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## WANG ON PROPERTIES LIMITED

宏安地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1243)

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

ANNUAL FINANCIAL HIGHLIGHTS			
	For the year ended 31 March 2022 <i>HK\$ million</i>	For the year ended 31 March 2021 <i>HK\$ million</i> (Restated)	Change
Revenue	39	340	-89%
Gross profit	16	178	-91%
Profit attributable to owners of the parent	285	467	-39%
Earnings per share ( <i>HK cents</i> )			
Basic and diluted	1.88	3.07	-39%
Dividend per share ( <i>HK cent</i> )			
Final	0.75	0.74	+1%
	As at 31 March 2022 <i>HK\$ million</i>	As at 31 March 2021 <i>HK\$ million</i>	Change
Net asset value	5,184	5,034	+3%
Net asset value per share ( <i>HK\$</i> )	0.341	0.331	+3%

## RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Wang On Properties Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2022, together with the comparative figures which have been restated to reflect the change of segment composition for the previous financial year, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Year ended 31 March 2022*

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
<b>REVENUE</b>	4	<b>38,857</b>	339,514
Cost of sales		<u>(23,319)</u>	<u>(161,969)</u>
Gross profit		<b>15,538</b>	177,545
Other income and gains, net	4	<b>125,405</b>	104,334
Selling and distribution expenses		<b>(25,621)</b>	(64,228)
Administrative expenses		<b>(114,714)</b>	(92,828)
Other expenses		<b>(37,903)</b>	—
Reversal of impairment losses/(impairment losses) on financial assets		<b>(637)</b>	6,171
Finance costs	6	<b>(71,210)</b>	(77,473)
Fair value gains/(losses) on investment properties, net		<b>3,749</b>	(64,441)
Fair value losses on financial assets and liabilities at fair value through profit or loss, net		<b>(47,486)</b>	(17,902)
Write-down of properties held for sale		—	(80,000)
Share of profits and losses of joint ventures		<u><b>430,630</b></u>	<u>585,783</u>
<b>PROFIT BEFORE TAX</b>	5	<b>277,751</b>	476,961
Income tax credit/(expenses)	7	<u><b>7,161</b></u>	<u>(8,784)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>284,912</b></u>	<u>468,177</u>

	<i>Note</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>OTHER COMPREHENSIVE LOSS</b>			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Debt investments at fair value through other comprehensive income:			
Changes in fair value		<b>(60,840)</b>	3,007
Reclassification adjustments for losses/(gains) included in profit or loss			
— loss/(gain) on disposal/redemption, net		<b>37,903</b>	(4,509)
— impairment losses, /(reversal of impairment losses), net		<b>85</b>	(6,051)
		<hr/>	<hr/>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		<b>(22,852)</b>	(7,553)
		<hr/>	<hr/>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>			
		<b>(22,852)</b>	(7,553)
		<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			
		<b>262,060</b>	460,624
		<hr/> <hr/>	<hr/> <hr/>
Profit attributable to:			
Owners of the parent		<b>285,079</b>	466,745
Non-controlling interests		<b>(167)</b>	1,432
		<hr/>	<hr/>
		<b>284,912</b>	468,177
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income attributable to:			
Owners of the parent		<b>262,227</b>	459,192
Non-controlling interests		<b>(167)</b>	1,432
		<hr/>	<hr/>
		<b>262,060</b>	460,624
		<hr/> <hr/>	<hr/> <hr/>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	9	<b>HK1.88 cents</b>	HK3.07 cents
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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2022

	<i>Note</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>101,842</b>	102,484
Investment properties		<b>135,100</b>	571,200
Properties under development		<b>1,752,244</b>	1,594,960
Interests in joint ventures		<b>2,684,573</b>	2,207,545
Loan and interest receivables		<b>11,177</b>	24,531
Deposits and other receivables		<b>141,501</b>	285,367
Debt investments at fair value through other comprehensive income		<b>56,318</b>	108,898
Financial assets at fair value through profit or loss		<b>48,794</b>	42,565
Deferred tax assets		<b>8,788</b>	—
		<hr/>	<hr/>
Total non-current assets		<b>4,940,337</b>	4,937,550
<b>CURRENT ASSETS</b>			
Properties under development		<b>3,186,335</b>	3,326,177
Properties held for sale		<b>605,436</b>	605,436
Trade receivables	<i>10</i>	<b>10,086</b>	—
Loan and interest receivables		<b>15,320</b>	31,940
Prepayments, other receivables and other assets		<b>364,361</b>	250,108
Cost of obtaining contracts		<b>10,073</b>	1,241
Tax recoverable		<b>3,613</b>	4,400
Debt investments at fair value through other comprehensive income		<b>89,426</b>	207,070
Financial assets at fair value through profit or loss		<b>55,385</b>	12,648
Cash and cash equivalents		<b>831,460</b>	826,503
		<hr/>	<hr/>
		<b>5,171,495</b>	5,265,523
Assets of a disposal company		<b>493,814</b>	—
		<hr/>	<hr/>
Total current assets		<b>5,665,309</b>	5,265,523

