated company, any difference between the cost of the associated company and the Group's share of the net fair value of the associated company's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to the consolidated income statement where appropriate.

The share of post-acquisition profits or losses of associated companies attributable to the Group is recognized in the consolidated income statement, and the share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the share of losses of the Group in an associated company equals or exceeds its interest in the associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company), the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associated company.

The Group determines at each balance sheet date whether there is any objective evidence that the investment in associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value and recognizes the amount adjacent to "share of results of associated companies" in the consolidated income statement.

Unrealized gains on transactions between the Group and its associated companies are eliminated to the extent of the interest in the associated companies held by the Group. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group. Dilution gains and losses arising from investments in associated companies are recognized in the consolidated income statement.

2. Summary of significant accounting policies (continued)

(f) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structures of the joint arrangements. The Group has assessed the nature of its joint arrangements and applied HKFRS 11 in preparing the consolidated financial statements.

Joint operation
A joint arrangement which does not involve the establishment of a separate entity but involves the joint control and ownership by the Group and other parties of assets contributed to, or acquired for the purpose of, the joint arrangement is accounted for as a joint operation. The Group's share of joint operation and any liabilities incurred jointly with other joint operation partners are recognized and classified according to the nature of the relevant items. Income from the sale or use of the Group's share of the output of joint operation is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group, while the Group's share of expenses in respect of joint operation is recognized as incurred.

Joint venture
Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognize further losses, unless it has incurred obligation or made payments on behalf of the joint venture.

Unrealized gains on transactions between the Group and its joint venture are eliminated to the extent of the interest in the joint venture held by the Group. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint venture have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2. Summary of significant accounting policies (continued)

(g) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the share of the net identifiable assets of the acquired subsidiaries, associated companies or joint ventures attributable to the Group at the effective date of acquisition, and in respect of an increase in holding in a subsidiary, it is regarded as a transaction with non-controlling interest. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Goodwill on acquisitions of subsidiaries is included in intangible assets while goodwill on acquisitions of associated companies or joint ventures is included in investments in associated companies or joint ventures respectively. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognized directly in the consolidated income statement.

Goodwill is tested for impairment at least annually and whenever there is an indication for impairment, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose has been identified according to operating segment.

Impairment testing of the investments in subsidiaries, associated companies and joint ventures is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiaries, associated companies and joint ventures in the period the dividend is declared or if the carrying amounts of the investments in the separate financial statements exceeds the carrying amounts in the consolidated financial statements of the investee's net assets including goodwill.

2. Summary of significant accounting policies (continued)

(h) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives at the following annual rates:

Buildings	2% to 5%
Plant and machinery	10% to 20%
Furniture and fixtures	10% to 30%
Other assets	10% to 30%

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date. Where the estimated recoverable amounts have declined below their carrying amounts, the carrying amounts are written down to their estimated recoverable amounts.

Gain or loss on disposal is determined as the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognized in the consolidated income statement.

(i) Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment properties. Investment properties also include properties that are being constructed or developed for future use as investment properties.

All leases that meet the definition of investment properties are classified as investment properties and measured at fair value.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalized as part of its cost. Borrowing costs are capitalized while acquisition or construction is actively underway and will be ceased once the asset is substantially completed, or suspended if the development of the asset is suspended.

2. Summary of significant accounting policies (continued)

(i) Investment properties (continued)

Investment property that is obtained through a lease is measured initially at the lease liability amount adjusted for any lease payments made at or before the commencement date (less any lease incentives received), and any initial direct costs incurred by the Group.

After initial recognition, investment property is carried at fair value. Fair value is based on valuations carried out by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis of the carrying amounts in the consolidated financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non-standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar constructions
- Status of construction permits

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as liabilities, including lease liabilities in respect of right-of-use assets classified as investment property; others, including contingent rent payments, are not recognized in the consolidated financial statements. The fair value of investment property also reflects the market values of comparable properties which have been recently transacted, adjusted for any qualitative differences that may affect the price such as location, floor area, quality and the finishes of the building and other related factors.

2. Summary of significant accounting policies (continued)

(i) Investment properties (continued)

Subsequent expenditure is capitalized to the carrying amount of the property only when it is probable that future economic benefits associated with the property will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

Changes in fair values of investment properties are recognized in the consolidated income statement. Investment property is derecognized either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Investment properties under construction have been valued at the balance sheet date. All fair value gains or losses are recognized in the consolidated income statement as fair value gains or losses.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

If an owner-occupied property becomes an investment property because its use has changed, any difference resulting from the carrying amount and the fair value of this property at the date of transfer is recognized in other comprehensive income as revaluation reserve of property, plant and equipment. However, if the fair value gives rise to a reversal of a previous impairment, this amount is recognized in the consolidated income statement. This revaluation reserve shall remain and be transferred to retained profits upon disposal of this property.

If a property for/under development or a property for sale becomes an investment property when there is a change in use, any difference resulting from the fair value of the property at that date and its previous carrying amount is recognized in the consolidated income statement.

The investment properties are classified under non-current assets except for those properties which are expected to be disposed of within one year and are classified under current assets. Investment properties are reclassified as assets of disposal group held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable.

2. Summary of significant accounting policies (continued)

(j) Cemetery assets

Cost of cemetery assets comprises right-of-use assets and costs of development expenditures incurred for the grave plots and niches for cremation urns. Cemetery assets are classified as current assets unless the construction period of the relevant grave plots or niches for cremation urns is expected to complete beyond the normal operating cycle.

Grave plots and niches for cremation urns are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for cemetery assets less all estimated costs of completion and costs necessary to make the sale.

(k) Properties for/under development

Properties for/under development are stated at the lower of cost and net realizable value. Costs include right-of-use assets, development and construction expenditures incurred and any borrowing costs capitalized and other direct costs attributable to the development. Net realizable value is determined on the basis of anticipated sales proceeds less estimated selling expenses and costs to complete.

Properties for/under development are classified as properties for sale under current assets unless the construction period of the relevant development project is expected to complete beyond the normal operating cycle.

(l) Properties for sale

Properties for sale which include properties under development (note 2(k)) and completed properties are classified under current assets and comprise right-of-use assets, development and construction expenditures, any borrowing costs capitalized and other direct costs attributable to the development. Properties for sale are carried at the lower of cost and net realizable value. Net realizable value is determined on the basis of anticipated sales proceeds less estimated selling expenses and costs to complete.

2. Summary of significant accounting policies (continued)

(m) Financial assets

(i) Classification

The Group classifies its financial assets in the measurement categories of those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss) and those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in OCI or profit or loss. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in consolidated income statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. Summary of significant accounting policies (continued)

(m) Financial assets (continued)

(iii) Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in the consolidated income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in consolidated income statement and presented in other income and net gains/losses together with foreign exchange gains and losses. Impairment losses, if material, are presented as separate line item in the consolidated income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in consolidated income statement. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other income and net gains/losses. Interest income from these financial assets is included in other income and net gains/losses using the effective interest rate method. Foreign exchange gains and losses are presented in other income and net gains/losses and impairment losses, if material, are presented as separate line item in the consolidated income statement.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in consolidated income statement.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in consolidated income statement when the Group's right to receive payments is established.

2. Summary of significant accounting policies (continued)

(n) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debtors, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The Group's other financial assets carried at amortized cost include loans and receivables, other receivables and amount due from a joint venture. The impairment loss of other financial assets carried at amortized cost is measured based on twelve months expected credit loss. The twelve months expected credit loss is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within twelve months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

(o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(p) Inventories

Inventories, which mainly comprise merchandises and art pieces, are stated at the lower of cost and net realizable value. Cost is calculated on the specific identification basis. The cost of inventory includes expenditure that is directly attributable to the acquisition of the asset. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2. Summary of significant accounting policies (continued)

(q) Trade and other debtors

Trade and other debtors are amounts due from customers for properties and goods and merchandises sold or services performed in the ordinary course of business. If collection of trade and other debtors is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other debtors are recognized initially at the amount of consideration that is unconditional and subsequently measured at amortized cost using the effective interest method, less provision for impairment, as the Group holds the trade and other debtors with the objective to collect the contractual cash flows and those cash flows represent solely payments of principal and interest. The Group's impairment policies are set out in note 2(n). The carrying amount of trade and other debtors is reduced through the use of an allowance account and the amount of the provision is recognized in the consolidated income statement within administrative and other operating expenses. When a debtor is uncollectible, it is written off against the allowance account for trade and other debtors. Subsequent recoveries of amounts previously written off are credited in the consolidated income statement.

(r) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the fair value of an asset less costs to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

(s) Creditors and accruals

Creditors and accruals are obligations to pay for goods or merchandises or services that have been acquired in the ordinary course of business from suppliers. Creditors and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Creditors and accruals are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2. Summary of significant accounting policies (continued)

(t) Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(u) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

2. Summary of significant accounting policies (continued)

(v) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial liability, including fees and commissions to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortized cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(w) Current and deferred taxation

The tax expenses for the year comprise current and deferred taxes. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group, its associated companies and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be payable to the tax authorities.

Deferred taxation is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred taxation liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

2. Summary of significant accounting policies (continued)

(w) Current and deferred taxation (continued)

Deferred taxation assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred taxation liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associated companies and joint arrangements, except for deferred taxation liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation assets are recognized on deductible temporary differences arising from investments in subsidiaries, associated companies and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(x) Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivables.

The lease payments are discounted using the lessee's incremental borrowing rate.

Lease payments are allocated between the principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant period rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability, and
- any lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

2. Summary of significant accounting policies (continued)

(x) Leases (continued)

When right-of-use assets meet the definition of investment properties, they are presented in investment properties, and are initially measured at cost and subsequently measured at fair value, in accordance with the Group's accounting policy.

The Group also has interests in land use rights for use in its operations. Lump sum payments were made upfront to acquire these land interests from their previous registered owners or governments in the jurisdictions where the land is located. There are no ongoing payments to be made under the term of the land leases, other than insignificant lease renewal costs or payments based on rateable value set by the relevant government authorities. These payments are stated at cost and are amortized over the term of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

Payments associated with short-term leases are recognized on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of twelve months or less.

Lease liabilities are classified as non-current liabilities unless payments are made within twelve months from the end of the reporting period.

Rental income from operating leases where the Group is a lessor is recognized as income on a straight-line basis over the lease term (note 2(y)). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as rental income. The respective leased assets are included in the consolidated balance sheet based on their nature.

2. Summary of significant accounting policies (continued)

(y) Revenue and income recognition

Revenue comprises the fair value of the consideration received or receivable for goods supplied, and is shown, net of value-added taxes, returns, rebates and discounts, allowances for credit and other revenue reducing factors.

Revenue is recognized when it is probable that future economic benefits will flow to the Group and specific criteria for each of the Group's activities as described below have been met. Estimates are based on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(i) Revenue from sales of properties is recognized when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the properties under development may transfer over time or at a point in time. If properties have no alternative use to the Group contractually and the Group has an enforceable right to payment from the customers for performance completed to date, the Group satisfies the performance obligation over time and therefore, recognizes revenue over time in accordance with the input method for measuring progress. Otherwise, revenue is recognized at a point in time when the customer obtains control of the completed property.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognized when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Contract acquisition costs incurred to obtain contracts are capitalized and amortized when the related revenue is recognized.

(ii) Rental income, net of incentives given to lessees, is recognized on a straight-line basis over the period of the respective leases.

(iii) Sales of cemetery assets are recognized when the control of the asset is transferred to the customer, which are when the customer obtains the physical possession or the legal title of the relevant cemetery assets and the Group has present right to payment and the collection of the consideration is probable.

