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**Chuang's Consortium International Limited**

**(莊士機構國際有限公司)**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 367)**

**ANNOUNCEMENT OF  
(1) FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022;  
(2) PAYMENT OF THE SECOND SPECIAL DIVIDEND;  
(3) PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME;  
(4) PROPOSED ADOPTION OF A NEW SHARE  
OPTION SCHEME OF A SUBSIDIARY; AND  
(5) PROPOSED AMENDMENTS TO EXISTING BYE-LAWS AND  
ADOPTION OF NEW BYE-LAWS**

The board of Directors (the “Board”) of Chuang's Consortium International Limited (the “Company”) announces the consolidated final results of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31 March 2022 as follows:

**HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH 2022**

**Business**

1. On 8 March 2022, the Group had successfully completed the disposal of the subsidiaries that held Hotel sáv in Hong Kong for a consideration of about HK\$1,651.2 million, and a net gain of approximately HK\$405.0 million was recorded before the year ended 31 March 2022. The disposal has brought in considerable net gain and substantial cash inflow to the Group, which has further strengthened its cash position.
2. In May 2021, the Group had completed the disposal of the subsidiaries that held the Panyu property project in the People's Republic of China with an aggregate consideration of about RMB1,574.9 million (equivalent to approximately HK\$1,896.7 million), and a net gain of approximately HK\$1,036.9 million (before deducting non-controlling interests of about HK\$407.4 million) was recorded during the year. The Group has further received the deferred consideration of about RMB99.9 million (equivalent to approximately HK\$122.9 million) pursuant to the agreement subsequent to the year end date. The disposal has enabled the Group to accelerate the return on this investment at a considerable profit and generate substantial cash inflow to the Group.

3. The Group had also disposed of Greenview Garden, the Vietnam project, for a consideration of about US\$25.6 million (equivalent to approximately HK\$198.9 million). The transaction was completed in May 2021 and a net profit of approximately HK\$84 million was recorded during the year. This disposal has further strengthened the financial position of the Group.
4. As announced on 15 June 2022, the Group had entered into an agreement to dispose of the land and factory building of Sintex in Singapore for a consideration of S\$21 million (equivalent to approximately HK\$118.4 million), and it is expected that a net gain of S\$15.2 million (equivalent to approximately HK\$85.7 million) will be recorded upon completion. This disposal helps to unlock the stored value in the property and is in line with the Group's strategy to offload investment in non-core assets.
5. For ONE SOHO, the joint venture project at Mongkok, development is proceeding as scheduled. Superstructure works are nearly completed which will be followed by exterior works and interior works. Occupation permit is targeted to be obtained in the first quarter of 2023. Pre-sale consent of the 322 residential units was obtained in April 2021 and pre-sale has commenced accordingly. Up-to-date, a total of 191 units have been pre-sold at aggregate amount of about HK\$1.36 billion. According to the current marketing and sales plan, the targeted total sales proceeds of the residential portion of this project are estimated to be about HK\$2.3 billion.
6. For Po Shan Road joint venture project, the Group is developing the property into one vertical house with 8 storeys over the podium. The 8-storey house will include a luxury living and dining area with 6m floor-to-floor height, an entertainment floor and 6 residential suite floors with at least 3.5m floor-to-floor height. The proposed GFA for the house is about 44,913 *sq. ft.*, with an additional area of about 5,200 *sq. ft.* for garden and about 2,200 *sq. ft.* for roof. Superstructure works are proceeding as scheduled with podium works in progress. It is expected that the overall superstructure works will be completed by the end of 2023. Marketing to promote this project has commenced. A marketing consultant has been engaged to advise on marketing strategy on this project and prepare marketing materials for promotion.
7. For the redevelopment project at Gage Street, the Group has successfully consolidated this project with a total site area of about 3,600 *sq. ft.*. General building plans of the project to develop a 26-storey residential/commercial building comprising clubhouse facilities and retail units with GFA of about 34,871 *sq. ft.* have been approved. Foundation works are currently in progress and are expected to be completed in the second quarter of 2023. With the prime location at Central, the Group is optimistic about the prospect of this project.
8. For Ap Lei Chau project, 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. Foundation work has been completed. Superstructure work is currently in progress. Preparation works for pre-sale have also been commenced, which is expected to be launched in the third quarter of 2022.

## Financial

- Total cash resources of the Group (including bond and securities investments) amounted to HK\$5.17 billion, in which the cash and bank balances increased by 82% to HK\$4.18 billion.
- Net assets attributable to equity holders of the Company amounted to HK\$10,717.5 million.
- Net debt to equity ratio of the Group improved to 2.2% (2021: 12.9%).
- On top of an interim dividend of 2.0 HK cents per share and a special dividend of 6.0 HK cents per share paid for the year, a final dividend of 2.0 HK cents per share was recommended and the second special dividend of 18.0 HK cents per share was also declared by the Board, totalling 20.0 HK cents per share. Thus the total dividends for the year amounted to 28.0 HK cents (2021: 3.0 HK cents) per share, increased by about 8.3 times over that of the last year.

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2022

	<i>Note</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>			
Revenues	3	<b>666,397</b>	2,089,462
Cost of sales		<b>(224,499)</b>	(1,112,966)
Gross profit		<b>441,898</b>	976,496
Other income and net (loss)/gain	5A	<b>(1,747,875)</b>	324,339
Gain/(loss) on disposal of subsidiaries	5B	<b>1,178,948</b>	(10,280)
Selling and marketing expenses		<b>(32,159)</b>	(110,919)
Administrative and other operating expenses		<b>(356,971)</b>	(323,482)
Change in fair value of investment properties		<b>36,087</b>	(442,093)
Operating (loss)/profit	6	<b>(480,072)</b>	414,061
Finance costs	7	<b>(104,478)</b>	(133,992)
Share of results of associated companies		<b>(9,123)</b>	(2,235)
Share of results of joint ventures	8	<b>(23,063)</b>	(3,382)
(Loss)/profit before taxation		<b>(616,736)</b>	274,452
Taxation (charge)/credit	9	<b>(133,931)</b>	10,673
(Loss)/profit for the year from continuing operations		<b>(750,667)</b>	285,125
<b>Discontinued operation</b>			
Profit/(loss) for the year from discontinued operation	10	<b>316,159</b>	(85,514)
(Loss)/profit for the year		<b>(434,508)</b>	199,611
(Loss)/profit for the year attributable to:			
Equity holders			
Continuing operations		<b>(839,308)</b>	122,966
Discontinued operation		<b>316,159</b>	(85,514)
		<b>(523,149)</b>	37,452
Non-controlling interests			
Continuing operations		<b>88,641</b>	162,159
		<b>(434,508)</b>	199,611
		<i>HK cents</i>	<i>HK cents</i> (Restated)
(Loss)/earnings per share (basic and diluted)	12		
Continuing operations		<b>(50.18)</b>	7.35
Discontinued operation		<b>18.90</b>	(5.11)
		<b>(31.28)</b>	2.24