	<i>Note</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>11</i>	<b>20,181</b>	29,278
Other payables and accruals		<b>95,200</b>	91,998
Financial liabilities at fair value through profit or loss		—	5,356
Contract liabilities		<b>507,743</b>	1,510
Interest-bearing bank and other borrowings		<b>1,929,380</b>	1,953,857
Tax payable		<b>1,527</b>	126,509
		<b>2,554,031</b>	2,208,508
Liabilities of a disposal company		<b>221,673</b>	—
Total current liabilities		<b>2,775,704</b>	2,208,508
<b>NET CURRENT ASSETS</b>		<b>2,889,605</b>	3,057,015
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>7,829,942</b>	7,994,565
<b>NON-CURRENT LIABILITIES</b>			
Other payables		<b>9,510</b>	1,480
Financial liabilities at fair value through profit or loss		—	12,874
Interest-bearing bank and other borrowings		<b>2,636,074</b>	2,945,349
Deferred tax liabilities		<b>482</b>	566
Total non-current liabilities		<b>2,646,066</b>	2,960,269
Net assets		<b>5,183,876</b>	5,034,296
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital		<b>15,200</b>	15,200
Reserves		<b>5,157,564</b>	5,007,817
		<b>5,172,764</b>	5,023,017
<b>Non-controlling interests</b>		<b>11,112</b>	11,279
Total equity		<b>5,183,876</b>	5,034,296

## NOTES TO FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

These financial information have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, debt investments at fair value through other comprehensive income and financial assets and financial liabilities at fair value through profit or loss, which have been measured at fair value. These financial information are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform — Phase 2</i>
Amendment to HKFRS 16	<i>COVID-19-Related Rent Concessions beyond 30 June 2021</i>

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“**RFR**”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the

previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars based on the Hong Kong Interbank Offered Rate (“**HIBOR**”) as at 31 March 2022. The Group also had interest rate swaps whereby the Group pays interest at fixed rates and receives interest at variable rates based on HIBOR on the notional amounts. The Group expects that HIBOR will continue to exist and the interest rate benchmark reform has not had an impact on the Group's HIBOR-based borrowings and interest rate swaps.

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. However, the Group has not received covid-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

### 3. OPERATING SEGMENT INFORMATION

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

- (a) the property development segment engages in the development of properties;
- (b) the property investment segment engages in investment in commercial premises for rental or for sale; and
- (c) asset management segment earns fee income for managing assets on behalf of the Group's capital partners via investment vehicles.

The provision of asset management services has been one of the businesses of the Group for years. During the years, the board of directors of the Company has resolved that additional resources would continuously be deployed to such business and accordingly, the provision of asset management services is redesignated by the board of directors as one of the principal businesses of the Group. The results of the provision of asset management services are also separately reviewed and evaluated for management reporting purposes. Accordingly, the presentation of segment information for the year ended 31 March 2021 has been restated to reflect this change of segment composition.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, dividend income, gain/loss on disposal of financial assets and financial liabilities, impairment losses/reversal of impairment losses on financial assets, finance costs, head office and corporate expenses are excluded from such measurement.

The Group's revenue from external customers was derived solely from its operations in Hong Kong during the years ended 31 March 2022 and 2021, and the non-current assets of the Group were located in Hong Kong as at 31 March 2022 and 2021.



## Year ended 31 March

	Property development		Property investment		Asset management		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)		(Restated)		(Restated)
<b>Segment revenue:</b>								
Sales to external customers	—	301,260	8,080	13,546	30,777	24,708	38,857	339,514
Other income	19,578	26,645	44,226	30,781	—	—	63,804	57,426
<b>Total</b>	<b>19,578</b>	<b>327,905</b>	<b>52,306</b>	<b>44,327</b>	<b>30,777</b>	<b>24,708</b>	<b>102,661</b>	<b>396,940</b>
<b>Segment results</b>	<b>198,818</b>	<b>554,457</b>	<b>237,152</b>	<b>(8,916)</b>	<b>(3,846)</b>	<b>9,573</b>	<b>432,124</b>	<b>555,114</b>
<i>Reconciliation</i>								
Interest income from bank deposits							354	2,478
Interest income from loan receivables							1,612	4,595
Interest income from debt investments at fair value through other comprehensive income							29,631	34,747
Interest income from financial assets at fair value through profit or loss							4,299	—
Dividend income from financial assets at fair value through profit or loss							25,705	—
Gain/(loss) on disposal of debt investments at fair value through other comprehensive income							(37,903)	5,088
Fair value losses on financial assets and liabilities at fair value through profit or loss, net							(47,486)	(17,902)
Impairment losses/(reversal of impairment losses) on financial assets, net							(637)	6,171
Finance costs							(71,210)	(77,473)
Corporate and unallocated expenses							(58,738)	(35,857)
Profit before tax							277,751	476,961
Income tax credit/(expense)							7,161	(8,784)
<b>Profit for the year</b>							<b>284,912</b>	<b>468,177</b>

#### 4. REVENUE AND OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
<b><i>Revenue from contracts with customers</i></b>		
Sale of properties	—	301,260
Asset management fee	<u>30,777</u>	<u>24,708</u>
	<b>30,777</b>	<b>325,968</b>
<b><i>Revenue from other source</i></b>		
Rental income	<u>8,080</u>	<u>13,546</u>
	<b><u>38,857</u></b>	<b><u>339,514</u></b>

#### Revenue from contracts with customers

##### (i) *Disaggregated revenue information*

For the year ended 31 March 2022

Segments	Property development <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Types of services</b>			
— Asset management services	<u>—</u>	<u>30,777</u>	<u>30,777</u>
Total revenue from contracts with customers	<b><u>—</u></b>	<b><u>30,777</u></b>	<b><u>30,777</u></b>
<b>Timing of revenue recognition</b>			
Services transferred at a point in time	<u>—</u>	<u>18,008</u>	<u>18,008</u>
Services transferred over time	<u>—</u>	<u>12,769</u>	<u>12,769</u>
Total revenue from contracts with customers	<b><u>—</u></b>	<b><u>30,777</u></b>	<b><u>30,777</u></b>