2. Summary of significant accounting policies (continued)

(y) Revenue and income recognition (continued)

(iv) Sales of goods and merchandises are recognized when the control of the asset is transferred to the customer, which generally coincide with the time when goods and merchandises are delivered to the customers and legal title has been passed.

(v) Gain or loss from securities investment and trading is recognized on the transaction date when the relevant sale and purchase contracts are entered into.

(vi) Service and management fees are recognized when the services are rendered.

(vii) Interest income is recognized on a time proportion basis, using the effective interest method, taking into account the principal amounts outstanding and the interest rates applicable.

(viii) Dividend income is recognized when the right to receive payment is established.

(z) Borrowing costs

Interest and related costs on borrowings attributable to the construction or acquisition of an asset that necessarily takes a substantial period of time to complete and prepare for its intended use or sale are capitalized as part of the cost of their assets. All other borrowing costs are charged to the consolidated income statement in the financial period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2. Summary of significant accounting policies (continued)

(aa) Employee benefits

Contributions to defined contribution retirement schemes such as the Mandatory Provident Fund Scheme in Hong Kong and the respective government employee retirement benefit schemes in the PRC and other countries are charged to the consolidated income statement in the financial period to which the contributions relate. The Group has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee entitlements to annual leaves are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick and maternity leaves are not recognized until the time of leaves.

Provisions for bonus entitlements are recognized when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Such bonuses are payable within twelve months from the balance sheet date.

(ab) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, deposits with banks and financial institutions with maturity within three months from the date of placement.

(ac) Translation of foreign currencies

Transactions included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar, which is the functional and presentation currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates ruling at the balance sheet date are recognized in the consolidated income statement.

2. Summary of significant accounting policies (continued)

(ac) Translation of foreign currencies (continued)

The results and financial position of all the entities in the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the rate of exchange ruling at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and

(iii) all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to the consolidated income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in the consolidated income statement.

(ad) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors and senior management.

2. Summary of significant accounting policies (continued)

(ae) Dividend distribution

Dividend distribution to the shareholders of the Company is recognized as a liability in the consolidated financial statements in the financial period in which the dividends are approved by the Company's shareholders or Directors as applicable.

(af) Financial guarantee liabilities

The Group provides financial guarantees to banks for mortgage loans made by the banks to certain purchasers of the Group's properties in the PRC.

Financial guarantees are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (1) the amount determined in accordance with the expected credit loss model under HKFRS 9; and (2) the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associated companies or joint ventures are provided for no compensation, the fair values are accounted for as contributions and recognized as part of the cost of the investment.

(ag) Government grants

Grants from governments are recognized at fair value when there is a reasonable assurance that the grant will be received and 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.

2. Summary of significant accounting policies (continued)

(ah) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and investment property that are carried at fair value, which are specifically exempted from their requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

3. Financial risk management

(a) Financial risk factors

The activities of the Group expose it to a variety of financial risks including credit risk, liquidity risk, cash flow and fair value interest rate risk, foreign exchange risk and price risk. The overall risk management programme of the Group focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Financial risk management is carried out by the finance department under policies approved by the Board. The Board provides principles for overall risk management, as well as written policies covering specific areas.

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(i) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial assets (other than financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss) after deducting any impairment provision in the consolidated balance sheet. The Group's exposure to credit risk arising from debtors is set out in note 26.

Credit risk of the Group is primarily attributable to deposits with banks and financial institutions and non-current loans and receivables, as well as credit exposures to customers and other debtors. The Group has credit policies in place and exposures to these credit risks are monitored on an ongoing basis.

The Group applies the HKFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade debtors are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors and industry trends affecting the ability of the debtors to settle the outstanding balance.

Management considered the credit risk of loans and receivables, other receivables and amount due from a joint venture is low, as counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. The Group has assessed that the expected credit losses for these loans and receivables, other receivables and amount due from a joint venture were nil (2020: nil) under 12 months expected losses method and no provision was recognized (2020: nil).

The Group manages its deposits with banks and financial institutions by monitoring credit ratings and only places deposits with banks and financial institutions with no history of defaults. As at 31 March 2021, the monies placed with banks and financial institutions in Hong Kong, the PRC and other countries amounted to approximately HK$646 million (2020: HK$563 million), HK$28 million (2020: HK$136 million) and HK$5 million (2020: HK$5 million), respectively.

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(i) Credit risk (continued)

In respect of credit exposures to customers, the Group normally receives deposits or progress payments from customers prior to the completion of sales of properties or goods or merchandises transactions. Customers are assessed and rated individually based on the credit quality by taking into account their financial position, credit history and other factors. Rentals in respect of investment properties are payable in advance by tenants in accordance with the lease agreements. The Group has policies in place to ensure that rental deposits are required from tenants prior to commencement of leases. Loans and receivables are generally supported by the respective underlying assets.

In addition, the Group has other monitoring procedures to ensure that follow up action is taken to recover overdue debts. The Group reviews regularly the recoverable amount of each individual debtor to ensure that adequate impairment provision are made for irrecoverable amounts. The Group has no significant concentrations of credit risk as the receivables consist of a large number of customers.

In respect of the other debtors, amount due from a joint venture and loans and receivables, the Group monitors the recovery of the balances closely and ensures that adequate impairment provision has been made for the estimated irrecoverable amounts.

The Group has provided guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the PRC. Since the Group is able to retain the purchasers' deposits and sell the properties to recover any amounts paid by the Group to the banks, the management considers that the Group's credit risk is minimal (see also note 38).

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group measures and monitors its liquidity through the maintenance of prudent ratios regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. The Group has put in place a policy of obtaining long-term banking facilities to match its long-term investments in Hong Kong, the PRC and other countries. The Group also maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the ordinary course of business. In addition, as at 31 March 2021, the Group has standby banking facilities to provide contingent liquidity support which amounted to approximately HK$319 million (2020: HK$241 million). Details of the bank borrowings are disclosed in note 34.

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(ii) Liquidity risk (continued)

The table below analyzes the Group's financial liabilities that will be settled in relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The amounts disclosed in the table are the contractual undiscounted cash flows including interest payment. It excludes the financial guarantees provided by the Group (note 38) as management considers the likely crystallization of the guarantees to be minimal.

	Within the first year HK$'000	Within the second year HK$'000	Within the third to fifth years HK$'000	After the fifth year HK$'000	Total HK$'000
2021					
Creditors and accruals (excluded lease liabilities and deposit received for the disposal of subsidiaries)	**228,142**	**–**	**–**	**–**	**228,142**
Lease liabilities	**47**	**–**	**–**	**–**	**47**
Bank borrowings	**1,146,145**	**157,003**	**581,455**	**–**	**1,884,603**
Loans and payables with non-controlling interests	**–**	**–**	**–**	**47,688**	**47,688**
Other non-current liabilities	**–**	**–**	**–**	**37,223**	**37,223**
	1,374,334	**157,003**	**581,455**	**84,911**	**2,197,703**
2020					
Creditors and accruals (excluded lease liabilities)	229,119	–	–	–	229,119
Lease liabilities	329	6	–	–	335
Bank borrowings	657,724	770,644	602,431	–	2,030,799
Loans and payables with non-controlling interests	–	–	–	47,472	47,472
Other non-current liabilities (excluded lease liabilities)	–	–	–	34,306	34,306
	887,172	770,650	602,431	81,778	2,342,031

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the position of the Group may be adversely affected by the changes in market interest rate. The policy of the Group involves close monitoring of interest rate movements and replacing and entering into new banking facilities when favourable pricing opportunities arise.

The interest rate risk of the Group mainly arises from interest-bearing loans and receivables, bank deposits, bank borrowings, and bonds investments in the financial assets at fair value through profit or loss. Loans and receivables, bank deposits and bank borrowings issued at variable rates expose the Group to cash flow interest rate risk. Bonds investments at fixed rates expose the Group to fair value interest rate risk. The Group currently does not have any interest rate hedging policy in relation to interest rate risk. The Board monitors the Group's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

As at 31 March 2021, in respect of cash flow interest rate risk, if interest rates had been 0.5% (2020: 0.5%) higher/lower with all other variables held constant, the pre-tax result of the Group would have decreased/increased by approximately HK$4,929,000 (2020: HK$4,346,000).

(iv) Foreign exchange risk

Foreign exchange risk arises on monetary assets and liabilities being denominated in a currency that is not the functional currency; differences resulting from the translation of financial statements into the presentation currency of the Group are not taken into consideration.

The Group mainly operates in Hong Kong, the PRC and Malaysia. The Group has no significant foreign exchange risk due to limited foreign currency transactions other than the functional currencies of the respective entities.

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(v) Price risk

The Group is exposed to securities and bonds investments price risk because investments held by the Group are classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. Unrealized gains and losses arising from the change in the fair value of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are recognized in other comprehensive income and the consolidated income statement respectively. To manage its price risk arising from investments in securities and bonds investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The table below summarizes the impact of increase/decrease of the market price of the Group's publicly-traded investments by 5% (2020: 5%) with all other variables held constant:

	Impact on pre-tax result		Impact on investment revaluation reserve	
	2021	2020	**2021**	2020
	HK$'000	HK$'000	**HK$'000**	HK$'000
5% change in market price	**60,998**	34,347	**7,188**	5,882

(b) Capital risk management

The objectives of the Group when managing capital are to safeguard the ability of the Group to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank borrowings (including short-term and long-term bank borrowings as shown in the consolidated balance sheet) less cash and bank balances and bonds investments of financial assets at fair value through profit or loss. Total capital represents shareholders' funds as shown in the consolidated balance sheet. As at 31 March 2021, the Group had net cash of HK$82.7 million and the calculation of net debt to equity ratio was therefore not applicable (2020: 11.7%, expressed as a percentage of bank borrowings net of cash, bank balances and investment held for trading over net assets attributable to equity holders of the Company).

3. Financial risk management (continued)

(c) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current price within the bid-ask spread which is the most representative of the fair value in the given circumstances.

The fair values of long-term loans and receivables and bank borrowings are estimated using the expected future payments discounted at market interest rates. The carrying values of the long-term loans and receivables and bank borrowings approximate their fair values since they are floating interest rate loans and receivables and borrowings.

The carrying values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, including debtors and prepayments, cash and bank balances, creditors and accruals and current bank borrowings approximate their fair values.

The Group adopted the amendment to HKFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level in the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

3. Financial risk management (continued)

(c) Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at 31 March 2021 and 2020. The investment properties are measured at fair value and disclosed in note 16.

	Level 1 HK$'000	Level 3 HK$'000	Total HK$'000
2021			
Assets			
Financial assets at fair value through other comprehensive income			
– Listed securities	**143,756**	**–**	**143,756**
– Unlisted investment	**–**	**10,434**	**10,434**
	143,756	**10,434**	**154,190**
Financial assets at fair value through profit or loss			
– Listed bonds	**1,219,963**	**–**	**1,219,963**
– Unlisted investments	**–**	**101,907**	**101,907**
	1,219,963	**101,907**	**1,321,870**
Total assets	**1,363,719**	**112,341**	**1,476,060**
2020			
Assets			
Financial assets at fair value through other comprehensive income			
– Listed securities	117,648	–	117,648
– Unlisted investment	–	11,082	11,082
	117,648	11,082	128,730
Financial assets at fair value through profit or loss			
– Listed bonds	686,949	–	686,949
– Unlisted investments	–	70,726	70,726
	686,949	70,726	757,675
Total assets	804,597	81,808	886,405

3. Financial risk management (continued)

(c) Fair value estimation (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for these financial assets held by the Group, which are listed securities and bonds investments, is the current price within the bid-ask spread in stock market and bond market. These instruments are included in level 1 which comprise primarily investments classified as financial assets at fair value through other comprehensive income (listed securities) and financial assets at fair value through profit or loss (listed bonds).