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	2022 HK\$'000	2021 HK\$'000 (Restated)
<b>(Loss)/profit for the year</b>	<u>(434,508)</u>	<u>199,611</u>
Other comprehensive income:		
Items that had been/may be reclassified subsequently to profit and loss:		
Net exchange differences	110,130	284,987
Share of exchange reserve of a joint venture	10,101	19,596
Realization of exchange reserve upon disposal of subsidiaries	<u>(27,353)</u>	<u>(22,712)</u>
Total other comprehensive income that had been/may be reclassified subsequently to profit and loss	<u>92,878</u>	<u>281,871</u>
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	<u>1,414</u>	<u>24,567</u>
Total other comprehensive income for the year	<u>94,292</u>	<u>306,438</u>
<b>Total comprehensive (loss)/income for the year</b>	<u><u>(340,216)</u></u>	<u><u>506,049</u></u>
Total comprehensive (loss)/income for the year attributable to:		
Equity holders		
Continuing operations	(771,697)	314,454
Discontinued operation	<u>316,159</u>	<u>(85,514)</u>
	<u>(455,538)</u>	228,940
Non-controlling interests		
Continuing operations	<u>115,322</u>	<u>277,109</u>
	<u><u>(340,216)</u></u>	<u><u>506,049</u></u>

## CONSOLIDATED BALANCE SHEET

As at 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>186,815</b>	441,307
Investment properties		<b>8,832,092</b>	9,080,726
Right-of-use assets		<b>56,067</b>	691,440
Properties for/under development		<b>504,500</b>	508,523
Cemetery assets		<b>297,847</b>	285,376
Associated companies		<b>48,960</b>	58,183
Joint ventures		<b>795,733</b>	785,730
Financial assets at fair value through other comprehensive income		<b>155,258</b>	154,190
Loans and receivables and other deposits		<b>284,855</b>	419,879
Deferred taxation assets		<b>–</b>	24,700
		<b>11,162,127</b>	12,450,054
<b>Current assets</b>			
Properties for sale		<b>1,635,214</b>	1,712,522
Cemetery assets		<b>466,302</b>	452,153
Inventories		<b>100,782</b>	104,397
Debtors and prepayments	<i>13</i>	<b>370,607</b>	288,609
Financial assets at fair value through profit or loss		<b>1,153,158</b>	3,442,193
Cash and bank balances		<b>4,180,020</b>	2,296,665
		<b>7,906,083</b>	8,296,539
Assets of disposal group classified as held for sale	<i>5B</i>	<b>–</b>	770,429
		<b>7,906,083</b>	9,066,968

	<i>Note</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Current liabilities</b>			
Creditors and accruals	<i>14</i>	<b>582,141</b>	632,366
Sales deposits received		<b>381</b>	10,984
Short-term bank borrowings		<b>443,481</b>	1,250,948
Current portion of long-term bank borrowings		<b>1,429,747</b>	4,781,697
Taxation payable		<b>43,510</b>	68,414
		<b>2,499,260</b>	6,744,409
Liabilities of disposal group classified as held for sale	<i>5B</i>	–	69,437
		<b>2,499,260</b>	6,813,846
<b>Net current assets</b>		<b>5,406,823</b>	2,253,122
<b>Total assets less current liabilities</b>		<b>16,568,950</b>	14,703,176
<b>Equity</b>			
Share capital		<b>418,138</b>	418,138
Reserves		<b>10,299,365</b>	10,893,071
Shareholders' funds		<b>10,717,503</b>	11,311,209
Non-controlling interests		<b>1,783,342</b>	1,761,696
<b>Total equity</b>		<b>12,500,845</b>	13,072,905
<b>Non-current liabilities</b>			
Long-term bank borrowings		<b>3,531,277</b>	1,060,051
Deferred taxation liabilities		<b>423,748</b>	441,615
Loans and payables with non-controlling interests		<b>44,626</b>	47,688
Other non-current liabilities		<b>68,454</b>	80,917
		<b>4,068,105</b>	1,630,271
		<b>16,568,950</b>	14,703,176

## NOTES:

### 1. GENERAL INFORMATION

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

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales and trading of goods and merchandises, securities investment and trading and money lending business. During the year, the Group disposed of the hotel in Hong Kong and afterwards there is no more hotel operation of the Group at the moment. Accordingly the result of the hotel operation together with the related net gain on disposal have been presented as discontinued operation in the consolidated income statement for the year in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (note 10). The comparative figures have been restated to conform to the current year's presentation.

### 2. BASIS OF PREPARATION

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

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

#### (i) Effect of adopting amendments to standards

For the year ended 31 March 2022, the Group adopted the following amendments to standards that are effective for the accounting periods beginning on or after 1 April 2021 and relevant to the operations of the Group:

HKFRS 16 (Amendment)	Covid-19-Related Rent Concessions
HKFRS 16 (Amendment)	Covid-19-Related Rent Concessions beyond 30 June 2021
HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2

The Group has assessed the impact of the adoption of these amendments to standards 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, amendments to standards, practice statement, revised accounting guideline and interpretation that are not yet effective**

The following new standard, amendments to standards, practice statement, revised accounting guideline and interpretation 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 2022, 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 1 (Amendment) and HKFRS Practice Statement 2	Disclosure of Accounting Policies (effective from 1 January 2023)
HKAS 8 (Amendment)	Definition of Accounting Estimates (effective from 1 January 2023)
HKAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction (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)
HKFRS 3 (Amendment)	Reference to the Conceptual Framework (effective from 1 January 2022)
HKAS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (no mandatory effective date)
HKFRS 17 and HKFRS 17 (Amendments)	Insurance Contracts (effective from 1 January 2023)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2018–2020 Cycle (effective from 1 January 2022)
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations (effective from 1 January 2022)
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (effective from 1 January 2023)

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

### 3. REVENUES

Revenues recognized during the year are as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Sales of properties	<b>271,762</b>	1,651,615
Rental income and management fees	<b>159,233</b>	184,648
Sales of cemetery assets	<b>40,998</b>	25,733
Sales of goods and merchandises	<b>16,655</b>	16,164
Interest income from money lending business	<b>1,565</b>	3,623
Interest income from bond investments of financial assets at fair value through profit or loss	<b>176,424</b>	207,480
Dividend income from securities investments for trading of financial assets at fair value through profit or loss	<b>34</b>	22
Net fair value (loss)/gain of securities investments for trading of financial assets at fair value through profit or loss	<b>(274)</b>	177
	<b><u>666,397</u></b>	<u>2,089,462</u>

### 4. SEGMENT INFORMATION

#### (a) Segment information by business lines

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

The CODM considers the business from a business perspective, including property development, investment and trading, development and operation of cemetery, sales of goods and merchandises, securities investment and trading and money lending business. The CODM assesses the performance of the operating segments based on the measure of earning/(loss) before interest, tax, depreciation and amortization (the “EBITDA/(LBITDA)”) and segment result. During the year, the Group disposed of the hotel operation and the result of such operation together with the related net gain on disposal have been presented as discontinued operation in segment information. The comparative figures have been restated to conform to the current year’s presentation.