**For the year ended 31 March 2021**

Segments	Property development <i>HK\$'000</i>	Asset management <i>HK\$'000</i> (Restated)	Total <i>HK\$'000</i> (Restated)
<b>Types of goods or services</b>			
— Sale of properties	301,260	—	301,260
— Asset management services	—	24,708	24,708
	<u>301,260</u>	<u>24,708</u>	<u>325,968</u>
Total revenue from contracts with customers	<u>301,260</u>	<u>24,708</u>	<u>325,968</u>
<b>Timing of revenue recognition</b>			
Goods or services transferred at a point in time	301,260	1,067	302,327
Services transferred over time	—	23,641	23,641
	<u>301,260</u>	<u>24,708</u>	<u>325,968</u>
Total revenue from contracts with customers	<u>301,260</u>	<u>24,708</u>	<u>325,968</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	<u>—</u>	<u>16,905</u>

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

*Sale of properties*

The performance obligation is satisfied when the physical possession or the legal title of the completed property is obtained by the purchaser.

*Asset management services*

For base management fees, asset management fees, project management fees and development management fees, the performance obligation is satisfied over time as services are rendered. For acquisition fees, lease fees and promote fees, the performance obligation is satisfied at a point in time upon the successful acquisition of properties, carrying out leasing services and reaching the performance target, as the customers only receive and consume the benefits provided by the Group upon successful acquisition, provision of leasing services and reaching or exceeding certain internal rate of return target, respectively.

The contracted sales amounts allocated to the remaining performance obligations as at the end of the year are as follows:

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Amounts expected to be recognised as revenue:		
Within one year	<b><u>1,131,431</u></b>	<u>13,082</u>

All the contracted sales amounts allocated to the performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of the Group's other income and gains, net, is as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
<b>Other income and gains, net</b>		
Interest income from bank deposits	<b>354</b>	2,478
Interest income from loan receivables	<b>1,612</b>	4,595
Interest income from debt investments at fair value through other comprehensive income	<b>29,631</b>	34,747
Interest income from financial assets at fair value through profit or loss	<b>4,299</b>	—
Dividend income from financial assets at fair value through profit or loss	<b>25,705</b>	—
Forfeiture of deposits from customers	<b>422</b>	4,050
Property management fee	<b>5,989</b>	4,451
Gain on disposal of subsidiaries	<b>36,404</b>	30,688
Gain on disposal of debt investments at fair value through other comprehensive income	—	5,088
Others	<b>20,989</b>	18,237
	<b>125,405</b>	104,334

## 5. PROFIT BEFORE TAX

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

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
Cost of properties sold	—	146,048
Cost of services provided	<b>23,018</b>	14,096
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	<b>301</b>	1,825
Depreciation of owned assets	<b>8,943</b>	9,758
Depreciation of right-of-use assets	<b>10,361</b>	7,958
Impairment losses/(reversal of impairment losses) on financial assets:		
Debt investments at fair value through other comprehensive income	<b>85</b>	(6,051)
Loan and interest receivables	<b>552</b>	(120)
	<b>637</b>	(6,171)
Loss/(gain) on disposal of debt investments at fair value through other comprehensive income	<b>37,903*</b>	(5,088)
Lease payments not included in the measurement of lease liabilities	<b>275</b>	—
Auditor's remuneration	<b>3,080</b>	3,020
Employee benefit expense (including directors' remuneration):		
Wages and salaries**	<b>71,773</b>	64,345
Pension scheme contributions***	<b>1,871</b>	1,374
Less: Amount capitalised	<b>(5,827)</b>	(6,839)
	<b>67,817</b>	58,880

- \* These expenses are included in “Other expenses” in the consolidated statement of profit or loss and other comprehensive income.
- \*\* Wage subsidies of HK\$5,274,000 granted from the Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees from June to November 2020 were received during the year ended 31 March 2021. These subsidies were recognised in “Administrative expenses” and offset with the employee benefit expenses. The purpose of the funding was to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group was required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees. There were no unfulfilled conditions or contingencies relating to this grant.
- \*\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank and other borrowings	<b>133,005</b>	121,769
Interest on lease liabilities	<b>270</b>	322
	<hr/>	<hr/>
	<b>133,275</b>	122,091
Less: Interest capitalised	<b>(62,065)</b>	(44,618)
	<hr/>	<hr/>
	<b>71,210</b>	77,473
	<hr/> <hr/>	<hr/> <hr/>

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current — Hong Kong		
Charge for the year	<b>1,779</b>	14,416
Overprovision in prior years	<b>(68)</b>	(5,492)
	<b>1,711</b>	8,924
Deferred	<b>(8,872)</b>	(140)
Total tax charge/(credit) for the year	<b><u>(7,161)</u></b>	<b><u>8,784</u></b>

## 8. DIVIDENDS

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Proposed final dividend — HK0.75 cent (2021: HK0.74 cent) per ordinary share	<b><u>114,000</u></b>	<b><u>112,480</u></b>

The final dividend proposed subsequent to the reporting period is subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company and has not been recognised as a liability at the end of the reporting period.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share for the year ended 31 March 2022 is based on the profit for the year attributable to owners of the parent of HK\$285,079,000 (2021: HK\$466,745,000) and the weighted average number of ordinary shares in issue during the year of 15,200,000,000 (2021: 15,200,000,000).

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during those periods.



## 10. TRADE RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables due from joint ventures	10,086	—
Impairment	—	—
	<u>10,086</u>	<u>—</u>

The Group's trading terms with its customers are mainly on credit. The credit periods range from 10 to 90 days. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	9,584	—
1 to 3 months	502	—
	<u>10,086</u>	<u>—</u>

## 11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	<u>20,181</u>	<u>29,278</u>

The trade payables are non-interest-bearing and have an average term of 30 days.