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 which comprises primarily unlisted investments classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments

- Other techniques, such as market approach and discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

There was no transfer of financial assets among fair value hierarchy classifications for the years ended 31 March 2021 and 2020.

3. Financial risk management (continued)

(c) Fair value estimation (continued)

The following table presents the changes in level 3 instruments of the Group for the years ended 31 March 2021 and 2020.

	Financial assets at fair value through other comprehensive income HK$'000	Financial assets at fair value through profit or loss HK$'000
At 1 April 2019	11,674	59,632
Additions	–	15,285
Changes in fair value recognized in other comprehensive income	181	–
Changes in fair value recognized in consolidated income statement	–	(303)
Changes in exchange rates	(773)	(3,888)
At 31 March 2020	11,082	70,726
Additions	–	10,182
Disposal	–	(1,530)
Changes in fair value recognized in other comprehensive income	(1,541)	–
Changes in fair value recognized in consolidated income statement	–	17,408
Changes in exchange rates	893	5,121
At 31 March 2021	**10,434**	**101,907**

4. Critical accounting estimates and judgments

Estimates and judgments used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant effect on the carrying values of assets and liabilities are discussed below:

(a) Estimate of fair value of investment properties

The valuation of investment properties is mainly performed in accordance with "The HKIS Valuation Standards 2020" published by the Hong Kong Institute of Surveyors and other international valuation standards. Details of the judgment and assumptions have been disclosed in note 16.

(b) Classification of investment properties

In making the judgment to determine whether a property qualifies as investment property, the Group considers whether the property (land or building) is held to earn rental or for capital appreciation rather than for use in the production or supply of goods and services or sale and the Group has the financing capability to hold the property for long-term strategic investment.

To transfer a property to an investment property, there must be a change in use. To conclude if a property has changed its use, management assesses whether the property meets the definition of investment property as aforementioned and the change must be supported by evidence.

In addition, in making the judgment to determine whether a completed investment property was qualified as asset of disposal group held for sale, the Group considered whether the sale transaction was highly probable (i.e. the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification).

The Group considers each property separately in making its judgment.

4. Critical accounting estimates and judgments (continued)

(c) Recoverability of properties for/under development, properties for sale and cemetery assets

The Group assesses the carrying values of properties for/under development, properties for sale and cemetery assets according to their estimated recoverable amounts or net realizable values based on assessment of the realizability of these properties/assets, taking into account costs to completion based on past experience and net sales value based on prevailing market conditions. Provision for impairment is made when events or changes in circumstances indicate that the carrying values may not be realized. The assessment requires the use of judgment and estimates.

For recoverability assessment purpose, the valuation of certain properties for/under development, properties for sale and cemetery assets is mainly performed in accordance with "The HKIS Valuation Standards 2020" published by the Hong Kong Institute of Surveyors and other international valuation standards.

(d) Income taxes, land use taxes, land appreciation taxes and deferred taxes

The Group is subject to income taxes, land use taxes, land appreciation taxes and deferred taxes mainly in Hong Kong, the PRC and other countries. Significant judgment is required in determining the provision for taxation for each entity of the Group. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these estimates is different from the amounts that are initially recorded, such differences will impact the current and deferred taxation in the financial period in which such determination is made.

The Group has rebutted the presumption that the carrying amount of the investment properties located in the PRC measured at fair value will be recovered entirely through sale. These investment properties are held within a business model whose objective is to consume its economic benefit over time.

Deferred taxation assets relating to tax losses are recognized when management considers to be probable that future taxation profit will be available against which the tax losses can be utilized. The outcome of their actual utilization may be different.

5. Revenues

Revenues recognized during the year are as follows:

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

6. Segment information

(a) Segment information by business lines

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

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

6. Segment information (continued)

(a) Segment information by business lines (continued)

The segment information by business lines is as follows:

	Property development, investment and trading HK$'000	Cemetery HK$'000	Sales of goods and merchandises HK$'000	Securities investment and trading HK$'000	Others and corporate HK$'000	2021 Total HK$'000
Revenues from contracts with customers:						
– Recognized at a point in time	1,651,615	25,733	–	–	–	1,677,348
– Recognized over time	65	–	–	–	–	65
Revenues from other sources	39,799	–	–	62,442	–	102,241
Revenues	1,691,479	25,733	–	62,442	–	1,779,654
Other income and net gain/(loss)	7,733	87	–	93,846	10,002	111,668
Operating profit/(loss)	376,229	2,412	(82)	155,520	(87,037)	447,042
Finance costs	(46,101)	–	–	(2,108)	–	(48,209)
Share of result of an associated company	–	–	–	–	(113)	(113)
Share of result of a joint venture	2,281	–	–	–	–	2,281
Profit/(loss) before taxation	332,409	2,412	(82)	153,412	(87,150)	401,001
Taxation credit/(charge)	20,897	(2,305)	–	(4,194)	–	14,398
Profit/(loss) for the year	353,306	107	(82)	149,218	(87,150)	415,399
Segment assets	2,837,204	1,116,947	50,023	1,325,125	839,294	6,168,593
Associated company	–	–	–	–	3,795	3,795
Joint venture	362,498	–	–	–	–	362,498
Assets of disposal group classified as held for sale	770,429	–	–	–	–	770,429
Total assets	3,970,131	1,116,947	50,023	1,325,125	843,089	7,305,315
Segment liabilities	2,036,745	281,161	10	353,858	20,780	2,692,554
Liabilities of disposal group classified as held for sale	69,437	–	–	–	–	69,437
Total liabilities	2,106,182	281,161	10	353,858	20,780	2,761,991
Other segment items are as follows:						
Capital expenditure	143,044	969	–	–	288	144,301
Depreciation of property, plant and equipment	944	602	105	–	13,944	15,595
Depreciation of right-of-use assets	293	126	–	–	–	419
Provision for impairment of trade debtors	744	–	–	–	–	744
Fair value gain on transfer of properties from properties for sale to investment properties	8,190	–	–	–	–	8,190
Fair value loss of investment properties	135,955	–	–	–	–	135,955

6. Segment information (continued)

(a) Segment information by business lines (continued)

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

6. Segment information (continued)

(b) Geographical segment information

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

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

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

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

7. Other income and net gain/(loss)

	2021 **HK$'000**	2020 HK$'000
Interest income from bank deposits	**4,089**	10,984
Dividend income from financial assets at fair value through other comprehensive income	**7,469**	3,647
Net realized gain/(loss) of financial assets at fair value through profit or loss	**3,892**	(487)
Net fair value gain/(loss) of financial assets at fair value through profit or loss	**89,350**	(68,576)
Fair value gain on transfer of properties from properties for sale to investment properties *(note 24(d))*	**8,190**	–
Loss on disposal of a subsidiary *(note)*	**(9,280)**	–
Forfeited deposits from sales of properties	**333**	1,751
Net loss on disposal of investment properties	**(1,315)**	(2,127)
Net (loss)/gain on disposal of property, plant and equipment	**(302)**	78
Net exchange (loss)/gain	**(1,360)**	139
Others	**10,602**	3,533
	111,668	(51,058)

Note: On 30 April 2020, an indirect wholly-owned subsidiary of the Group entered into a sale and purchase agreement with an independent third party to dispose of a property holding company which held an investment property in the United Kingdom at a consideration of about GBP93.8 million (equivalent to approximately HK$971.5 million). The transaction was approved by the shareholders of the Company at its special general meeting held on 23 June 2020. Details of the transaction were announced by the Company on 3 May 2020, and published in the circular of the Company on 3 June 2020. The transaction was completed on 1 September 2020, and a loss on disposal of a subsidiary was recorded, taking into the consideration of the net assets disposed of approximately HK$995.2 million, the realization of exchange reserve upon disposal of approximately HK$22.7 million and related transaction costs. Details of the disposal are shown in note 39(d).

8. Operating profit/(loss)

	2021 HK$'000	2020 HK$'000
Operating profit/(loss) is stated after crediting:		
Gross rental income from properties	**39,799**	66,021
Reversal of provision for impairment of other deposits	**–**	2,813
and after charging:		
Auditors' remuneration		
Audit and audit related services	**2,593**	2,248
Non-audit services	**1,780**	580
Cost of properties sold	**1,039,852**	22,717
Cost of cemetery assets sold	**9,905**	8,466
Cost of inventories sold	**–**	2,070
Depreciation of property, plant and equipment	**15,595**	21,774
Depreciation of right-of-use assets	**419**	3,552
Short-term lease expenses	**3,478**	3,118
Outgoings in respect of properties	**11,139**	11,126
Provision for impairment of trade debtors	**744**	462
Staff costs, including Directors' emoluments		
Wages and salaries *(note)*	**44,825**	50,342
Retirement benefit costs *(note 9)*	**1,876**	2,497

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

9. Employee retirement benefits

The Group participates in defined contribution schemes in Hong Kong for all eligible employees. Contributions to these schemes are calculated based on certain percentages of the applicable payroll costs or pre-determined fixed sums. The assets of the schemes are held separately from those of the Group in independently administered funds. Among these schemes, one scheme allows contributions to it to be reduced by contributions forfeited by those employees who leave that scheme prior to vesting fully in those contributions.

The Group participates in respective government retirement benefit schemes in the PRC and Malaysia pursuant to the relevant regulations whereby the Group is required to contribute to the schemes to fund the retirement benefits of the eligible employees. Contributions made to the schemes are calculated either based on certain percentages of the applicable payroll costs or fixed sums as stipulated under the requirements in the PRC and Malaysia. The governments of the respective countries are responsible for the entire retirement benefit obligations payable to the retired employees. The Group has no other obligations apart from making ongoing contributions under the schemes.

The retirement benefit costs represent the contributions by the Group to the above schemes.

10. Finance costs

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

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

11. Directors', five highest paid individuals' and senior management's emoluments

(a) Directors' emoluments

Name of Director	Fees (note i) HK$'000	Salaries (note ii) HK$'000	Other benefits (note ii) HK$'000	Retirement scheme contributions (note ii) HK$'000	Total HK$'000
2021					
Mr. Albert Chuang Ka Pun	**40**	**2,730**	**–**	**18**	**2,788**
Miss Ann Li Mee Sum	**30**	**1,986**	**588**	**178**	**2,782**
Mr. Edwin Chuang Ka Fung[4]	**30**	**–**	**–**	**–**	**30**
Mr. Sunny Pang Chun Kit	**30**	**2,145**	**–**	**149**	**2,324**
Mr. Geoffrey Chuang Ka Kam	**30**	**1,950**	**640**	**18**	**2,638**
Mr. Neville Charles Kotewall	**30**	**1,950**	**480**	**18**	**2,478**
Mr. Dominic Lai[2]	**120**	**–**	**–**	**–**	**120**
Mr. Abraham Shek Lai Him[1]	**400**	**–**	**–**	**–**	**400**
Mr. Andrew Fan Chun Wah[1]	**120**	**–**	**–**	**–**	**120**
Dr. Eddy Li Sau Hung[1]	**120**	**–**	**–**	**–**	**120**
Dr. Ng Kit Chong[1]	**120**	**–**	**–**	**–**	**120**
Mr. David Chu Yu Lin[1, 3]	**22**	**–**	**–**	**–**	**22**
	1,092	**10,761**	**1,708**	**381**	**13,942**
2020					
Mr. Albert Chuang Ka Pun	39	2,730	90	18	2,877
Miss Ann Li Mee Sum	30	2,022	552	178	2,782
Mr. Edwin Chuang Ka Fung[4]	30	–	–	–	30
Mr. Sunny Pang Chun Kit	30	2,145	439	148	2,762
Mr. Geoffrey Chuang Ka Kam	30	1,950	495	18	2,493
Mr. Neville Charles Kotewall	30	1,588	440	15	2,073
Mr. Dominic Lai[2]	120	–	–	–	120
Mr. Abraham Shek Lai Him[1]	392	–	–	–	392
Mr. David Chu Yu Lin[1, 3]	120	–	–	–	120
Mr. Andrew Fan Chun Wah[1]	120	–	–	–	120
Dr. Eddy Li Sau Hung[1]	120	–	–	–	120
Dr. Ng Kit Chong[1]	110	–	–	–	110
	1,171	10,435	2,016	377	13,999

1 *The Independent Non-Executive Directors*
2 *The Non-Executive Director*
3 *Resigned on 8 June 2020*
4 *Formerly known as Chong Ka Fung*

11. Directors', five highest paid individuals' and senior management's emoluments (continued)

(a) Directors' emoluments (continued)

(i) The amounts represented emoluments paid or receivable in respect of a person's service as a Director, whether of the Company or its subsidiary undertakings.