The segment information by business lines is as follows:

	Continuing operations						Discontinued operation		2022 Total HK\$'000
	Property development, investment and trading HK\$'000	Cemetery HK\$'000	Sales of goods and merchandise HK\$'000	Securities investment and trading HK\$'000	Money lending business HK\$'000	Corporate HK\$'000	Total HK\$'000	Hotel operation and management HK\$'000	
Revenues from contracts with customers:									
– Recognized at a point in time	271,762	40,998	16,655	-	-	-	329,415	-	329,415
– Recognized over time	9,979	-	-	-	-	-	9,979	31,380	41,359
Revenues from other sources	149,254	-	-	176,184	1,565	-	327,003	-	327,003
Revenues	<u>430,995</u>	<u>40,998</u>	<u>16,655</u>	<u>176,184</u>	<u>1,565</u>	<u>-</u>	<u>666,397</u>	<u>31,380</u>	<u>697,777</u>
Other income and net gain/(loss)	<u>143</u>	<u>168</u>	<u>6,019</u>	<u>(1,762,155)</u>	<u>-</u>	<u>7,950</u>	<u>(1,747,875)</u>	<u>-</u>	<u>(1,747,875)</u>
Gain on disposal of subsidiaries	<u>1,178,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,178,948</u>	<u>-</u>	<u>1,178,948</u>
EBITDA/(LBITDA)	<u>1,341,908</u>	<u>15,660</u>	<u>4,336</u>	<u>(1,587,157)</u>	<u>1,252</u>	<u>(251,370)</u>	<u>(475,371)</u>	<u>4,513</u>	<u>(470,858)</u>
Operating profit/(loss)	1,358,189	15,047	(1,136)	(1,587,157)	1,252	(266,267)	(480,072)	(53,318)	(533,390)
Finance costs	(90,848)	-	(1,766)	(10,847)	-	(1,017)	(104,478)	(10,780)	(115,258)
Share of results of associated companies	103	-	-	-	-	(9,226)	(9,123)	-	(9,123)
Share of results of joint ventures	(23,063)	-	-	-	-	-	(23,063)	-	(23,063)
Profit/(loss) before taxation	<u>1,244,381</u>	<u>15,047</u>	<u>(2,902)</u>	<u>(1,598,004)</u>	<u>1,252</u>	<u>(276,510)</u>	<u>(616,736)</u>	<u>(64,098)</u>	<u>(680,834)</u>
Taxation (charge)/credit	<u>(129,909)</u>	<u>(4,574)</u>	<u>-</u>	<u>552</u>	<u>-</u>	<u>-</u>	<u>(133,931)</u>	<u>(24,700)</u>	<u>(158,631)</u>
Profit/(loss) after taxation	<u>1,114,472</u>	<u>10,473</u>	<u>(2,902)</u>	<u>(1,597,452)</u>	<u>1,252</u>	<u>(276,510)</u>	<u>(750,667)</u>	<u>(88,798)</u>	<u>(839,465)</u>
Gain on disposal of subsidiaries of discontinued operation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>404,957</u>	<u>404,957</u>
Profit/(loss) for the year	<u>1,114,472</u>	<u>10,473</u>	<u>(2,902)</u>	<u>(1,597,452)</u>	<u>1,252</u>	<u>(276,510)</u>	<u>(750,667)</u>	<u>316,159</u>	<u>(434,508)</u>
Segment assets	11,692,024	840,501	155,871	1,248,999	158,051	4,128,071	18,223,517	-	18,223,517
Associated companies	138	-	-	-	-	48,822	48,960	-	48,960
Joint ventures	795,733	-	-	-	-	-	795,733	-	795,733
Total assets	<u>12,487,895</u>	<u>840,501</u>	<u>155,871</u>	<u>1,248,999</u>	<u>158,051</u>	<u>4,176,893</u>	<u>19,068,210</u>	<u>-</u>	<u>19,068,210</u>
Total liabilities	<u>5,763,354</u>	<u>236,453</u>	<u>35,392</u>	<u>320,368</u>	<u>160</u>	<u>211,638</u>	<u>6,567,365</u>	<u>-</u>	<u>6,567,365</u>
Other segment items are as follows:									
Capital expenditure	69,067	467	1,170	-	-	-	70,704	1,555	72,259
Depreciation of property, plant and equipment	4,970	506	1,343	-	-	10,411	17,230	21,419	38,649
Depreciation of right-of-use assets	1,709	107	4,129	-	-	13,712	19,657	36,412	56,069
Provision for impairment of properties for/under development	9,159	-	-	-	-	-	9,159	-	9,159
Provision for impairment of properties for sale	1,355	-	-	-	-	-	1,355	-	1,355
Provision for impairment of trade debtors	195	-	-	-	-	-	195	-	195
Reversal of provision for impairment of trade debtors	475	-	-	-	-	-	475	-	475
Reversal of provision for impairment of other deposits	710	-	-	-	-	-	710	-	710
Fair value gain of investment properties	<u>36,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,087</u>	<u>-</u>	<u>36,087</u>