## 12. COMPARATIVE AMOUNTS

As further explained in note 3 to these financial information, due to the changes in the designation of principal businesses and segment composition, certain comparative amounts have been reclassified to conform with the current year's presentation and disclosures.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL RESULTS**

For the financial year ended 31 March 2022, the Group's revenue and profit attributable to owners of the parent amounted to approximately HK\$38.9 million (2021: approximately HK\$339.5 million as restated) and approximately HK\$285.1 million (2021: approximately HK\$466.7 million), respectively. The profit for the year was mainly attributable to the delivery of jointly developed property projects and share of profits recognised from joint ventures.

### **DIVIDEND**

The Board has recommended the payment of a final dividend of HK0.75 cent (2021: a final dividend of HK0.74 cent) per ordinary share for the year ended 31 March 2022 to shareholders whose names appear on the register of members of the Company as of Friday, 2 September 2022. The final dividend will be paid on or around Wednesday, 14 September 2022, subject to shareholders' approval at the forthcoming annual general meeting of the Company.

### **BUSINESS REVIEW**

#### **Property Development**

No revenue was recognised in this business segment during the year (2021: approximately HK\$301.3 million) as only two joint venture projects had sales recognition during the year which was accounted for as share of results of the joint ventures but not revenue in the Group's consolidated financial statements. The share of sales recognition of these two joint venture projects amounted to approximately HK\$858.7 million (2021: approximately HK\$3,343.8 million).

The delivery of remaining stocks of these two joint venture projects, namely maya and Altissimo, in the financial year contributed approximately HK\$243.7 million of net profit to the Group.

“maya”, which is located on No. 8 Shung Shan Street and No. 15 Sze Shan Street in Yau Tong was developed by the Group together with CIFI Holdings (Group) Co. Ltd (“CIFI”). As at the date of this announcement, 323 out of 326 units have been sold, the aggregate sales proceeds amounted to approximately HK\$4.2 billion. The Group owns 50% equity interest in this development project and is responsible for project management.

The Group's Whitehead project (No.11 Yiu Sha Road, Ma On Shan), "Altissimo", is co-developed with Country Garden Holdings Company Limited and China State Construction International Holdings Limited, and has been delivered to buyers since the fourth quarter of 2020. As at the date of this announcement, 528 of the 547 units released have been sold and the aggregate sales proceeds amounted to approximately HK\$6.2 billion. The Group owns 40% equity interest in this development project.

The Met. Azure project located at the junction of Liu To Road and Hang Mei Street, Tsing Yi (Tsing Yi Town Lot No. 192), the latest project of "The Met." series, the pre-sales was launched in August 2021. Approximately 80% of the units are studio flats and the others are one-bedroom and specific-designed units. The project was well-received and sought after by single people, branch families and young home buyers. As at the date of this announcement, 280 out of 320 units released have been sold with contracted sales of approximately HK\$1.4 billion. The units are expected to be delivered in the second half of 2022.

In February 2022, the Group has also completed the acquisition of the site located at Nos. 12–16, 18–20, 22 and 24 Ting Yip Street, Ngau Tau Kok, Kowloon, Hong Kong, with a total gross floor area of approximately 46,000 square feet. This project will be re-developed as part of "The Met." series. The demolition work will be commenced in the third quarter of 2022.

In February 2022, the Group has acquired full ownership of the site located at Nos. 34–41, Fei Fung Street, Wong Tai Sin, Kowloon through compulsory sales. It will be re-developed with the adjacent site, No. 45 Fei Fung Street and 110 Shatin Pass Road, as one of "The Met." series. The total site area and gross floor area are approximately 10,400 square feet and 93,700 square feet, respectively. The demolition work is now underway.

In September 2021, the Group has successfully completed the acquisition of the site located at Nos. 26–48 Ming Fung Street, Wong Tai Sin through compulsory sales. The site area and gross floor area are approximately 9,600 square feet and 81,000 square feet, respectively. This project will be re-developed as part of "The Met." series and the demolition work is now underway.

In June 2021, the Group has acquired full ownership of the site located at Nos. 34 and 36 Main Street, Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau, Hong Kong. The site area and gross floor area is approximately 4,100 square feet and 38,500 square feet, respectively. This project will be re-developed as part of "The Met." series and the demolition work is now underway.

In January 2021, the Group has successfully completed the acquisition of the site located at 50–62 Larch Street and 6–8 Lime Street Tai Kok Tsui through compulsory sales. The gross floor area is approximately 61,500 square feet and the site is currently under foundation work. This project will be re-developed as part of "The Met." series. The pre-sales are expected to be commenced in the third quarter of 2022.

In October 2020, the Group and CIFI formed a new joint venture group (the “**CIFI JV**”), in which CIFI and the Group own 60% and 40% equity interest, respectively. The CIFI JV has acquired 101 and 111 King’s Road, Fortress Hill for a total sum of HK\$1.88 billion. The total site area is approximately 12,400 square feet. Situated between North Point commercial area and Victoria Park in Causeway Bay, the sites of King’s Road are positioned at a convenient location within only a few minutes’ walk to Fortress Hill MTR Station. The sites are planned to be re-developed into a residential project with commercial space. This project is in demolition stage.

In July 2020, the Group successfully acquired a new re-development site in Ap Lei Chau (Nos. 120–126, Main Street, Ap Lei Chau). The site is adjacent to Lei Tung MTR Station with convenient and fast access to the South Island Line which travels to and from central business districts in Hong Kong and Kowloon. The total attributable gross floor area upon redevelopment is approximately 37,100 square feet. Foundation work is currently undergoing at the site.