(ii) The amounts represented emoluments paid or receivable in respect of a Director's other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

(iii) There was no arrangement under which a Director waived or agreed to waive any emoluments during the years ended 31 March 2021 and 2020.

(iv) During the year, no emoluments, retirement benefits, payments or benefits in respect of termination of Directors' services were paid or made, directly or indirectly, to the Directors, nor are any payable (2020: nil). No consideration was provided to or receivable by third parties for making available Directors' services (2020: nil).

(v) There are no loans, quasi-loans or other dealings in favour of Directors, their controlled bodies corporate and connected entities (2020: none).

(vi) The Directors represent key management personnel of the Company having authority and responsibility for planning, directing and controlling the activities of the Group.

(vii) The emoluments paid to the Independent Non-Executive Directors and the Non-Executive Director amounted to HK$782,000 (2020: HK$862,000) and HK$120,000 (2020: HK$120,000) respectively.

11. Directors', five highest paid individuals' and senior management's emoluments (continued)

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2020: none).

(c) Five highest paid individuals' emoluments

All five highest paid individuals in the Group are Directors (2020: same).

(d) Senior management's emoluments

The emoluments of senior management whose profiles are included in the section "Biographical Details of Directors and Senior Management" of this report fall within the following bands:

	Number of individuals	
Emolument bands	**2021**	2020
HK$1,000,000 or below	**6**	6
HK$1,000,001 to HK$1,500,000	**2**	2
	8	8

12. Taxation (credit)/charge

	2021 **HK$'000**	2020 HK$'000
Current taxation		
Hong Kong profits tax	**32,887**	–
PRC corporate income tax	**12,152**	4,475
PRC land appreciation tax	**12,942**	19,396
Overseas profit tax	**1,453**	856
Over-provision in prior years	**(41,149)**	–
Deferred taxation *(note 35)*	**(32,683)**	5,113
	(14,398)	29,840

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

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

12. Taxation (credit)/charge (continued)

The taxation charge/(credit) of the profit/(loss) before taxation of the Group differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2021	2020
	HK$'000	HK$'000
Profit/(loss) before taxation	**401,001**	(160,055)
Share of results of associated companies	**113**	1,139
Share of result of a joint venture	**(2,281)**	(11,049)
	398,833	(169,965)
Taxation charge/(credit) at the rate of 16.5% (2020: 16.5%)	**65,807**	(28,044)
Effect of different taxation rates in other countries	**(8,899)**	4,149
Income not subject to taxation	**(25,559)**	(11,828)
Expenses not deductible for taxation purposes	**8,612**	12,893
PRC land appreciation tax deductible for taxation purposes	**(3,236)**	(4,849)
Recognition of previously unrecognized tax losses	**–**	(1,554)
Utilization of previously unrecognized tax losses	**(44,770)**	(4,155)
Over-provision in prior years	**(41,149)**	–
Tax losses not recognized and others	**21,854**	43,832
	(27,340)	10,444
PRC land appreciation tax	**12,942**	19,396
Taxation (credit)/charge	**(14,398)**	29,840

13. Dividends

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

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

14. Earnings/(loss) per share

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

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

15. Property, plant and equipment

	Buildings HK$'000	Plant and machinery HK$'000	Furniture and fixtures HK$'000	Other assets HK$'000	Total HK$'000
Cost					
At 1 April 2019	14,326	241	20,993	104,943	140,503
Changes in exchange rates	(1,110)	(7)	(690)	(600)	(2,407)
Additions	–	–	1,546	1,468	3,014
Acquisition of subsidiaries *(note 20)*	–	–	–	34,497	34,497
Disposals	–	(234)	(209)	(2,792)	(3,235)
At 31 March 2020	13,216	–	21,640	137,516	172,372
Changes in exchange rates	1,335	–	731	642	2,708
Additions	–	–	506	505	1,011
Disposals	–	–	(1,122)	(2,408)	(3,530)
At 31 March 2021	**14,551**	**–**	**21,755**	**136,255**	**172,561**
Accumulated depreciation and provision for impairment					
At 1 April 2019	3,114	179	10,107	82,422	95,822
Changes in exchange rates	(343)	(5)	(547)	(579)	(1,474)
Charge for the year	709	5	9,770	11,290	21,774
Disposals	–	(179)	(209)	(2,792)	(3,180)
At 31 March 2020	3,480	–	19,121	90,341	112,942
Changes in exchange rates	502	–	574	616	1,692
Charge for the year	685	–	806	14,104	15,595
Disposals	–	–	(955)	(2,273)	(3,228)
At 31 March 2021	**4,667**	**–**	**19,546**	**102,788**	**127,001**
Net book value					
At 31 March 2021	**9,884**	**–**	**2,209**	**33,467**	**45,560**
At 31 March 2020	9,736	–	2,519	47,175	59,430

(a) The buildings are situated on land in the PRC. Other assets comprise computer equipment, motor vehicles and yachts.

(b) Depreciation of nil (2020: HK$5,000), HK$426,000 (2020: HK$9,422,000) and HK$15,169,000 (2020: HK$12,347,000) have been included in cost of sales, selling and marketing expenses, and administrative and other operating expenses, respectively.

16. Investment properties

	Properties under development HK$'000	Completed properties HK$'000	Total HK$'000
At 1 April 2019	705,109	2,028,492	2,733,601
Changes in exchange rates	(51,073)	(126,340)	(177,413)
Additions	102,121	9	102,130
Disposals	–	(24,129)	(24,129)
Change in fair value	83,310	(109,103)	(25,793)
At 31 March 2020	839,467	1,768,929	2,608,396
Changes in exchange rates	33,555	164,861	198,416
Additions	7,433	629	8,062
Transfer from properties for sale *(note 24(d))*	–	175,920	175,920
Reclassification *(note d)*	(757,905)	757,905	–
Reclassified as assets of disposal group classified as held for sale *(note 29)*	(19,049)	(169,896)	(188,945)
Disposals	–	(30,518)	(30,518)
Disposal of a subsidiary *(notes 7 and 39(d))*	–	(999,740)	(999,740)
Change in fair value	(103,501)	(32,454)	(135,955)
At 31 March 2021	**–**	**1,635,636**	**1,635,636**

(a) Investment properties of the Group are located:

	2021 HK'000	2020 HK'000
In Hong Kong	**175,920**	–
Outside Hong Kong	**1,459,716**	2,608,396
	1,635,636	2,608,396

(b) Investment properties in Hong Kong, the PRC and Malaysia (2020: including the United Kingdom) were revalued at 31 March 2021 on an open market value basis by Colliers International (Hong Kong) Limited, Cushman & Wakefield Limited and Appraisal (Malaysia) Sdn. Bhd., independent professional property valuers, respectively.

(c) Investment properties of HK$337,569,000 (2020: HK$1,258,600,000) have been pledged as securities for the borrowing facilities granted to the Group (note 34).

16. Investment properties (continued)

(d) During the year ended 31 March 2021, investment properties of HK$757,905,000 (2020: nil) were reclassified from investment properties under development to completed investment properties upon completion of development.

(e) Valuation processes of the Group

The Group's investment properties were revalued at 31 March 2021 by independent professional valuers who hold recognized relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department and property department review the valuations performed by the independent valuers for financial reporting purposes and report directly to the senior management of the Group. Discussions of valuation processes and results are held between the management and valuers at least once every six months, in line with the Group's interim and annual reporting processes. The finance department and property department:

– verify all major inputs to the independent valuation reports;
– assess property valuation movements when compared to the prior period valuation reports; and
– hold discussions with the independent valuers.

(f) Valuation techniques

Fair value of completed properties in Hong Kong, the PRC, Malaysia (2020: including the United Kingdom) is generally derived using the income capitalization method and direct comparison method, wherever appropriate and for cross-checking. Income capitalization method is based on the capitalization of the net income and reversionary potential by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

16. Investment properties (continued)

(f) Valuation techniques (continued)

Fair value of properties under development in the PRC is generally derived using the residual method. This valuation method is essentially a mean of valuing the completed properties by reference to its development potential by deducting development costs to completion together with developer's profit and risk from the estimated capital value of the proposed development assuming completed as at the date of valuation.

There were no changes to the valuation techniques during the years, except for in 2021 the completed investment properties in the PRC which valuation technique was changed from residual method to direct comparison method upon the completion of the development, and certain completed investment properties in the PRC which valuation technique was changed from income capitalization method to direct comparison method upon the change of the independent professional property valuer after the reclassification of these investment properties to assets of disposal group classified as held for sale (note 29).

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

16. Investment properties (continued)

(g) Significant unobservable inputs used to determine fair value

Prevailing market rents are estimated based on valuers' view of recent lettings, within the subject properties and other comparable properties. The lower the rents, the lower the fair value. Capitalization rates are estimated by valuers based on the risk profile of the investment properties being valued. The higher the rates, the lower the fair value.

The following rental values and capitalization rates are used in the income capitalization method for the completed properties in respective locations:

	Hong Kong	The PRC	Malaysia	United Kingdom
2021				
Rental value used for (HK$/*sq. m.*/month):				
Commercial properties	**200**	**40–46**	**50–192**	**N/A**
Residential properties	**N/A**	**N/A**	**N/A**	**N/A**
Capitalization rates used for:				
Commercial properties	**3.3%**	**3.5%–4.5%**	**6.0%**	**N/A**
Residential properties	**N/A**	**N/A**	**N/A**	**N/A**
2020				
Rental value used for (HK$/*sq. m.*/month):				
Commercial properties	N/A	37–84	48–193	465
Residential properties	N/A	92	N/A	N/A
Capitalization rates used for:				
Commercial properties	N/A	3.0%–4.5%	6.0%	4.3%
Residential properties	N/A	2.0%	N/A	N/A

Estimated costs to completion, developer's profit and risk margins required were estimated by valuers based on market conditions at 31 March 2020 for investment properties under development in the PRC. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The higher the costs and the margins, the lower the fair value.

16. Investment properties (continued)

(g) Significant unobservable inputs used to determine fair value (continued)

For the estimates of fair value of investment properties, the valuation processes and techniques of the Group are consistent with those used in the consolidated financial statements for the year ended 31 March 2020, which were based on the economic, market and other conditions as they exist on, and information available to management as of 31 March 2021. The outbreak of Covid-19 has increased the volatility to property markets in Hong Kong, the PRC and Malaysia, resulting in increased uncertainty of the assumptions adopted in the valuation process. Consequently, the ongoing development of Covid-19 may cause unexpected volatility in the future fair value of certain investment properties subsequent to 31 March 2021.