	Continuing operations							Discontinued operation	
	Property development, investment and trading HK\$'000 (Restated)	Cemetery HK\$'000 (Restated)	Sales of goods and merchandises HK\$'000 (Restated)	Securities investment and trading HK\$'000 (Restated)	Money lending business HK\$'000 (Restated)	Corporate HK\$'000 (Restated)	Total HK\$'000 (Restated)	Hotel operation and management HK\$'000 (Restated)	2021 Total HK\$'000 (Restated)
Revenues from contracts with customers:									
– Recognized at a point in time	1,651,615	25,733	16,164	–	–	–	1,693,512	–	1,693,512
– Recognized over time	8,243	–	–	–	–	–	8,243	17,317	25,560
Revenues from other sources	176,405	–	–	207,679	3,623	–	387,707	–	387,707
Revenues	<u>1,836,263</u>	<u>25,733</u>	<u>16,164</u>	<u>207,679</u>	<u>3,623</u>	<u>–</u>	<u>2,089,462</u>	<u>17,317</u>	<u>2,106,779</u>
Other income and net gain	<u>16,813</u>	<u>87</u>	<u>5,227</u>	<u>281,560</u>	<u>–</u>	<u>20,652</u>	<u>324,339</u>	<u>426</u>	<u>324,765</u>
Loss on disposal of a subsidiary	<u>(10,280)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(10,280)</u>	<u>–</u>	<u>(10,280)</u>
EBITDA/(LBITDA)	<u>147,148</u>	<u>7,656</u>	<u>5,706</u>	<u>488,152</u>	<u>2,967</u>	<u>(203,174)</u>	<u>448,455</u>	<u>(5,111)</u>	<u>443,344</u>
Operating profit/(loss)	146,548	6,928	(16)	488,152	2,967	(230,518)	414,061	(67,273)	346,788
Finance costs	(121,640)	–	(1,745)	(9,525)	–	(1,082)	(133,992)	(13,241)	(147,233)
Share of results of associated companies	103	–	–	–	–	(2,338)	(2,235)	–	(2,235)
Share of results of joint ventures	(3,382)	–	–	–	–	–	(3,382)	–	(3,382)
Profit/(loss) before taxation	21,629	6,928	(1,761)	478,627	2,967	(233,938)	274,452	(80,514)	193,938
Taxation credit/(charge)	18,301	(3,434)	–	(4,194)	–	–	10,673	(5,000)	5,673
Profit/(loss) for the year	<u>39,930</u>	<u>3,494</u>	<u>(1,761)</u>	<u>474,433</u>	<u>2,967</u>	<u>(233,938)</u>	<u>285,125</u>	<u>(85,514)</u>	<u>199,611</u>
Segment assets	11,782,612	773,701	161,661	3,445,476	169,954	2,548,241	18,881,645	1,021,035	19,902,680
Associated companies	136	–	–	–	–	58,047	58,183	–	58,183
Joint ventures	785,730	–	–	–	–	–	785,730	–	785,730
Assets of disposal group classified as held for sale	770,429	–	–	–	–	–	770,429	–	770,429
Total assets	<u>13,338,907</u>	<u>773,701</u>	<u>161,661</u>	<u>3,445,476</u>	<u>169,954</u>	<u>2,606,288</u>	<u>20,495,987</u>	<u>1,021,035</u>	<u>21,517,022</u>
Segment liabilities	6,288,507	195,262	38,329	1,124,567	971	98,418	7,746,054	628,626	8,374,680
Liabilities of disposal group classified as held for sale	69,437	–	–	–	–	–	69,437	–	69,437
Total liabilities	<u>6,357,944</u>	<u>195,262</u>	<u>38,329</u>	<u>1,124,567</u>	<u>971</u>	<u>98,418</u>	<u>7,815,491</u>	<u>628,626</u>	<u>8,444,117</u>
Other segment items are as follows:									
Capital expenditure	171,270	969	5,505	–	–	43,111	220,855	291	221,146
Depreciation of property, plant and equipment	3,871	602	1,419	–	–	14,976	20,868	23,239	44,107
Depreciation of right-of-use assets	8	126	4,303	–	–	14,706	19,143	38,923	58,066
Provision for impairment of trade debtors	3,197	–	–	–	–	–	3,197	–	3,197
Reversal of provision for impairment of inventories	–	–	2,300	–	–	–	2,300	–	2,300
Fair value gain on transfer of properties from properties for sale to investment properties	8,190	–	–	–	–	–	8,190	–	8,190
Fair value loss of investment properties	442,093	–	–	–	–	–	442,093	–	442,093

**(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	
	2022 HK\$'000	2021 HK\$'000 (Restated)	2022 HK\$'000	2021 HK\$'000 (Restated)
<b>Continuing operations</b>				
Hong Kong	368,063	1,982,046	66,873	172,281
The People's Republic of China (the "PRC")	66,361	58,208	2,357	32,158
Vietnam	198,914	–	–	–
United Kingdom	–	14,694	–	–
Other countries	33,059	34,514	1,474	16,416
	<u>666,397</u>	<u>2,089,462</u>	<u>70,704</u>	<u>220,855</u>
<b>Discontinued operation</b>	<u>31,380</u>	<u>17,317</u>	<u>1,555</u>	<u>291</u>
	<u>697,777</u>	<u>2,106,779</u>	<u>72,259</u>	<u>221,146</u>
	<b>Non-current assets (Note)</b>		<b>Total assets</b>	
	2022 HK\$'000	2021 HK\$'000 (Restated)	2022 HK\$'000	2021 HK\$'000 (Restated)
<b>Continuing operations</b>				
Hong Kong	7,283,398	7,329,246	14,506,105	15,035,895
The PRC	2,311,702	2,347,805	3,325,909	4,062,678
Other countries	1,126,914	1,191,611	1,236,196	1,397,414
	<u>10,722,014</u>	<u>10,868,662</u>	<u>19,068,210</u>	<u>20,495,987</u>
<b>Discontinued operation</b>	<u>–</u>	<u>982,623</u>	<u>–</u>	<u>1,021,035</u>
	<u>10,722,014</u>	<u>11,851,285</u>	<u>19,068,210</u>	<u>21,517,022</u>

*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.*

## 5A. OTHER INCOME AND NET (LOSS)/GAIN

	2022 HK\$'000	2021 HK\$'000 (Restated)
<b>Continuing operations</b>		
Interest income from bank deposits	5,998	15,565
Dividend income from financial assets at fair value through other comprehensive income	7,469	7,469
Net realized (loss)/gain of bonds and other investments of financial assets at fair value through profit or loss	(35,666)	61,475
Net fair value (loss)/gain of bonds and other investments of financial assets at fair value through profit or loss	(1,728,635)	220,134
Fair value gain on transfer of properties from properties for sale to investment properties ( <i>note</i> )	–	8,190
Forfeited deposits from sales of properties	–	333
Net loss on disposal of investment properties	(75)	(1,315)
Net loss on disposal of property, plant and equipment	(194)	(728)
Net exchange loss	(6,545)	(5,591)
Others	9,773	18,807
	<u>(1,747,875)</u>	<u>324,339</u>

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

## 5B. GAIN/(LOSS) ON DISPOSAL OF SUBSIDIARIES

- (a) On 9 February 2021, the wholly-owned subsidiaries of Chuang's China Investments Limited ("Chuang's China") (a listed subsidiary of the Group) entered into the conditional sale and purchase agreements with independent third parties for the disposal of the properties holding subsidiaries that held the property project in Panyu, Guangzhou, the PRC, for an aggregate consideration of about RMB1,574.9 million (equivalent to approximately HK\$1,896.7 million) (the "Panyu Disposal"). The Panyu Disposal had been approved by the shareholders of Chuang's China and the Company on 13 April 2021 respectively. Details of the Panyu Disposal were announced by Chuang's China and the Company on 11 February 2021 and 14 May 2021, and published in the circulars of Chuang's China and the Company on 19 March 2021. The transaction was completed on 14 May 2021, and a gain on disposal of subsidiaries was recorded in the year ended 31 March 2022, taking into account the net assets disposed of approximately HK\$707.2 million, the realization of exchange reserve upon disposal of approximately HK\$27.4 million and related transaction costs.