In April 2018, Rich United Limited, an indirect non-wholly owned subsidiary of the Group, has completed the acquisition of all the 16 properties located at Nos.86A–86D Pokfulam Road, Hong Kong. The site is located at a traditional luxury residential area with easy access to Central. It will be re-developed into luxurious properties and is undergoing the foundation works. The Group owns 70% equity interest in this property development project.

In 8 November 2021, the Group has entered into a subscription and shareholders’ agreement (the “**Transaction**”) with the depositary of APG Strategic Real Estate APG (“**APG**”). After the subscription of share from the Group, a new joint venture company (the “**APG JV**”) is formed to engage in acquisition of residential properties in Hong Kong for development and re-development for sales. The Group has subscribed for a 50% equity interest in the APG JV with a maximum total capital commitment of HK\$2,334 million. The APG JV is accounted for as a 50% jointly-owned entity of the Group and it is accounted for under the equity method of accounting in the Group’s consolidated financial statements. The Group considers the co-operation with the APG presents a good opportunity to leverage on the Group’s knowledge and expertise in property acquisition and project management and to partner with an experienced investor to expand the business. Please refer to the Group’s announcement dated 8 November 2021 and circular dated 8 December 2021 for details. The Transaction constituted a very substantial acquisition of the Company under the Listing Rules, and was approved by the shareholders of the Company in December 2021. Four wholly-owned projects, namely (i) Nos.120–126, Main Street, Ap Lei Chau, (ii) Nos. 34 and 36 Main Street, Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau, (iii) Nos. 26–48 Ming Fung Street, Wong Tai Sin, and (iv) Nos. 31–41 and 45 Fei Fung Street, Wong Tai Sin, were sold to the APG JV by March 2022. Such disposals constituted a very substantial disposal of the Company under the Listing Rules and they were approved by the shareholders of the Company in December 2021. Further details of such disposals were set out in the Company’s announcement and circular dated 8 November 2021 and 8 December 2021, respectively.

In February 2022, City Arise Limited (“**City Arise**”), a wholly-owned subsidiary of the Group, entered into a sales and purchase agreement (the “**Sales and Purchase Agreement**”) with the APG JV to sell the entire issued share capital and shareholder’s loan of True Promise Limited (“**True Promise**”) at an initial consideration of approximately HK\$490.7 million. True Promise is a wholly-owned subsidiary of the Group and the sole owner of the site located at Nos. 12–16, 18–20, 22 and 24 Ting Yip Street, Ngau Tau Kok, Kowloon. On 11 April 2022, City Arise entered into a supplemental agreement with the APG JV and Delight Venture Limited (“**Delight Venture**”), a wholly-owned subsidiary of the APG JV to amend and supplement the Sale and Purchase Agreement, pursuant to which the APG JV agreed to novate and Delight Venture agreed to assume all rights and obligations of the APG JV in and under the Sales and Purchase Agreement. Please refer to the Company’s announcement dated 18 February 2022 and circular dated 20 April 2022 for details. This transaction was completed on 11 May 2022.

As at 27 June 2022, the Group’s development land portfolio is as follows:

Location	Approximate site area (Square feet)	Approximate gross floor area (Square feet)	Intended usage	Anticipated year of completion	Interest attributable to the Group
86A–86D Pokfulam Road	28,500	28,500	Residential	2023	70%
Junction of Liu To Road and Hang Mei Street (Tsing Yi Town Lot No. 192)	14,400	90,000	Residential and Commercial	2022	100%
Nos. 120–126 Main Street Ap Lei Chau	3,600	37,100	Residential and Commercial	2024	50%
Nos. 34 and 36 Main Street, Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau	4,100	38,500	Residential and Commercial	2025	50%
50–62 Larch Street and 6–8 Lime Street Tai Kok Tsui	6,800	61,500	Residential and Commercial	2024	100%
Nos. 26–48 Ming Fung Street, Wong Tai Sin	9,600	81,000	Residential and Commercial	2025	50%
Nos. 31–41 & 45 Fei Fung Street, Wong Tai Sin	10,400	93,700	Residential and Commercial	2025	50%
Nos. 12–16, 18–20, 22 and 24 Ting Yip Street, Ngau Tau Kok	5,200	46,000	Residential and Commercial	2025	50%
101 and 111, King’s Road	12,400	129,400	Residential and Commercial	2026	40%

The Group is currently working on several urban re-development projects with over 80% ownerships secured. Applications to the court are being made in respect of all these projects for compulsory sale orders under the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong). In the event that no court order is granted, the Group may not be able to complete to the consolidation of the ownership for re-development. Re-development can only be implemented upon acquisition of the full ownership of the relevant projects. The total attributable gross floor area upon re-development is approximately 334,000 square feet. All the development projects are financed by both external banking facilities and internal resources.

The Group is always exploring different channels to increase its land banks. Apart from its engagement in public tenders, the Group also actively worked on old building acquisitions, to provide stable land resource for future development.

The Group has been minded to pursue a light asset management model. The key features of this business model are as follows: (i) instead of holding a majority stake in the properties, and developing the same by its own, the Group will develop suitable properties jointly with a joint venture and will normally only hold 50% or a minority interest in the joint venture; (ii) operating profits generated will be recorded as share of profits of joint ventures instead of revenue and direct costs; (iii) the Group will continue to act as the asset manager to manage the development and sale of the properties and other operations of the joint venture and hence will recognise asset management fee income.