17. Right-of-use assets and lease liabilities

(a) Right-of-use assets

	2021 HK$'000	2020 HK$'000
Land use rights	**1,628**	1,529
Office premises and show flat	**46**	336
	1,674	1,865

(i) Land use rights of the Group are held under medium-term leases. The Group leases various office premises and show flat and rental contracts are typically made for fixed periods within 2 to 3 years. Lease terms are negotiated on an individual basis and contain different terms and conditions.

(ii) Right-of-use assets of the Group are located:

	2021 HK$'000	2020 HK$'000
In Hong Kong	**–**	285
Outside Hong Kong	**1,674**	1,580
	1,674	1,865

(iii) For the year ended 31 March 2021, in respect of office premises of right-of-use assets, there is an addition of HK$66,000 (2020: nil) and total cash outflows of leases are HK$368,000 (2020: HK$3,574,000) (note 39(b)).

(iv) Depreciation of right-of-use assets for land use rights and office premises and show flat are HK$58,000 (2020: HK$51,000) and HK$361,000 (2020: HK$3,501,000) respectively. Depreciation of HK$285,000 (2020: HK$3,418,000) and HK$134,000 (2020: HK$134,000) have been included in selling and marketing expenses and administrative and other operating expenses, respectively.

17. Right-of-use assets and lease liabilities (continued)

(b) Lease liabilities

	2021 HK$'000	2020 HK$'000
Lease liabilities		
Current portion included in creditors and accruals *(note 30)*	**47**	329
Non-current portion included in other non-current liabilities	**–**	6
	47	335

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

18. Properties for/under development

	2021 HK$'000	2020 HK$'000
At the beginning of the year	**137,253**	146,494
Changes in exchange rates	**11,140**	(9,241)
At the end of the year	**148,393**	137,253

Properties for/under development of the Group are held in the PRC.

19. Cemetery assets

	2021 HK$'000	2020 HK$'000
Total cemetery assets	**1,080,775**	1,000,383
Current portion included in current assets	**(778,286)**	(723,987)
	302,489	276,396

As at 31 March 2021, cemetery assets classified as current assets amounting to approximately HK$770,849,000 (2020: HK$717,695,000) are expected to be realized after more than twelve months from the balance sheet date.

20. Associated company

	2021 **HK$'000**	2020 HK$'000
Share of net assets	**3,795**	3,908
Unlisted investment, at cost	**2,425**	2,425

The movements of the carrying amounts of the associated companies are analyzed as follows:

	2021 **HK$'000**	2020 HK$'000
At the beginning of the year	**3,908**	15,723
Increase in loan receivable	**–**	46
Share of results	**(113)**	(1,139)
Deemed disposal of associated companies *(note)*	**–**	(10,722)
At the end of the year	**3,795**	3,908

Note: During the year ended 31 March 2020, the Group increased its shareholding on certain associated companies from 33.3% to 66.7% and had control on them, and thus these companies became subsidiaries of the Group. A yacht was manufactured and held by these companies at that time (note 15).

Particulars of the associated company are set out below:

Name	**Place of incorporation/ operation**	**Registered capital/ issued capital**	**Effective interest held by the Group**		**Principal activities**
			2021	2020	
Treasure Auctioneer International Limited	British Virgin Islands/ Hong Kong	US$1,000,000 with 1,000,000 shares	**25.0%**	25.0%	Auction services

The associated company is not material to the Group for both years.

21. Joint venture

	2021 HK$'000	2020 HK$'000
Share of net assets	**340,797**	311,987
Amount due from a joint venture	**21,701**	28,924
	362,498	340,911

The movements of the carrying amounts of the joint venture are analyzed as follows:

	2021 HK$'000	2020 HK$'000
At the beginning of the year	**340,911**	366,587
Capital injection to a joint venture	**6,933**	2,224
Decrease in amount due from a joint venture	**(9,254)**	(20,173)
Change in exchange rate for amount due from a joint venture	**2,031**	(3,238)
Share of result	**2,281**	11,049
Share of exchange reserve	**19,596**	(15,538)
At the end of the year	**362,498**	340,911

Particulars of the joint venture are set out below:

Name	Place of incorporation/ operation	Registered capital	Interest held by the Group 2021	Interest held by the Group 2020	Principal activities
Xiamen Mingjia Binhai Resort Company Limited ("Xiamen Mingjia")*	PRC	RMB150,000,000	**70.0%**	70.0%	Property and hotel development and investment
			(effective interest held by the Group is 59.5% for both 2021 and 2020**)**		

* *Sino-foreign cooperative joint venture enterprise*

21. Joint venture (continued)

As at 31 March 2021, the investment properties held by the joint venture were carried at fair value of RMB447,800,000 (equivalent to approximately HK$529,837,000) (2020: RMB447,800,000, equivalent to approximately HK$488,326,000) and the Group's effective proportionate share of fair value of these investment properties was approximately HK$315,253,000 (2020: HK$290,554,000). The rental values (per *sq. m.* per month) and capitalization rates used in the income capitalization method for the valuation of these investment properties ranged from approximately HK$106 to HK$213 (2020: HK$96 to HK$215) and was 2.0% (2020: 2.0%) respectively as at 31 March 2021. Details of the valuation processes and techniques are set out in note 16.

Amount due from a joint venture is unsecured, interest free and not receivable within the next twelve months from the balance sheet date. The joint venture is not material to the Group for both years.

On 19 January 2017, Xiamen Mingjia as landlord entered into a tenancy agreement with Lujiang Hotel, a non-wholly-owned subsidiary of the joint venture partner and a related party of the Group, as tenant for the lease of the hotel held by Xiamen Mingjia for a term of nearly ten years from 24 March 2017 to 19 January 2027 with rental at RMB9 million per annum for years 1 to 5 and RMB10 million per annum for years 6 to 10. Details of the transaction were announced by the Company on 19 January 2017. The tenancy agreement was subsequently assigned by Lujiang Hotel to its wholly-owned subsidiary, Xiamen Mingjia Lujiang Hotel Limited ("Mingjia Lujiang Hotel").

On 30 April 2018, additional three villas situated right next to the hotel were leased to Mingjia Lujiang Hotel for a term of nearly 8.7 years from 1 May 2018 to 19 January 2027 (coterminous with the tenancy agreement of hotel) with rental at RMB159,348 per month for years 1 to 5 and RMB175,282.8 per month for years 6 onwards. Details of the transaction were announced by the Company on 30 April 2018.

Total rental income received by Xiamen Mingjia from Mingjia Lujiang Hotel for the year ended 31 March 2021 amounted to approximately HK$12,683,000 (2020: HK$12,463,000) and was included in the "Share of result of a joint venture" in the consolidated income statement.

22. Financial assets at fair value through other comprehensive income

	2021 HK$'000	2020 HK$'000
Listed securities in Hong Kong	**143,756**	117,648
Unlisted investment, at fair value	**10,434**	11,082
	154,190	128,730

(a) The movements of the financial assets at fair value through other comprehensive income of the Group are analyzed as follows:

	2021 HK$'000	2020 HK$'000
At the beginning of the year	**128,730**	131,570
Changes in exchange rates	**893**	(773)
Additions	**–**	2,111
Change in fair value recognized in other comprehensive income	**24,567**	(4,178)
At the end of the year	**154,190**	128,730

(b) The listed securities in Hong Kong are denominated in Hong Kong dollar, whereas the unlisted investment is denominated in Renminbi. The listed securities in Hong Kong represent the Group's interests in listed companies in Hong Kong. The unlisted investment represents the Group's interest in a PRC company established for investments in various long-term projects in the PRC.

23. Loans and receivables and other deposits

	2021	2020
	HK$'000	HK$'000
Loans to the joint venture partner *(note a)*	**11,891**	10,960
Loans receivable *(note b)*	**9,258**	15,532
Other deposits *(note c)*	**196,257**	181,959
	217,406	208,451
Current portion of loans receivable included in debtors and prepayments *(note 26)*	**(298)**	(556)
Loans and receivables and other deposits	**217,108**	207,895

(a) Loans to the joint venture partner are provided for financing the property project in the PRC and carry interest at prevailing lending rate quoted by the People's Bank of China. The loans and interests accrued thereon will be repaid from the joint venture partner's share of net proceeds upon the sale of properties.

(b) Loans receivable are mortgage loans provided to the independent third parties to purchase the Group's properties in Hong Kong. The mortgage loans are secured by the aforesaid properties.

(c) Other deposits are the deposits paid for acquisition of right-of-use assets in the PRC.

24. Properties for sale

	2021	2020
	HK$'000	HK$'000
Completed properties *(notes d and e)*	**136,510**	110,360
Properties for/under development *(notes a, e and f)*	**541,327**	2,051,870
	677,837	2,162,230

24. Properties for sale (continued)

(a) The movements of the properties for/under development of the Group are analyzed as follows:

	2021 HK$'000	2020 HK$'000
At the beginning of the year	**2,051,870**	1,152,953
Changes in exchange rates	**25,472**	(15,679)
Property development expenditure	**134,259**	907,862
Interest expenses capitalized *(note 10)*	**–**	10,866
Transfer to completed properties	**(1,259,760)**	(4,132)
Reclassified as assets of disposal group classified as held for sale *(note e)*	**(410,514)**	–
At the end of the year	**541,327**	2,051,870

(b) Properties for sale of the Group are located at:

	2021 HK$'000	2020 HK$'000
In Hong Kong	**558,538**	1,654,199
Outside Hong Kong	**119,299**	508,031
	677,837	2,162,230

(c) Properties for sale of HK$504,943,000 (2020: HK$588,273,000) have been pledged as securities for the borrowing facilities granted to the Group (note 34).

(d) During the year ended 31 March 2021, upon the change of intended use, the Group had transferred certain commercial properties in Hong Kong of approximately HK$167,730,000 from properties for sale to investment properties at fair value of HK$175,920,000 (note 16). Fair value gain on transfer of these properties of approximately HK$8,190,000 (2020: nil) and the related taxation of approximately HK$37,000 (2020: nil) (note 12) were recorded respectively.

(e) As at 31 March 2021, completed properties of HK$33,481,000 and properties for/under development of HK$410,514,000 relating to Panyu Disposal were reclassified as assets of disposal group classified as held for sale (note 29).

(f) As at 31 March 2021, properties for/under development amounting to approximately HK$541,327,000 (2020: HK$985,943,000) are expected to be completed after more than twelve months from the balance sheet date.

25. Inventories

	2021 HK$'000	2020 HK$'000
Finished goods and merchandises	**49,795**	49,795

26. Debtors and prepayments

	2021 HK$'000	2020 HK$'000
Trade debtors	**7,819**	11,534
Other debtors and prepayments	**122,431**	116,155
Utility and other deposits	**26,504**	19,431
	156,754	147,120

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

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

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

26. Debtors and prepayments (continued)

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade debtors. Trade debtors are grouped based on shared credit risk characteristics and the days past due as follows:

	2021	2020
	HK$'000	HK$'000
Over 90 days	**6,926**	8,410

The Group determines the provision for expected credit losses by grouping together trade debtors with similar credit risk characteristics and collectively assessing them for likelihood of recovery, taking into account prevailing economic conditions. For trade debtors relating to amounts which are long overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance. During the year ended 31 March 2021, trade debtors of HK$462,000 (2020: nil) had been written off against impairment allowance provision. As at 31 March 2021, trade debtors of HK$744,000 (2020: HK$462,000) were impaired but not yet written off.

Other debtors of the Group include receivables of HK$298,000 (2020: HK$556,000) from the current portion of the mortgage loans provided to the purchasers of the Group's properties in Hong Kong (note 23(b)).

As at 31 March 2021, prepayments of the Group include prepayments of sales commissions of HK$2,541,000 (2020: HK$85,756,000) which represent costs incurred to obtain property sale contracts. The Group has capitalized the amounts which are amortized when the related revenue is recognized. For the year ended 31 March 2021, the prepaid amount recognized to profit or loss was HK$91,126,000 (2020: nil).