Furthermore, 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 with details as shown below:

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

- (b) On 30 April 2020, an indirect wholly-owned subsidiary of Chuang’s China entered into a sale and purchase agreement with an independent third party to dispose of a property holding company which held an investment property in the United Kingdom at a consideration of about GBP93.8 million (equivalent to approximately HK\$971.5 million). The transaction was approved by the shareholders of Chuang’s China at its special general meeting held on 23 June 2020. Details of the transaction were announced by Chuang’s China and the Company on 3 May 2020, and published in the circulars of Chuang’s China and the Company on 3 June 2020 respectively. The transaction was completed on 1 September 2020, and a loss on disposal of a subsidiary was recorded in 2021, taking into account the net assets disposed of approximately HK\$995.2 million, the realization of exchange reserve upon disposal of approximately HK\$22.7 million and related transaction costs.

## 6. OPERATING (LOSS)/PROFIT

	2022 HK\$'000	2021 HK\$'000 (Restated)
<b>Continuing operations</b>		
Operating (loss)/profit is stated after crediting:		
Reversal of provision for impairment of trade debtors	475	–
Reversal of provision for impairment of other deposits	710	–
Reversal of provision for impairment of inventories	–	2,300
	<u>–</u>	<u>2,300</u>
and after charging:		
Cost of properties sold	140,695	1,039,852
Cost of cemetery assets sold	8,316	5,389
Cost of inventories sold	11,233	11,799
Depreciation of property, plant and equipment	17,230	20,868
Depreciation of right-of-use assets	19,657	19,143
Provision for impairment of properties for/under development	9,159	–
Provision for impairment of properties for sale	1,355	–
Provision for impairment of trade debtors	195	3,197
Staff costs, including Directors’ emoluments		
Wages and salaries ( <i>note</i> )	109,665	107,325
Retirement benefit costs	4,642	4,235
	<u>109,665</u>	<u>107,325</u>
	<u>4,642</u>	<u>4,235</u>

*Note: Government grants amounting to HK\$74,000 (2021: HK\$8,717,000) have been recognized and deducted in wages and salaries expenses for the year ended 31 March 2022.*

## 7. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Interest expenses of		
Bank borrowings	110,175	131,163
Bank overdraft	75	86
Lease liabilities	2,449	2,743
	<u>112,699</u>	<u>133,992</u>
Amounts capitalized into properties under development	(8,221)	–
	<u><u>104,478</u></u>	<u><u>133,992</u></u>

The capitalization rates applied to funds borrowed for the development of properties ranged from 1.36% to 2.56% (2021: N/A) per annum.

## 8. SHARE OF RESULTS OF JOINT VENTURES

Share of loss of joint ventures of HK\$23,063,000 (2021: HK\$3,382,000) in the consolidated income statement included the share of fair value loss of the investment properties (net of the related deferred taxation) of a joint venture of HK\$27,939,000 (2021: Nil), and the rental income received by a joint venture from the wholly-owned subsidiary of the joint venture partner for the year ended 31 March 2022 amounting to approximately HK\$15,162,000 (2021: HK\$12,683,000).

## 9. TAXATION CHARGE/(CREDIT)

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Current taxation		
Hong Kong profits tax	1,498	32,887
PRC corporate income tax	7,172	14,487
PRC land appreciation tax	6,426	12,942
PRC withholding corporate income tax ( <i>note 5B(a)</i> )	142,071	–
Overseas profit tax	8,493	1,453
Over-provision in prior years	–	(41,149)
Deferred taxation	(31,729)	(31,293)
	<u><u>133,931</u></u>	<u><u>(10,673)</u></u>

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits for the 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 withholding corporate income tax in 2022 represents the relevant tax on disposal of subsidiaries arising from the Panyu Disposal as mentioned in note 5B(a). 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 in 2021 was mainly related to taxation charges, including PRC land appreciation tax, in respect of the sales of properties in the PRC in prior years upon final clearance with the local tax authorities.



Share of taxation charge of associated companies for the year ended 31 March 2022 of HK\$9,000 (2021: HK\$11,000) is included in the consolidated income statement as “Share of results of associated companies”. Share of deferred taxation credit arising from the fair value loss of the investment properties of the joint ventures for the year ended 31 March 2022 of HK\$9,313,000 (2021: Nil, as they either had sufficient tax losses brought forward to set off against the estimated assessable profits for that year or had no estimated assessable profits for that year) is included in the consolidated income statement as “Share of results of the joint ventures”.

## 10. DISCONTINUED OPERATION

On 20 December 2021, the Group entered into a conditional sale and purchase agreement with an independent third party for the disposal of the subsidiaries that held a hotel in Hong Kong (the “Hotel Group”) for an aggregate consideration of about HK\$1,651.2 million (the “Hotel Disposal”). The Hotel Disposal had been approved by the shareholders of the Company on 4 March 2022. Details of the Hotel Disposal were announced by the Company on 20 December 2021 and published in the circular of the Company on 21 January 2022. The Hotel Disposal was completed on 8 March 2022, and a gain on disposal of subsidiaries of about HK\$405.0 million was recorded in the year ended 31 March 2022, taking into account the net assets disposed of approximately HK\$1,216.4 million and related transaction costs.

The Hotel Group was principally engaged in the operation of the hotel in Hong Kong. After the Hotel Disposal, there is no more hotel operation of the Group at the moment. In accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, the consolidated results of the Hotel Group have been presented as discontinued operation in the consolidated financial statements and the comparative figures of the consolidated income statement and consolidated statement of comprehensive income and corresponding notes have been restated to reflect the reclassification between continuing operations and discontinued operation of the Group accordingly.

### (a) Results of discontinued operation

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenues	31,380	17,317
Cost of sales	<u>(17,553)</u>	<u>(14,607)</u>
Gross profit	13,827	2,710
Other income	–	426
Selling and marketing expenses	(5,285)	(5,026)
Administrative and other operating expenses	<u>(61,860)</u>	<u>(65,383)</u>
Operating loss	(53,318)	(67,273)
Finance costs	<u>(10,780)</u>	<u>(13,241)</u>
Loss before taxation	(64,098)	(80,514)
Taxation	<u>(24,700)</u>	<u>(5,000)</u>
Loss after taxation	(88,798)	(85,514)
Gain on disposal of subsidiaries of discontinued operation	<u>404,957</u>	–
Profit/(loss) for the year from discontinued operation	<u><u>316,159</u></u>	<u><u>(85,514)</u></u>

**(b) Cash flows (used in)/from discontinued operation**

	<b>2022</b> <b>HK\$'000</b>	2021 <b>HK\$'000</b>
Net cash used in operating activities	<b>(6,303)</b>	(13,898)
Net cash used in investing activities	<b>(1,476)</b>	(291)
Net cash from financing activities	<b>2,989</b>	20,734
	<hr/>	<hr/>
Net cash flows (used in)/from discontinued operation for the year	<b>(4,790)</b>	6,545
	<hr/> <hr/>	<hr/> <hr/>

*Note: The discontinued operation was partly financed by intercompany loan from the continuing operations, which had been eliminated in the consolidated financial statements of the Group.*