The Directors consider that the new business model would enable the Group (i) to generate new income stream of asset management fee income by utilising the Group's expertise in asset management, (ii) to develop the properties by leveraging on the expertise and resources of the joint venture partners, and (iii) to diversify funding resources and reduce funding pressure, and hence effectively reducing the Group's gearing ratio.

### **Property Investment**

As at 31 March 2022, the Group's portfolio of investment properties comprised of commercial and industrial units located in Hong Kong with a total carrying value of approximately HK\$135.1 million (31 March 2021: approximately HK\$571.2 million).

The Group's gross rental income under the property investment segment during the financial year, inclusive from the joint ventures, amounted to HK\$91.6 million (2021: HK\$80.4 million), representing an increase of approximately 13.9%. The increase in gross rental income was primarily attributable to the new acquisition of leasing properties and completion of rent-free period.

In June 2021, the Group and three independent third parties formed a new joint venture group (the “**Parkville JV**”), of which the Group owns 64% of equity interest. The other three partners are independent third parties to the Group and all their ultimate beneficial owners are experienced investor, namely Mr. Chiu Lon Ronald, Mr. Bryan Taft Southergill and Mr. Choi, Raymond Yat-Hong. The Parkville JV acquired 11 shop units and certain lift, lift lobby(ies) and staircase(s) on the ground floor and first floor of THE PARKVILLE, No.88 Tuen Mun Heung Sze Wui Road, Tuen Mun, New Territories (the “**Parkville Property**”) for a consideration of HK\$300.0 million. The Parkville Property has a total gross floor area of 13,858 square feet and is situated at Tuen Mun Heung Sze Hui Road intersecting Luk Yuen Road. It enjoys excellent traffic access from one of the busiest roads with well-developed neighborhood. The only 3-minute walk from Tuen Mun MTR Station, Tuen Mun Light Rail Station, Tuen Mun commercial centre, transportation hub with cross border coach terminal and the affiliated large scale shopping mall via footbridge further brings vibrancy and creates a more dynamic prosperity around the Parkville Property. The Parkville JV will further refurbish the Parkville Property to optimise the tenant mix and rental income and is expected to broaden its prospect and thus, increase the future rental value, thereby enhancing the future capital appreciation.

In September 2021, the Group partnered with an independent third party, Jumbo Holding (BVI) L.P. (the “**Jumbo Holding**”) to form a joint venture (the “**Jumbo JV**”), in which the Group owns 50% equity interest upon completion of share subscription by Jumbo Holding, to acquire eight stories of carpark podium of Jumbo Court, No.3 Welfare Road, Aberdeen, Hong Kong (the “**Jumbo Property**”) for a consideration of HK\$410.3 million. Jumbo Holding is a limited partnership established in the British Virgin Islands, with its general partner, AGR X Asia Member GP, L.L.C, being managed by Angelo, Gordon & Co, L.P. (“**AG**”), a well-known U.S. licensed investment manager. The Jumbo Property provides a total of 509 car parking spaces and is next to various major residential buildings and private club and is about a few minutes of walking distance from the Wong Chuk Hang MTR Station. Given its proximity to major residential developments and the MTR comprehensive development above the Wong Chuk Hang MTR Station which is scheduled to provide approximately 3.9 million square feet of residential gross floor area in 5,200 units and 510,000 square feet of retail space, it is expected that the Jumbo Property could meet the huge demand for parking spaces once the comprehensive development is completed in phases. The Jumbo JV will renovate the Jumbo Property to optimise the rental return and enhance the capital appreciation.

The Group has also partnered with Kohlberg Kravis Roberts & Co. L.P. (“**KKR**”) to own two commercial accommodations, known as “Lake Silver” located at No. 599 Sai Sha Road, Ma On Shan, Sha Tin, New Territories, Hong Kong and “The Parkside” located at No.18 Tong Chun Street, Tseung Kwan O, New Territories, Hong Kong. The Group has 50% equity interest in each project. The Group has refurbished the property, improved the tenant mix and enhanced the rental yield. As at the date of this announcement, Lake Silver is fully let and The Parkside gets an occupancy rate over 85%.

On 30 July 2021, the Group has entered into a provisional agreement to sell the issued share and shareholder's loan of the holding company of the office on 30th Floor, United Centre, No. 95 Queensway, Hong Kong, with a consideration of HK\$515 million. This transaction was completed on 25 October 2021. The Group considered that this disposal will enable the reallocation of resources into future investment opportunities and pursue other growth opportunities. For the detailed information, please refer to the Company's announcement and circular dated 30 July 2021 and 23 September 2021, respectively.

Reference is also made to the prospectus of the Company dated 30 March 2016, in which it stated that as at 21 March 2016, the parent company (Wang On Group Limited) and its subsidiaries (excluding the Group) owned a total of 48 residential investment properties (the "**Excluded Properties**") which were not injected into the Group as part of the spin-off listing of the Company in April 2016. The Company has been informed by Wang On Group Limited that 39 out of these 48 Excluded Properties had been sold as of 27 June 2022.

### **Asset Management**

The Group has commenced the provision of asset management services since 2019 and kept deploying additional resources to strengthen the business. The board of directors resolved to redesignate the provision of asset management services as one the principal businesses and reported as a new operating segment.

The Group has formed joint ventures with different strategic partners in both residential developments and commercial investments. By leveraging on its additional resources and networks in Hong Kong market, and the Group's expertise in construction management and asset management, the Group also manages the assets on behalf of the capital partners of these joint ventures.

As the asset manager of the invested assets, the Group earns asset management fee income, including, asset management fees, acquisition fees, renovation management fee, construction management fees and leasing fees, as well as promote fees upon reaching or exceeding certain target internal rate of return and after the Group's joint venture partners having received their targeted capital returns. These asset management fee income provides a stable recurring income to the Group and contributed approximately 79.2% of the Group's revenue for the reporting year.