Other deposits of the Group include net deposits of HK$19,587,000 (2020: HK$5,158,000) for acquisition of property projects, properties and right-of-use assets after the accumulated provision for impairment of HK$8,459,000 (2020: HK$8,459,000) as at 31 March 2021.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above.

Debtors and prepayments are mainly denominated in Hong Kong dollar, Renminbi and Malaysian Ringgit ("MYR") (2020: including British Pound Sterling ("GBP")). The carrying values of debtors and prepayments approximate their fair values.

27. Financial assets at fair value through profit or loss

	2021	2020
	HK$'000	HK$'000
Listed bonds	**1,219,963**	686,949
Unlisted investments	**101,907**	70,726
	1,321,870	757,675

(a) Listed bonds are denominated in United States dollar, whereas the unlisted investments are denominated in Renminbi and United States dollar.

(b) The unlisted investments represent the Group's interests in various companies with investments in various long-term projects.

(c) Financial assets at fair value through profit or loss of HK$348,843,000 (2020: HK$80,351,000) have been pledged as securities for the borrowing facilities granted to the Group (note 34).

28. Cash and bank balances

	2021	2020
	HK$'000	HK$'000
Cash at bank and in hand	**144,285**	192,227
Short-term deposits	**534,716**	511,567
	679,001	703,794

As at 31 March 2020, cash and bank balances of HK$123,014,000 were restricted and could only be used for the payments of construction costs of certain properties for sales.

The effective interest rates on short-term deposits range from 0.05% to 1.6% (2020: 0.1% to 3.15%) per annum and these deposits have maturities ranging from 7 to 60 days (2020: 1 to 366 days).

28. Cash and bank balances (continued)

Cash and bank balances are denominated in the following currencies:

	2021 HK$'000	2020 HK$'000
Hong Kong dollar	**634,446**	495,001
Renminbi	**28,367**	136,000
United States dollar	**10,515**	21,268
GBP	**181**	46,329
MYR	**5,150**	5,149
Others	**342**	47
	679,001	703,794

Cash and bank balances of approximately HK$28 million (2020: HK$136 million) are held in the PRC and subject to local exchange control regulations. These local exchange control regulations restrict capital remittance from the country, other than through normal dividend distribution.

29. Assets and liabilities of disposal group classified as held for sale

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

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

30. Creditors and accruals

	2021 HK$'000	2020 HK$'000
Trade creditors *(note a)*	**1,141**	618
Other creditors and accrued expenses *(note b)*	**207,673**	198,751
Amounts payable to non-controlling interests *(note c)*	**10,534**	10,490
Provision for the tax indemnity *(note d)*	**–**	7,419
Lease liabilities – current portion *(note 17(b))*	**47**	329
Deposit received for the disposal of subsidiaries *(note e)*	**118,320**	–
Tenant and other deposits	**8,794**	11,841
	346,509	229,448

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

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

(b) Other creditors and accrued expenses of the Group include the construction cost payables and accruals of HK$154,268,000 (2020: HK$138,264,000) for the property and cemetery projects of the Group.

(c) Amounts payable to non-controlling interests are unsecured, interest free and repayable on demand.

(d) In accordance with the terms and conditions of the sale and purchase agreement of the acquisition of the cemetery, the Group has to indemnify the counterparty with the maximum amount of RMB6.8 million (equivalent to approximately HK$7.4 million as at 31 March 2020) for certain PRC tax liabilities arising from the subsequent sales of certain properties by the counterparty for a period of three years from 8 March 2018. The transactions were announced by the Company on 22 January 2017 and 8 March 2018, and published in the circular on 8 March 2017. This provision in 2020 represented the Group's estimated liabilities under this indemnity and since there was no claim from the counterparty up to the maturity date of indemnity, such provision was reversed accordingly in 2021.

30. Creditors and accruals (continued)

(e) Balance represented the deposit received for the Panyu Disposal as mentioned in notes 1 and 29.

(f) Creditors and accruals are mainly denominated in Hong Kong dollar, Renminbi and Malaysian Ringgit (2020: including British Pound Sterling). The carrying values of creditors and accruals approximate their fair values.

31. Sales deposits received

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts.

Sales deposits of HK$1,546,469,000 held as at 1 April 2020 and HK$2,628,000 held as at 1 April 2019 were recognized as sales of properties for the years ended 31 March 2021 and 2020 respectively.

The aggregate amount of the transaction price allocated to the unsatisfied performance obligations resulting from property sales for contracts with an original expected duration of one year or more is as follows:

	2021 **HK$'000**	2020 HK$'000
Expected to be recognized within one year	**61,370**	1,666,564
Expected to be recognized after one year	**4,763**	4,390
	66,133	1,670,954

32. Share capital

	2021 **HK$'000**	2020 HK$'000
Authorized:		
18,000,000,000 shares of HK$0.05 each	**900,000**	900,000

	Number of shares	**Amount** HK$'000
Issued and fully paid at HK$0.05 each:		
At 1 April 2019, 31 March 2020 and 2021	**2,348,835,316**	**117,442**

All new shares rank pari passu with the existing shares.

32. Share capital (continued)

The Company has adopted a share option scheme (the "Scheme") pursuant to the annual general meeting of the Company held on 31 August 2012, which is valid and effective for a term of ten years from the date of its adoption. Under the Scheme, the Directors may grant options to the eligible persons as defined in the Scheme, inter alia, any Directors, employees or business consultants of the Company and its subsidiaries, to subscribe for shares in the Company under the terms and conditions stipulated therein. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company as at the adoption date which is 31 August 2012. No options have been granted under the Scheme since its adoption.

33. Reserves

	Share premium HK$'000	Capital reserve on consolidation HK$'000	Capital reserve HK$'000	Statutory reserve HK$'000	Investment revaluation reserve HK$'000	Property, plant and equipment revaluation reserve HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2019	1,679,691	97,703	457,792	37,993	15,244	11,876	44,808	1,790,324	4,135,431
Loss for the year	–	–	–	–	–	–	–	(192,355)	(192,355)
Net exchange differences	–	–	–	–	–	–	(226,502)	–	(226,502)
Share of exchange reserve of a joint venture	–	–	–	–	–	–	(13,207)	–	(13,207)
Change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	(4,178)	–	–	–	(4,178)
2019 final dividend paid	–	–	–	–	–	–	–	(46,977)	(46,977)
At 31 March 2020	1,679,691	97,703	457,792	37,993	11,066	11,876	(194,901)	1,550,992	3,652,212
Profit for the year	–	–	–	–	–	–	–	419,039	419,039
Net exchange differences	–	–	–	–	–	–	247,781	–	247,781
Share of exchange reserve of a joint venture	–	–	–	–	–	–	16,657	–	16,657
Realization of exchange reserve upon disposal of a subsidiary *(note 39(d))*	–	–	–	–	–	–	(22,712)	–	(22,712)
Change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	24,567	–	–	–	24,567
Transfer to statutory reserve	–	–	–	19,474	–	–	–	(19,474)	–
2021 interim dividend paid	–	–	–	–	–	–	–	(35,233)	(35,233)
At 31 March 2021	**1,679,691**	**97,703**	**457,792**	**57,467**	**35,633**	**11,876**	**46,825**	**1,915,324**	**4,302,311**

Statutory reserve represents enterprise expansion fund and general reserve fund set aside by subsidiaries in accordance with the relevant laws and regulations in the PRC.

34. Borrowings

	2021 HK$'000	2020 HK$'000
Unsecured bank borrowings		
Short-term bank borrowing	**62,208**	–
Long-term bank borrowings	**1,088,565**	1,048,000
	1,150,773	1,048,000
Secured bank borrowings		
Short-term bank borrowings	**348,844**	80,351
Long-term bank borrowings	**316,725**	772,624
	665,569	852,975
Total bank borrowings	**1,816,342**	1,900,975

The total bank borrowings are analyzed as follows:

	2021 HK$'000	2020 HK$'000
Short-term bank borrowings	**411,052**	80,351
Long-term bank borrowings	**1,405,290**	1,820,624
	1,816,342	1,900,975

The long-term bank borrowings are analyzed as follows:

	2021 HK$'000	2020 HK$'000
Long-term bank borrowings	**1,405,290**	1,820,624
Current portion included in current liabilities		
Portion due within one year	**(572,196)**	(121,480)
Portion due after one year which contains a repayment on demand clause	**(128,361)**	(392,872)
	(700,557)	(514,352)
	704,733	1,306,272

34. Borrowings (continued)

The bank borrowings of the Group are secured by certain assets including investment properties, properties for sale and financial assets at fair value through profit or loss, with an aggregate carrying value of HK$1,191,355,000 (2020: HK$1,927,224,000). Bank borrowings of HK$316,725,000 (2020: HK$772,624,000) are also secured by the assignment of rental income from the investment properties and other properties of the Group. As at 31 March 2021, bank borrowings of HK$665,569,000 (2020: HK$852,975,000) are guaranteed by the Company, HK$475,773,000 (2020: HK$288,000,000) are guaranteed by CCIL, and HK$675,000,000 (2020: HK$760,000,000) are guaranteed by both the Company and CCIL.

The bank borrowings are repayable in the following periods based on the agreed scheduled repayment dates set out in the loan agreements:

	2021 **HK$'000**	2020 HK$'000
Within the first year	**983,248**	201,831
Within the second year	**153,629**	1,000,272
Within the third to fifth years	**679,465**	698,872
	1,816,342	1,900,975

The effective interest rates of the bank borrowings at the balance sheet date range from 1.12% to 3.11% (2020: 1.58% to 4.57%) per annum. The fair values of the bank borrowings, based on the cash flows discounted at the borrowing rates of 1.12% to 3.11% (2020: 1.58% to 4.57%) per annum, approximate their carrying values and are within level 2 of the fair value hierarchy. The exposure of the bank borrowings to interest rate changes and the contractual repricing dates are 6 months or less.

The bank borrowings are denominated in the following currencies:

	2021 **HK$'000**	2020 HK$'000
Hong Kong dollar	**856,992**	1,271,414
United States dollar	**824,617**	38,929
GBP	**–**	461,760
MYR	**134,733**	128,872
	1,816,342	1,900,975

35. Deferred taxation

	2021 **HK$'000**	2020 HK$'000
Deferred taxation assets	**–**	1,554
Deferred taxation liabilities	**(367,188)**	(445,746)
	(367,188)	(444,192)

The net movements of the deferred taxation of the Group are as follows:

	HK$'000
At 1 April 2019	(468,181)
Changes in exchange rates	29,102
Charged to the consolidated income statement *(note 12)*	(5,113)
At 31 March 2020	(444,192)
Changes in exchange rates	(33,181)
Credited to the consolidated income statement *(note 12)*	32,683
Disposal of a subsidiary *(note 39(d))*	8,289
Reclassified as liabilities of disposal group classified as held for sale *(note 29)*	69,213
At 31 March 2021	**(367,188)**

35. Deferred taxation (continued)

The movements in deferred taxation assets and liabilities of the Group (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

	Deferred taxation liabilities					Deferred taxation assets
	Fair value gains HK$'000	Revaluation of investment properties HK$'000	Revaluation of financial assets at fair value through profit or loss HK$'000	Accelerated tax depreciation HK$'000	Total HK$'000	Tax losses HK$'000
At 1 April 2019	(273,408)	(188,514)	(109)	(8,803)	(470,834)	2,653
Changes in exchange rates	15,914	12,729	18	428	29,089	13
Credited/(charged) to the consolidated income statement	1,413	(5,651)	(421)	(6,052)	(10,711)	5,598
At 31 March 2020	(256,081)	(181,436)	(512)	(14,427)	(452,456)	8,264
Changes in exchange rates	(19,057)	(13,742)	(176)	(206)	(33,181)	–
Credited/(charged) to the consolidated income statement	1,670	37,126	(4,193)	1,640	36,243	(3,560)
Disposal of a subsidiary *(note 39(d))*	–	–	–	8,289	8,289	–
Reclassified as liabilities of disposal group classified as held for sale	41,774	27,439	–	–	69,213	–
At 31 March 2021	**(231,694)**	**(130,613)**	**(4,881)**	**(4,704)**	**(371,892)**	**4,704**

Deferred taxation liabilities for the fair value gains represent the deferred taxation on the differences between the carrying values of the properties and other assets as included in the consolidated financial statements and the carrying values of these properties and other assets as included in the financial statements of the relevant subsidiaries. The values were based on the date of acquisition of those subsidiaries by the Group.