**(c) Gain on disposal of subsidiaries of discontinued operation**

	<b>2022</b> <b>HK\$'000</b>
Consideration	1,651,243
Carrying value of net assets disposed of ( <i>note</i> )	(1,216,399)
	<hr/>
	434,844
Transaction costs for disposal	(29,887)
	<hr/>
Gain on disposal of subsidiaries of discontinued operation	404,957
	<hr/> <hr/>

*Note: This included the assets and liabilities of the rental operation of the commercial portion of the hotel in Hong Kong owned by the Hotel Group, which were included in the "Property development, investment and trading" business segment and were also included in the Hotel Disposal.*

**11. DIVIDENDS**

	<b>2022</b> <b>HK\$'000</b>	2021 <b>HK\$'000</b>
Interim dividend of 2.0 HK cents (2021: 1.5 HK cents) per share	<b>33,451</b>	25,088
Special dividend of 6.0 HK cents (2021: Nil) per share	<b>100,353</b>	–
Final dividend of 2.0 HK cents (2021: 1.5 HK cents) per share	<b>33,451</b>	25,088
Second special dividend of 18.0 HK cents (2021: Nil) per share	<b>301,060</b>	–
	<hr/>	<hr/>
	<b>468,315</b>	50,176
	<hr/> <hr/>	<hr/> <hr/>

On 29 June 2022, the board of Directors proposed a final dividend of 2.0 HK cents (2021: 1.5 HK cents) per share amounting to HK\$33,451,000 (2021: HK\$25,088,000). The amount is calculated based on 1,672,553,104 issued shares as at 29 June 2022. 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 2023 upon the approval by shareholders.

Furthermore, on 29 June 2022, the Board also declared the second special dividend of 18.0 HK cents (2021: Nil) per share amounting to HK\$301,060,000 (2021: Nil). The amount is calculated based on 1,672,553,104 issued shares as at 29 June 2022. This second special 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 2023.

## 12. (LOSS)/EARNINGS PER SHARE

The calculation of the (loss)/earnings per share is based on the following (loss)/profit attributable to equity holders and the weighted average number of 1,672,553,104 (2021: 1,672,553,104) shares in issue during the year:

	2022			2021		
	Continuing operations <i>HK\$'000</i>	Discontinued operation <i>HK\$'000</i>	Total <i>HK\$'000</i>	Continuing operations <i>HK\$'000</i> (Restated)	Discontinued operation <i>HK\$'000</i> (Restated)	Total <i>HK\$'000</i> (Restated)
(Loss)/profit attributable to equity holders	<u>(839,308)</u>	<u>316,159</u>	<u>(523,149)</u>	<u>122,966</u>	<u>(85,514)</u>	<u>37,452</u>

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

## 13. DEBTORS AND PREPAYMENTS

Receivables from sales of properties and cemetery assets are settled in accordance with the terms of respective contracts. Rental income and management fees are received in advance. Credit terms of sales of goods and merchandises mainly range from 30 days to 90 days (2021: Same, included credit terms of hotel income ranged from 30 days to 45 days). The aging analysis of trade debtors of the Group is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Below 30 days	6,224	4,003
31 to 60 days	3,054	3,184
61 to 90 days	2,258	2,349
Over 90 days	<u>11,499</u>	<u>7,099</u>
	<u>23,035</u>	<u>16,635</u>

Debtors and prepayments include net deposits of HK\$5,973,000 (2021: HK\$22,560,000) for acquisition of property projects, properties and right-of-use assets after the accumulated provision for impairment as at 31 March 2022. In 2022, the balances also include (i) the deferred consideration of about HK\$122.9 million (2021: Nil) for the Panyu Disposal as mentioned in note 5B(a), which was received in May 2022 after the expiry of 12 months from the date of completion; and (ii) a consideration receivable of about HK\$5,119,000 (2021: Nil) for the Hotel Disposal as mentioned in note 10 which represented the adjustment on consideration agreed by the buyer and will be received from the buyer in July 2022 in accordance with the sale and purchase agreement. In 2021, they also included (i) prepayments of sales commissions of HK\$2,541,000 which represented costs incurred to obtain property sale contracts, and were amortized to profit or loss during the year ended 31 March 2022 when the related revenue was recognized; and (ii) stamp duty receivables of HK\$125,684,000 which represented the refundable stamp duty paid by the Group upon acquisition of certain development properties in Hong Kong in prior years, and were fully refunded during the year ended 31 March 2022.

#### 14. CREDITORS AND ACCRUALS

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

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Below 30 days	<b>3,792</b>	60,945
31 to 60 days	<b>770</b>	2,430
Over 60 days	<b>4,853</b>	3,528
	<u><b>9,415</b></u>	<u>66,903</u>

Creditors and accruals include the construction cost payables and accruals of HK\$209,853,000 (2021: HK\$219,245,000) for the property and cemetery projects of the Group and the special dividend payable of the Company of HK\$100,353,000 (2021: Nil) which was paid subsequently on 29 April 2022. In 2021, the balances also included the deposit received of approximately HK\$118.3 million for the Panyu Disposal as mentioned in note 5B(a).

#### 15. FINANCIAL GUARANTEES

As at 31 March 2022, the Company had provided guarantees of HK\$411,131,000 (2021: HK\$419,945,000) for the banking facilities granted to the joint ventures, and certain subsidiaries had provided guarantees of HK\$9,409,000 (2021: HK\$15,159,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the Group in the PRC.

#### 16. COMMITMENTS

As at 31 March 2022, the Group had commitments contracted but not provided for in respect of property projects, properties, and property, plant and equipment of HK\$438,116,000 (2021: HK\$315,006,000) and financial assets at fair value through profit or loss of HK\$47,569,000 (2021: Nil) respectively.

#### 17. PLEDGE OF ASSETS

As at 31 March 2022, the Group had pledged certain assets including investment properties, properties for/under development, properties for sale and financial assets at fair value through profit or loss, with an aggregate carrying value of HK\$8,488,796,000 (2021: HK\$10,142,654,000, included property, plant and equipment and right-of-use assets), to secure banking facilities granted to the subsidiaries.

#### 18. CAPITAL EXPENDITURE

For the year ended 31 March 2022, the Group incurred acquisition and development costs on property, plant and equipment of HK\$2,377,000 (2021: HK\$14,985,000), right-of-use assets of HK\$7,736,000 (2021: HK\$46,147,000) and property projects, properties, investment properties and cemetery assets of HK\$62,146,000 (2021: HK\$160,014,000) respectively.

#### 19. EVENT AFTER THE REPORTING PERIOD

In June 2022, an indirect non-wholly-owned subsidiary of the Company entered into an agreement with an independent third party to dispose of the land and factory building in Singapore for a consideration of S\$21 million (equivalent to approximately HK\$118.4 million). Details of the disposal were announced by the Company on 15 June 2022 and deposit in aggregate of S\$2.1 million (equivalent to approximately HK\$11.8 million) has been received. It is expected that a net gain of S\$15.2 million (equivalent to approximately HK\$85.7 million) will be recorded upon completion.