Other than managing two commercial accommodation investments, namely Lake Silver and The Parkside, which were co-invested with KKR in 2019, the Group has been engaged as the asset manager of the new joint ventures during the year. Those joint ventures are the Parkville JV and the Jumbo JV. The details of the managed assets can be referred to the section "Property Investment".

The Group has also partnered with APG in December 2021 for acquisition of residential properties in Hong Kong for development and re-development for sales. As the asset manager, the Group involves in the site evaluation, acquisition, construction management and sales.



During the year under review, the Group recorded asset management fee incomes amounted to approximately HK\$30.7 million (2021: approximately HK\$24.7 million) The increase was mainly attributable to the new addition of assets under management.

By utilising the Group's expertise in asset management, it would seek to secure its asset management income and explore strategic expansion opportunities for additional recurring income.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 March 2022, the Group's total assets less current liabilities were approximately HK\$7,829.9 million (2021: approximately HK\$7,994.6 million) and the current ratio was approximately 2.0 times (2021: approximately 2.4 times). As at 31 March 2022, the Group had cash and cash equivalents of approximately HK\$831.5 million (2021: approximately HK\$826.5 million).

Aggregate bank borrowings as at 31 March 2022 amounted to approximately HK\$4,359.2 million (2021: approximately HK\$4,696.9 million). The gearing ratio was approximately 68.2% (2021: approximately 77.1%), calculated by reference to the Group's total bank borrowings net of cash and cash equivalents and the equity attributable to owners of the parent. As at 31 March 2022, the Group's property, plant and equipment, investment properties, properties under development and properties held for sales, with carrying value of approximately HK\$81.4 million, HK\$82.5 million, HK\$4,829.7 million and HK\$580.0 million (2021: approximately HK\$84.6 million, HK\$571.2 million, HK\$4,892.5 million and HK\$580.0 million) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 31 March 2022 amounted to approximately HK\$2,072.9 million (2021: approximately HK\$516.0 million). In addition, the Group's share of joint ventures' own capital commitments amounted to approximately HK\$43.3 million (2021: approximately HK\$145.0 million). The Group has given guarantee to banks in connection with facilities granted to two joint ventures up to HK\$450.8 million (2021: nil) and were utilised to the extent of HK\$360.9 million as at 31 March 2022 (2021: nil). Save as disclosed herein, the Group had no significant contingent liabilities as at 31 March 2022.

The Group strengthens and improves its risk control on a continual basis and adopted a prudent approach in its financial management. Financial resources are under close monitoring to ensure the Group's smooth operation, as well as flexibility to respond to market opportunities and uncertainties. Management of the Group is of the opinion that the Group's existing financial structure and resources are healthy and sufficient for the Group's needs in the foreseeable future.

## DEBT PROFILE AND FINANCIAL PLANNING

As at 31 March 2022, interest-bearing debt profile of the Group was analysed as follows:

	<b>31 March 2022 HK\$'000</b>	31 March 2021 HK\$'000
Bank loans repayable:		
Within one year or on demand	<b>1,929,380</b>	1,953,857
In the second year	<b>1,278,176</b>	1,036,292
In the third to fifth years, inclusive	<b>1,151,668</b>	1,706,787
	<b>4,359,224</b>	4,696,936
Other loans repayable		
In the second year	<b>206,230</b>	202,270
	<b>4,565,454</b>	4,899,206

The effective interest rate of bank loans was approximately 2.1% per annum (31 March 2021: approximately 1.8%) and other loans carried at a fixed interest at 6.0% (31 March 2021: 6.0%) per annum.

## TREASURY POLICY

The Group's treasury policy includes diversifying the funding sources. Internally generated cash flow and interest-bearing bank borrowings during the year are the general source of funds to finance the operation of the Group. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

## FOREIGN EXCHANGE

Management of the Group is of the opinion that the Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore has not engaged in any hedging activities during the period under review.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed above, during the year, the Group did not have any other significant investments held, material acquisitions and disposals of subsidiaries and future plans for material investments or capital assets.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2022, the Group had 136 (2021: 136) employees in Hong Kong. The Group remunerates its employees mainly based on industry practices and individual performance and experience. In addition to salaries, we provide discretionary bonuses based on individual performance and our business performance, medical insurance coverage and a wide range of leave entitlements. The Group also provides a defined contribution to the Mandatory Provident Fund (“MPF”) as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong.

The Company operates a share option scheme (the “**Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Share options may be granted to any director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to any member of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The Share Option Scheme became effective on 9 August 2016 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date.

## PROSPECTS

2021 was a challenging year due to the pandemic and volatile political situation in Europe. Hong Kong real GDP contracted by 4.0% in the first quarter of 2022 from a year earlier, and by 3.0% on a seasonally adjusted quarter-to-quarter basis. The decline of GDP was mainly attributable to the weak performance in both domestic and external demand under the fifth-wave of the pandemic.

To stabilise the society and retain local consumption, the Hong Kong government has launched several measures e.g. consumption vouchers, employment support scheme, etc in the first half of 2022. With the further relax of social distancing measures, various sectors are bolstered.

For property markets, HKMC Insurance Limited raised the maximum property value eligible for mortgage loans to 80% loan-to-value ratio to HK\$12 million (if the loan-to-value ratio is progressively adjusted to 50%, the maximum eligible property value is up to HK\$19.2 million). It boosts both the primary and secondary markets. It is expected that the inflation pressure in Hong Kong is moderate and thus for the increment pace of interest rate. With the positive progress in border opening between Hong Kong and Mainland China, the property market is expected to have steady and positive development in 2022.