Deferred taxation liabilities have been provided in full on temporary differences under the liability method using the applicable tax rates prevailing in the countries in which the Group operates and are expected to be settled after more than twelve months from the balance sheet date.

Deferred taxation assets of HK$181.8 million (2020: HK$208.9 million) arising from unused tax losses of HK$1,082.6 million (2020: HK$1,245.2 million) (excluding those from disposal group classified as held for sale for 2021) have not been recognized in the consolidated financial statements. These tax losses either have no expiry dates or will expire within five years for those from the PRC.

In 2020, deferred taxation liabilities of HK$6.1 million arising from withholding tax on the unremitted earnings of certain PRC subsidiaries had not been recognized in the consolidated financial statements as these earnings were expected to be reinvested.

36. Loans and payables with non-controlling interests

Loans and payables with non-controlling interests of the Group are unsecured, interest free and not repayable within the next twelve months from the balance sheet date. The balances are denominated in Hong Kong dollar, Renminbi and Euro.

37. Commitments

(a) Capital commitments

	2021 **HK$'000**	2020 HK$'000
Contracted but not provided for in respect of property projects and properties	**46,356**	101,790

(b) Operating lease rental receivable

The future aggregate minimum lease rental income under non-cancellable operating leases in respect of properties is receivable in the following periods:

	2021 **HK$'000**	2020 HK$'000
Within the first year	**20,643**	44,098
In the second year	**14,382**	35,184
In the third year	**6,051**	19,062
In the fourth year	**135**	13,541
In the fifth year	**–**	8,820
After the fifth year	**–**	1,366
	41,211	122,071

The Group leases properties under various agreements (excluding those from disposal group classified as held for sale for 2021) which will be terminated between 2021 and 2024 (2020: 2020 and 2027).

38. Financial guarantees

	2021 **HK$'000**	2020 HK$'000
Guarantees for mortgage loans to purchasers of properties of the Group in the PRC *(note)*	**15,159**	32,428

Note: *The financial guarantees provided by the Group represented the guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the PRC. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees will be terminated upon the earlier of (i) the issuance of the property ownership certificates which is generally available within six months to one year after the purchasers take possession of the relevant properties; or (ii) the satisfaction of mortgage loans by the purchasers of properties. Since the Group is able to retain the purchasers' deposits and sell the properties to recover any amounts paid by the Group to the banks, the estimated net amounts required to be settled by the Group and the fair value of the financial guarantees as calculated are not material and hence not recognized in the consolidated financial statements.*

39. Note to the consolidated cash flow statement

(a) Reconciliation of operating profit/(loss) to cash (used in)/ from operations

	2021 HK$'000	2020 HK$'000
Operating profit/(loss)	**447,042**	(96,008)
Interest income from bank deposits	**(4,089)**	(10,984)
Dividend income from financial assets at fair value through other comprehensive income	**(7,469)**	(3,647)
Net loss on disposal of investment properties	**1,315**	2,127
Net loss/(gain) on disposal of property, plant and equipment	**302**	(78)
Fair value gain on transfer of properties from properties for sale to investment properties	**(8,190)**	–
Loss on disposal of a subsidiary	**9,280**	–
Change in fair value of investment properties	**135,955**	25,793
Reversal of provision for impairment of other deposits	**–**	(2,813)
Depreciation of property, plant and equipment	**15,595**	21,774
Depreciation of right-of-use assets	**419**	3,552
Provision for impairment of trade debtors	**744**	462
Operating profit/(loss) before working capital changes	**590,904**	(59,822)
Decrease/(increase) in loans and receivables and other deposits	**7,149**	(14,315)
Decrease/(increase) in properties for/under development and properties for sale	**905,523**	(885,215)
Decrease in cemetery assets	**6,534**	8,131
Decrease in inventories	**–**	2,070
Increase in debtors and prepayments	**(21,328)**	(67,387)
Increase in financial assets at fair value through profit or loss	**(559,075)**	(81,869)
Increase in creditors and accruals	**115,684**	26,476
(Decrease)/increase in sales deposits received	**(1,541,974)**	1,209,583
Cash (used in)/from operations	**(496,583)**	137,652

39. Note to the consolidated cash flow statement (continued)

(b) Reconciliation of liabilities arising from financing activities

	Bank borrowings		Loans and payables with non-controlling interests			
	Non-current HK$'000	Current HK$'000	Non-current HK$'000	Current HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2019	986,178	1,095,158	24,879	10,594	–	2,116,809
Cash inflows	581,992	198,477	17,892	–	–	798,361
Cash outflows	(130,705)	(789,636)	(12,799)	–	(3,574)	(936,714)
Non-cash changes:						
Exchange difference	(33,315)	(7,174)	389	(104)	(7)	(40,211)
Adoption of HKFRS 16	–	–	–	–	3,845	3,845
Interest expenses of lease liabilities *(note 10)*	–	–	–	–	71	71
Acquisition of subsidiaries *(note 20)*	–	–	17,111	–	–	17,111
Reclassifications	(97,878)	97,878	–	–	–	–
At 31 March 2020	1,306,272	594,703	47,472	10,490	335	1,959,272
Cash inflows	–	471,836	–	–	–	471,836
Cash outflows	(484,848)	(116,359)	–	–	(368)	(601,575)
Non-cash changes:						
Exchange difference	36,503	8,235	216	44	11	45,009
New leases	–	–	–	–	66	66
Interest expenses of lease liabilities *(note 10)*	–	–	–	–	3	3
Reclassifications	(153,194)	153,194	–	–	–	–
At 31 March 2021	**704,733**	**1,111,609**	**47,688**	**10,534**	**47**	**1,874,611**

(c) Analysis of cash and cash equivalents

	2021 HK$'000	2020 HK$'000
Cash and bank balances	**679,001**	703,794
Bank deposits maturing more than three months from date of placement	**–**	(502)
Cash and cash equivalents	**679,001**	703,292

39. Note to the consolidated cash flow statement (continued)

(d) Disposal of a subsidiary

	2021 HK$'000
Consideration	971,453
Less: Transaction costs and related expenses	(8,289)
Net proceeds	963,164
Details of net assets at the date of disposal:	
Investment property	999,740
Debtors and prepayments	12,162
Creditors and accruals	(6,928)
Taxation payable	(1,529)
Deferred taxation liabilities	(8,289)
Net assets disposed of	995,156
Realization of exchange reserve upon disposal	(22,712)
Loss on disposal of a subsidiary *(note 7)*	(9,280)
	963,164
Analysis of loss on the disposal of a subsidiary:	
Loss on disposal of subsidiaries *(note 7)*	(9,280)
Analysis of net cash inflow in respect of the disposal:	
Net consideration received	963,164
Less: Repayment of bank borrowings	(495,317)
Net cash inflow from the disposal	467,847
Represented by:	
Net proceeds from disposal of a subsidiary included in cash flows from investing activities	963,164
Repayment of bank borrowings included in cash flows from financing activities	(495,317)
	467,847

40. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board on 29 June 2021.

41. Balance sheet and reserves movement of the Company

Balance sheet of the Company

As at 31 March 2021

	Note	**2021 HK$'000**	2020 HK$'000
Non-current assets			
Subsidiaries		**65,036**	65,036
Loan receivable from a subsidiary		**113,803**	42,167
		178,839	107,203
Current assets			
Debtors and prepayments		**14,652**	478
Amounts due from subsidiaries		**3,575,848**	3,671,572
Cash and bank balances		**625,409**	334,347
		4,215,909	4,006,397
Current liabilities			
Creditors and accruals		**1,194**	860
Short-term bank borrowing		**62,208**	–
Current portion of long-term bank borrowings		**413,566**	288,000
Amount due to a subsidiary		**13,608**	–
		490,576	288,860
Net current assets		**3,725,333**	3,717,537
Net assets		**3,904,172**	3,824,740
Equity			
Share capital	32	**117,442**	117,442
Reserves	a	**3,786,730**	3,707,298
Total equity		**3,904,172**	3,824,740

The balance sheet of the Company was approved by the Board on 29 June 2021 and was signed on its behalf by:

Albert Chuang Ka Pun
Director

Ann Li Mee Sum
Director

41. Balance sheet and reserves movement of the Company (continued)

(a) Reserves movement of the Company

	Share premium HK$'000	Capital reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2019	1,679,691	457,792	1,629,736	3,767,219
Loss for the year	–	–	(12,944)	(12,944)
2019 final dividend paid	–	–	(46,977)	(46,977)
At 31 March 2020	1,679,691	457,792	1,569,815	3,707,298
Profit for the year	–	–	114,665	114,665
2021 interim dividend paid	–	–	(35,233)	(35,233)
At 31 March 2021	**1,679,691**	**457,792**	**1,649,247**	**3,786,730**

Total distributable reserves of the Company amounted to HK$1,649,247,000 (2020: HK$1,569,815,000) as at 31 March 2021.

42. Principal subsidiaries

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group 2021	2020	Principal activities
Anshan Chuang's Property Development Company Limited *(note ii)*	PRC	RMB370,000,000	**100.0%**	100.0%	Property development and investment
Anshan Chuang's Real Estate Development Company Limited *(note ii)*	PRC	RMB210,000,000	**100.0%**	100.0%	Property development and investment
Chengdu Chuang's Investment Services Limited *(note ii)*	PRC	HK$80,000,000	**100.0%**	100.0%	Property development and investment
China Art Exchange Limited	Hong Kong	HK$1,000,000 with 10,000,000 shares	**100.0%**	100.0%	Trading of merchandises
China Cyberworld Limited *(note i)*	Hong Kong	HK$2 with 2 shares	**100.0%**	100.0%	Property development and investment
Chinaculture.com Limited *(note i)*	British Virgin Islands/ Hong Kong	US$1 with 1 share	**100.0%**	100.0%	Investment holding
Chuang's China Capital Limited	Hong Kong	HK$1 with 1 share	**100.0%**	100.0%	Investment holding, securities investment and trading
Chuang's China Italia Plaza Limited	Hong Kong	HK$2 with 2 shares	**100.0%**	100.0%	Investment holding and money lending
Chuang's China Realty Limited *(note i)*	Bermuda/ Hong Kong	HK$100,000 with 2,000,000 shares	**100.0%**	100.0%	Investment holding
Chuang's China Technology Limited *(note i)*	Hong Kong	HK$117,622,779 with 458,310,965 shares	**100.0%**	100.0%	Investment holding, securities investment and trading