## FINANCIAL REVIEW

In the first half of this financial year, the Group had successfully completed the disposals of the property projects in Panyu, the People's Republic of China (the "PRC") and Vietnam with cash consideration of about RMB1,574.9 million and US\$25.6 million respectively. Although there is the fifth wave of the Omicron outbreak during the second half of this financial year, the Group had grasped the opportunity to conclude and complete the hotel disposal in Hong Kong with consideration of about HK\$1,651.2 million just before the financial year end date. All these transactions with substantial realized gains have helped the Group to strengthen its foundation as well as its financial position. However, the prolonged unfavourable and high volatile high yield bond market, which has lasted for nearly the whole financial year and still has not yet been ended up to the date of this report, had adversely affected the performance of the bond investments held by the Group. This had offsetted all the realized gains from the disposals and had led to a net loss position of the Group for this financial year. Nevertheless, with the substantial cash proceeds received from the aforesaid disposal transactions, the business operation and the financial position of the Group remain healthy and sound.

For the year ended 31 March 2022, revenues of the Group decreased to HK\$666.4 million (2021: HK\$2,089.5 million) mainly due to the decrease in recognition of completed sales of The Esplanade, Tuen Mun in Hong Kong. Revenues of the Group comprised revenues from sales of properties of HK\$271.8 million (2021: HK\$1,651.6 million) which included the sales of the Vietnam project, revenues from rental and other income of investment properties of HK\$159.2 million (2021: HK\$184.7 million), revenues from cemetery business of HK\$41.0 million (2021: HK\$25.7 million), revenues from sales of goods and merchandises of HK\$16.7 million (2021: HK\$16.2 million), revenues from money lending business of HK\$1.6 million (2021: HK\$3.6 million), and revenues from securities investment and trading business of HK\$176.1 million (2021: HK\$207.7 million).

As a result of the decrease in revenues, gross profit during the year decreased to HK\$441.9 million (2021: HK\$976.5 million). Gross profit margin increased to 66.3% (2021: 46.7%), which was mainly due to the decrease in proportion of revenues generated from sales of properties segment which had a relatively lower profit margin than the other revenue segments of the Group.

Other income and net loss amounted to a net loss of HK\$1,747.9 million (2021: net gain of HK\$324.3 million) mainly due to the unrealized fair value loss of bond investments recorded during the year under review. A breakdown of other income and net (loss)/gain is shown in note 5A on page 14 of this report. Gain from disposal of subsidiaries of HK\$1,178.9 million (2021: loss of HK\$10.3 million for disposal of subsidiary holding property at United Kingdom) during the year represented the gain on disposal of property holding subsidiaries that held the property project in Panyu, the PRC. Gain from change in fair value of investment properties of the Group amounted to HK\$36.1 million (2021: loss of HK\$442.1 million) mainly due to the increase in fair value of the investment properties of the Group. There is a profit from discontinued operation of HK\$316.2 million (2021: loss of HK\$85.5 million), which represented the gain on disposal of the subsidiaries that held the hotel in Hong Kong during the year with the amount of HK\$405.0 million, and offsetted by the net loss of HK\$88.8 million (2021: HK\$85.5 million) on operation of the hotel business during the year before disposal.

On the costs side, selling and marketing expenses decreased to HK\$32.2 million (2021: HK\$110.9 million) principally due to the decrease in sales commission of The Esplanade in Tuen Mun recorded upon the sales recognition during the year. Administrative and other operating expenses increased to HK\$357.0 million (2021: HK\$323.5 million) mainly due to the increase in business activities and general overheads of the Group. Finance costs decreased to HK\$104.5 million (2021: HK\$134.0 million) mainly due to the decrease in interest rates and the decreased level of bank borrowings of the Group. Share of loss of associated companies amounted to HK\$9.1 million (2021: HK\$2.2 million) mainly due to the increase in loss of the associated companies caused by Covid-19 and renovation activities. Share of loss of joint ventures amounted to HK\$23.1 million (2021: HK\$3.4 million) mainly due to the increase in loss of the joint ventures caused by revaluation loss on investment properties as well as selling and marketing activities driven by the pre-sale of property units. Taxation charge amounted to HK\$133.9 million (2021: taxation credit of HK\$10.7 million) mainly due to the tax charge for the disposal of the subsidiaries holding the Panyu project during the year.

Taking into account the above, loss attributable to equity holders of the Company for the year ended 31 March 2022 amounted to HK\$523.1 million (2021: profit of HK\$37.5 million). Loss per share was 31.28 HK cents (2021: earnings per share of 2.24 HK cents).

## **DIVIDENDS**

The board of Directors (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 2.0 HK cents (2021: 1.5 HK cents) per share for the year ended 31 March 2022. The final dividend, if approved, will be paid on or before Tuesday, 27 September 2022 to the shareholders whose names appear on the Company’s register of members on Wednesday, 14 September 2022.

Furthermore, after taking into account the overall performance and the working capital requirements of the Group, the Board has today also resolved to pay the second special dividend of 18.0 HK cents (2021: Nil) per share on or before Tuesday, 27 September 2022 to the shareholders whose names appear on the Company’s register of members on Wednesday, 14 September 2022.

An interim dividend of 2.0 HK cents (2021: 1.5 HK cents) per share and a special dividend of 6.0 HK cents (2021: Nil) per share have been paid in respect of the current financial year. Total dividends for the year amount to 28.0 HK cents (2021: 3.0 HK cents) per share, representing an increase of about 8.3 times. Total dividend amount in respect of the current financial year will be about HK\$468.3 million (2021: HK\$50.2 million).



## BUSINESS REVIEW

### (A) Investment Properties

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

The property is a commercial/office building and is strategically located at the heart of Central District and close to the exits of both the Central Station of the Mass Transit Railway and the Hong Kong Station of the Airport Express Line. The property has a site area of about 3,692 *sq. ft.* and a total gross floor area (“GFA”) of about 55,367 *sq. ft.*. During the year, rental and other income from this property amounted to about HK\$45.9 million. Renovation work has been carried out at the entrance for upgrading the esthetics of the property. With the prime and central location of the property linked with convenient public transportation nearby, the Group is optimistic about the market in this district.

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

Strategically located at the heart of shopping centres in Tsim Sha Tsui, Kowloon, and near the exits of the Mass Transit Railway and the Guangzhou-Shenzhen-Hong Kong Express Rail Link Hong Kong Section, the property is a shopping and entertainment complex. The property has a site area of about 9,145 *sq. ft.* and a total GFA of about 103,070 *sq. ft.*. During the year, rental and other income from this property amounted to about HK\$42.3 million. The Group continues to carry out lease restructuring with tenants and reshuffle the tenant mix of the property to mitigate the impact of Covid-19. The entries of fitness and leisure centres have helped to increase the customer flow to the plaza. The Group would be flexible on tenant selection and would explore more marketing ideas on promotion and leasing in order to increase the occupancy rate of the plaza.