The Group launched the pre-sales of The Met. Azure in August 2021. The performance was remarkable that all the units released for sales on the first day were sold out on the same date. The project achieved record-high selling price per square feet in the district. The new development in Larch Street, Tai Kok Tsui is expected to have the pre-sale in the third quarter of 2022. The Hong Kong property market is resilient, and the Group is cautiously optimistic on its development.

The Group has invested in two new commercial projects during the financial year namely the Parkville Property and Jumbo Property. Both projects were joint ventured with experienced investors and the Group has taken the role of asset manager. The Group will continue to seek new investment opportunities to broaden the recurring income portfolio and capture the capital appreciation.

The Group will also focus on the asset management segment with the utilization of expertise in asset enhancements and property developments. The Group will keep looking for collaboration with strategic partners and strengthen the investment and asset management segments.

It is expected that 2022 is still a challenging year. The Group will monitor the changes, risks and assets closely, and continue to capture every opportunity for its development and aims to achieve solid returns to the shareholders of the Company.

## **SUSTAINABLE DEVELOPMENT**

Grounded on the three pillars of “Robust Governance”, “Sustainable Places”, “Thriving People”, the Group has committed to forward-looking actions that advance our governance practices, design and operate sustainable places, as well as working together to ensure our people and value chain thrives. The Group also embarked on our 5-year ESG Roadmap this year.

A formal ESG Committee to spearhead the implementation of our 5-year ESG Roadmap was established during the year. The Group also participates in the annual GRESB (Global Real Estate Sustainability Benchmark) assessments, a widely recognised international sustainability framework in the real estate sector.

The Group has taken measures to promote environmental-friendliness of its workplace by encouraging paper-recycling culture and energy-saving culture within our Group. The Group also participated in the BEAM Plus assessment scheme, a comprehensive environmental assessment scheme for buildings recognised by the Hong Kong Green Building Council, for the development of our properties by engaging a third-party consultancy company for the provision of services in respect of BEAM Plus Certification and other environmental assessments. The Group also includes green elements into project planning and design and oversees the environmental performances of contractors during the construction phase.

Facing the continuous challenges brought by the COVID-19 pandemic, more stringent test and quarantine guidelines have been implemented at our properties, office, and construction sites to safeguard the health of customers, tenants, employees and working partners. The Group has also provided rental relief and other forms of support to its tenants whose businesses have been affected.

The Group commits to innovating for a sustainable future.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year under review.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Group acknowledges our corporate social responsibility to share some burden in building the society where our business has been established and thrived. During the financial year, the Group has participated different community activities, e.g. visiting low income families and providing scholarship to students, etc. The Group will keep the passion on the contribution of resources and caring to the society.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company recognises the importance of corporate governance and is committed to achieving a high standard of corporate governance within a sensible framework with a strong emphasis on transparency, accountability, integrity and independence. The Board believes that good corporate governance practices are fundamental and essential to the success of the Company and the enhancement of its effectiveness and corporate image.

The Company adopted the principles and complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) save as below:

Mr. Chan Chun Hong resigned as the non-executive chairman with effective from 8 February 2021. Since then, the Company has been searching suitable candidate to fill the vacancy. However, the search process has not been successful especially during the COVID-19 pandemic and governmental social gathering restrictions imposed from time to time. As at the date of this announcement, no chairman has been appointed and the Company will continue to search the replacement and will make announcement in accordance with the Listing Rules as and when required under the Listing Rules.

During the year, the substantive corporate governance functions of the chairman of the board under the applicable provisions of the CG Code were performed by the Company’s chief executive officer and executive Director, Mr. Tang Ho Hong, a deviation from Code C.2.1 of the CG Code.

Further details of the Company’s corporate governance practices are set out in the corporate governance report in the Company’s 2022 Annual Report to be published by the Company in due course.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set forth in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. Having made specific enquiries of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the financial year under review and up to the date hereof and no incident of non-compliance by the Directors was noted by the Company during the financial year under review.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”), comprising all three independent non-executive Directors, namely Mr. Li Wing Sum Steven, Mr. Sung Tze Wah and Sr Dr. Leung Tony Ka Tung, has been established to, inter alia, review and approve the consolidated financial statements for the financial year ended 31 March 2022. Mr. Li Wing Sum Steven is the chairman of the Audit Committee.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the financial year ended 31 March 2022 as set out in this announcement have been agreed by the Company’s independent auditor, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for the financial year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed during the following period:

For determining entitlement to the proposed final dividend:

Latest time to lodge transfer documents : 4:30 p.m., Tuesday, 30 August 2022  
for registration

Closure of register of members : Wednesday, 31 August 2022 to Friday, 2  
September 2022 (both days inclusive)

Record Date : Friday, 2 September 2022

In order to be eligible to qualify for the proposed final dividend, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than the latest date and time set out above.

## **PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT**

This final results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.woproperties.com](http://www.woproperties.com)). The 2022 annual report containing all information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

By Order of the Board  
**WANG ON PROPERTIES LIMITED**  
宏安地產有限公司

**Tang Ho Hong**  
*Executive Director and Chief Executive Officer*

Hong Kong, 27 June 2022

*As at the date of this announcement, the Board comprises Mr. Tang Ho Hong, Ms. Wong Chin Han and Ms. Ching Tak Won Teresa as executive Directors; and Mr. Li Wing Sum Steven, Mr. Sung Tze Wah and Sr Dr. Leung Tony Ka Tung as independent non-executive Directors.*