42. Principal subsidiaries (continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group 2021	2020	Principal activities
Chuang's China Treasury Limited *(note i)*	Cayman Islands/ Hong Kong	US$1 with 1 share	**100.0%**	100.0%	Investment holding
Chuang's Properties (Central Plaza) Sdn. Bhd.	Malaysia	MYR5,000,000 with 5,000,000 shares	**100.0%**	100.0%	Property investment
Dongguan Midas Printing Company Limited *(note ii)*	PRC	RMB126,734,400	**100.0%**	100.0%	Property investment
Double Wealthy Company Limited *(note 29)*	Hong Kong	HK$160 with 160 shares	**100.0%**	100.0%	Investment holding
Dragon Rich Investments Limited	Hong Kong	HK$100 with 100 shares	**85.0%**	85.0%	Investment holding
Fortune Wealth Memorial Park (Si Hui) Limited *(note iii)*	PRC	HK$183,760,000	**86.0%**	86.0%	Development and construction of cemetery and provision of related management services in the PRC
Gold Capital Profits Limited	British Virgin Islands/ Hong Kong	US$171 with 171 shares	**85.4%**	85.4%	Investment holding
Gold Prosperity Limited	Hong Kong	HK$1 with 1 share	**100.0%**	–	Property investment
Guangzhou Heng Yang Investment Services Limited *(note ii)*	PRC	RMB1,000,000	**100.0%**	100.0%	Investment holding

42. Principal subsidiaries (continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group 2021	2020	Principal activities
Guangzhou Panyu Chuang's Real Estate Development Company Limited *(note ii and note 29)*	PRC	RMB450,000,000 (2020: RMB300,000,000)	**100.0%**	100.0%	Property development and investment
Hunan Han Ye Real Estate Development Company Limited *(note iv)*	PRC	RMB25,000,000	**69.2%**	69.2%	Property development and investment
MD Limited	Hong Kong	HK$1,000,000 with 1,000,000 shares	**100.0%**	100.0%	Securities investment and trading
Noble Century Investment Limited	Hong Kong	HK$6,750,000 with 2,000,000 shares	**76.9%**	76.9%	Investment holding
Noble Title Limited *(note 39(d))*	British Virgin Islands/ United Kingdom	US$1 with 1 share	**–**	100.0%	Property investment
Rich Joint Limited	Hong Kong	HK$1 with 1 share	**100.0%**	100.0%	Securities investment and trading
Star Value Investments Limited	Hong Kong	HK$1 with 1 share	**100.0%**	100.0%	Property development and investment
Versilcraft Holdings Limited	British Virgin Islands/ Hong Kong	US$300 with 300 shares	**66.7%**	66.7%	Manufacture of yacht
Versilcraft International Limited	Hong Kong	HK$1 with 1 share	**66.7%**	66.7%	Manufacture of yacht

Notes:

(i) Directly held by the Company
(ii) Wholly foreign owned enterprise
(iii) Sino-foreign cooperative joint venture enterprise
(iv) Sino-foreign equity joint venture enterprise

The following list contains only properties held by the Group as at 31 March 2021 which are material to the Group as the Directors are of the opinion that a complete list will be of excessive length.

1. Investment properties

Location	Term	Usage	Group's interest
The People's Republic of China (the "PRC")			
Chuang's Mid-town, Anshan, Liaoning – Commercial podium	Medium lease	Commercial	100.0%
– Twin tower (Block AB and C)	Medium lease	Residential/Serviced apartments/Offices	100.0%
Hotel and resort villas, Xiamen, Fujian	Medium lease	Resort and villa	59.5%
Chuang's Le Papillon, Guangzhou, Guangdong			100.0% (Disposed in May 2021)
– Block P (17 villas)	Medium lease	Residential	
– Commercial properties	Medium lease	Commercial	
Industrial property, Xiaobian Village, No. 64 Dezheng Middle Road, Changan, Dongguan, Guangdong	Medium lease	Industrial	100.0%
Commercial property, Shatian, Dongguan, Guangdong	Medium lease	Commercial	100.0%
Hong Kong			
The Esplanade Place, Yip Wong Road, Tuen Mun Town Lot No. 514, Tuen Mun, New Territories	Medium lease	Commercial/ Carparking spaces	100.0%
Malaysia			
Wisma Chuang, No. 34 Jalan Sultan Ismail, 50250 Kuala Lumpur, Lot No. 1262, Section 57, Kuala Lumpur, Federal Territory	Freehold	Commercial/Offices/ Carparking spaces	100.0%

2. Property projects

Location	Stage of completion	Expected completion date	Usage	Site area	Gross floor area	Group's interest
The PRC				*(sq. m.)*		
Chuang's Le Papillon, Guangzhou, Guangdong						100.0% (Disposed in May 2021)
– Phase I and II: Block A to N	Completed	Completed	Residential/ Commercial	119,721	385 carparking spaces	
– Phase III:				92,000		
Stage 1	Foundation works completed	N/A	Residential		50,190	
			Kindergarten/ Public utilities		5,775	
Stage 2	Foundation works completed	N/A	Residential		29,623	
Stage 3	Preparation works	N/A	Residential/ Commercial		89,423	
Chuang's Plaza, Anshan, Liaoning	Master planning in progress	N/A	Comprehensive development area	39,449	Pending	100.0%
Beverly Hills (also known as Ju Hao Shan Zhuang), Changsha, Hunan	Completed	Completed	Residential	95,948	5,505	69.2%
	Superstructure works completed	N/A	Commercial/Hotel		11,600	69.2%
Hong Kong				*(sq. ft.)*		
The Esplanade, Yip Wong Road, Tuen Mun Town Lot No. 514, Tuen Mun, New Territories	Completed	Completed	Residential	26,135	Saleable area: 3,080 (and 27 residential carparking spaces)	100.0%
Nos. 6–8 Ping Lan Street and Nos. 26–32 Main Street, Ap Lei Chau A.I.L. No. 46	Foundation work in progress	2024	Residential/ Commercial	4,320	39,767	100.0%

Summary of Financial Information

Results

	2017 HK$'000	2018 HK$'000	2019 HK$'000	2020 HK$'000	**2021 HK$'000**
Revenues *(note i)*	491,338	174,284	199,816	177,523	**1,779,654**
Profit/(loss) attributable to equity holders	1,451,977	279,882	167,842	(192,355)	**419,039**
Earnings/(loss) per share (HK cents)	61.57	11.89	7.15	(8.19)	**17.84**
Dividend per share (HK cents)					
Interim	1.50	1.50	1.50	–	**1.50**
Final	2.00	2.00	2.00	–	**1.50**
Special	2.00	–	–	–	**–**
Total	5.50	3.50	3.50	–	**3.00**

Assets and Liabilities

	2017 HK$'000	2018 HK$'000	2019 HK$'000	2020 HK$'000	**2021 HK$'000**
Non-current assets	2,449,630	3,862,723	3,947,485	3,766,338	**2,871,343**
Current assets	4,011,090	3,239,411	3,804,034	4,544,601	**4,433,972**
Total assets	6,460,720	7,102,134	7,751,519	8,310,939	**7,305,315**
Total liabilities	(2,284,531)	(2,578,712)	(3,384,556)	(4,433,966)	**(2,761,991)**
Non-controlling interests	(105,110)	(121,127)	(114,090)	(107,319)	**(123,571)**
Shareholders' funds	4,071,079	4,402,295	4,252,873	3,769,654	**4,419,753**

Net Debt to Equity Ratio

	2017 HK$'M	2018 HK$'M	2019 HK$'M	2020 HK$'M	**2021 HK$'M**
Cash and bank balances and investments held for trading *(note ii)*	1,849.8	1,210.1	1,599.2	1,461.5	**1,899.0**
Bank borrowings	1,406.2	1,632.5	2,081.3	1,901.0	**1,816.3**
Net debt to equity ratio (%)	N/A	9.6	11.3	11.7	**N/A**

Notes:

(i) The 2018 revenues had been reclassified to conform with the 2019's presentation and the figures prior to 2018 had not been amended.

(ii) Amount of investments held for trading in 2021 included bonds investments only.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of Chuang's China Investments Limited (the "Company") will be held at Concentric, Shop 202, 2/F., Chater House, 8 Connaught Road, Central, Hong Kong on Friday, 10 September 2021 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and the auditor for the year ended 31 March 2021.

2. To declare a final dividend.

3. (a) To re-elect Mr. Albert Chuang Ka Pun as an executive Director.

   (b) To re-elect Miss Ann Li Mee Sum as an executive Director.

   (c) To re-elect Mr. Geoffrey Chuang Ka Kam as an executive Director.

   (d) To authorize the board of Directors to fix the remuneration of the Directors.

4. To re-appoint PricewaterhouseCoopers as the auditor and to authorize the board of Directors to fix its remuneration.

5. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

Ordinary Resolutions

(A) "**THAT**:

(a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of HK$0.05 each (the "Shares") in the capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate number of Shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the number of issued Shares of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution, "**Relevant Period**" means the period from the date of the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or

(iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution."

(B) "**THAT**:

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares in the capital of the Company and to make or grant offers, agreements, options and other rights, or issue warrants and other securities, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and other rights, and issue warrants and other securities, which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of Shares allotted or to be allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of:

(i) a Rights Issue (as defined below); or

(ii) the exercise of any option under any option scheme of the Company; or

(iii) an issue of Shares upon exercise of the subscription or conversion rights attaching to or under the terms of any warrants of the Company; or

(iv) any scrip dividend or similar arrangement in accordance with the Bye-laws of the Company; or

(v) a specific authority granted by the shareholders of the Company in general meeting,

shall not in aggregate exceed 20 per cent. of the number of issued Shares of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

"**Relevant Period**" means the period from the date of the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or

(iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution; and

"**Rights Issue**" means an offer of Shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors of the Company, to holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to be offered to them) on a fixed record date in proportion to their then holdings of Shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong."

(C) "**THAT** subject to the passing of Resolutions numbered 5(A) and 5(B), the general mandate granted to the Directors of the Company to allot, issue and deal with unissued Shares in the capital of the Company pursuant to Resolution numbered 5(B) be and is hereby extended by the addition thereto of the number of Shares of the Company repurchased by the Company under the authority granted pursuant to the general mandate to repurchase Shares (as referred to in Resolution numbered 5(A) set out in the notice convening this meeting), provided that such amount of securities so repurchased shall not exceed 10 per cent. of the number of the issued Shares of the Company at the date of the ordinary resolution approving the said general mandate to repurchase Shares."

6. To transact any other business.

By order of the Board of
Chuang's China Investments Limited
Lee Wai Ching
Company Secretary

Hong Kong, 27 July 2021

Notes:

1. Any member entitled to attend and vote at the annual general meeting of the Company (the "AGM") is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.

2. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company's share registrar in Hong Kong, Tricor Progressive Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.

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

4. The board of Directors has recommended a final dividend of 1.5 HK cents per share.

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

6. Concerning Resolutions numbered 3 and 5 above, the information necessary to enable the shareholders to make decisions on whether to vote for or against the Resolutions, as required by the Listing Rules, will be set out in a separate document from the Company to be enclosed with the 2021 Annual Report.

7. To safeguard the health and safety of attending shareholders and proxies and to reduce the risk of Covid-19 spreading, the following precautionary measures will be taken at the meeting of the Company:

   (i) compulsory body temperature check;

   (ii) mandatory wearing of surgical face mask (please bring your own);

   (iii) no refreshments will be served;

   (iv) no entry will be allowed to any person who is subject to mandatory quarantine order imposed by the HKSAR Government and any person who does not comply with the precautionary measures may be denied entry into the meeting venue; and

   (v) in order to ensure appropriate social distancing, attendees will be assigned seats in partitioned areas at the meeting venue, if appropriate.

   Shareholders are strongly encouraged to appoint the Chairman of the meeting of the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the meeting of the Company in person.

   Subject to the development of Covid-19, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as appropriate.

Chuang's China
Investments Limited

(Incorporated in Bermuda with limited liability)
Stock Code: 298

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www.chuangs-china.com