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

The property is a commercial/industrial building located in between the Cheung Sha Wan (approximately 0.4 kilometre) and the Sham Shui Po (approximately 0.5 kilometre) Mass Transit Railway Stations, enjoying the convenience of good transportation network. The property has a site area of about 3,920 *sq. ft.* and a total GFA of about 47,258 *sq. ft.*. During the year, rental and other income from this property amounted to about HK\$9.1 million. Currently, the property is for commercial (G/F to 3/F and 12/F) and industrial (4/F to 11/F) use. Building plans to redevelop the property into a commercial/residential property with a total GFA of about 35,280 *sq. ft.* have been approved by the Buildings Department, and taking into account the current mass residential property market, the Group will evaluate the best timing to carry out such redevelopment (if any).

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

Located at Deep Water Bay, a prestigious residential area, the property enjoys a glamorous sea-view. Interior renovation works for upgrading the house are being carried out. Marketing work for leasing the house is in progress. The Group will also adopt flexible strategy in considering other options such as disposal in order to maximize return from this investment.

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

This property is located next to an exit of Honghu Station of Line 7, Shenzhen Metro, and it is for commercial use with a total gross area of about 5,318 *sq. m.*. The property was subject to a rental guarantee from the vendor of the property for 36 months starting from November 2018 to November 2021. All income under the guarantee is received, in which the total amount of rental income for the year ended 31 March 2022 is HK\$13.7 million. In order to continue to generate rental income from the property, the Group leased out the property in March 2022 to an independent third party to operate it as a medical centre with tenancy of 10 years at initial monthly rental of RMB680,000, with a step up by 5% for every 2 years thereafter.

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

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



## **(B) Hotels and Serviced Apartments**

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

Hotel sáv is located at the heart of Hunghom and comprises 388 rooms together with shopping units and restaurants on the ground and first floors. Just before this financial year end, the Group had successfully concluded and completed the disposal of the subsidiaries that held Hotel sáv for a consideration of about HK\$1,651.2 million. Completion of the disposal generated a net gain of about HK\$405.0 million in this financial year. Details of the disposal were announced by the Company on 20 December 2021 and published in the circular of the Company on 21 January 2022. The disposal has brought in considerable net gain and substantial cash inflow to the Group, which has further strengthened its cash position.

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

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

Although recently the local government has relaxed the Covid international traveling policy and the mandated regulation on hotel occupancy as well as social distancing policy for food and beverage outlets, the business of the resort is just slowly resuming. Coupled with the damage from a super typhoon which hit Cebu badly in December 2021 and led to certain renovation in the resort, the business of the resort continues to be affected seriously. Revenue of the resort for the year remained at low level and a loss of about HK\$13.5 million (2021: HK\$5.5 million) was recorded. The Group's 40% share of loss was about HK\$5.4 million (2021: HK\$2.2 million). The resort is currently operating with minimal manpower to reduce cost.

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

The property is close to the Jordan Station of the Mass Transit Railway and had been developed by the Group into a 25-storey commercial/residential building comprising 114 fully furnished studio units with clubhouse facilities and shopping units at the podium levels (G/F to 2/F). The Group still owns 18 residential units of this property (recorded as properties for sale) and they are operating as serviced apartments to generate income. Rental income from the serviced apartments during the year amounted to approximately HK\$2.8 million. The Group will closely monitor the market opportunity and adopt a flexible approach to sell these 18 units in order to cash out from this investment.

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

In Taiwan, the Group owns sáv Residence which is located nearby the city centre of Taipei City. The property is a residential complex developed by the Group and comprises a fully furnished villa and 6 serviced apartments (of which 2 are duplex) with a total GFA of about 20,600 *sq. ft.*. The serviced apartments have been leased out with rental income amounting to approximately HK\$2.1 million for the year under review. Marketing work for leasing the villa is in progress.

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

The project is located in the city centre within the embassy district and has a site area of about 3,431 *sq. m.*. This 19-storey serviced apartment/office complex comprises 142 units with clubhouse facilities, a ground floor shop with a total GFA of about 19,000 *sq. m.* and 48 carparking spaces. Internal and external finishing works have been completed during the year. Application for the issuance of occupation permit of the project has been submitted to the relevant authorities for approval in the first quarter of 2020. However, as Mongolia has imposed strict lockdown arrangement for a long time during the last 2 years due to Covid-19, the approval process has been significantly delayed. The Group has engaged local professional experts to follow up the case who are in the process of negotiating with the relevant authorities in order to issue the occupation permit expeditiously. Marketing works for leasing have commenced.

**(C) Development Properties**

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

The Group has successfully consolidated this project with a total site area of about 3,600 *sq. ft.*. General building plans of the project to develop a 26-storey residential/commercial building comprising clubhouse facilities and retail units with GFA of about 34,871 *sq. ft.* have been approved. Foundation works are currently in progress and are expected to be completed in the second quarter of 2023. The Group targets to achieve BEAM Plus Silver Rating for the property development from the green building perspective. With the prime location at Central, the Group is optimistic about the prospect of this project.

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

This project is owned as to 50% by the Group and 50% by a wholly-owned subsidiary of K. Wah International Holdings Limited (stock code: 173), and the Group is the project manager of the development. The property, with a site area of about 10,000 *sq. ft.*, is located in a prestigious mid-level area that enjoys a glamorous sea-view. The Group is developing the property into one vertical house with 8 storeys over the podium, and targets to achieve LEED Silver Rating for the property development from the green building perspective. The 8-storey house will include a luxury living and dining area with 6m floor-to-floor height, an entertainment floor and 6 residential suite floors with at least 3.5m floor-to-floor height. The proposed GFA for the house is about 44,913 *sq. ft.*, with an additional area of about 5,200 *sq. ft.* for garden and about 2,200 *sq. ft.* for roof.

Superstructure works are proceeding as scheduled with podium works in progress. It is expected that the overall superstructure works will be completed by the end of 2023. In the meantime, both joint venture partners are also exploring other options (including disposal) to accelerate return on this investment. A marketing consultant has been engaged to advise on marketing strategy on this project and prepare marketing materials for promotion.

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

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

General building plans of the project were approved by the relevant authorities. Superstructure works are nearly completed which will be followed by exterior works and interior works. The project has already obtained “Provisional Gold” Green Building Certificate and “WELL Precertification” under the Well Building Standard respectively for project development. Occupation permit is targeted to be obtained in the first quarter of 2023. Pre-sale consent of the 322 residential units of ONE SOHO was obtained in April 2021 and pre-sale has commenced accordingly. Up-to-date, a total of 191 units have been pre-sold at aggregate amount of about HK\$1.36 billion, and aggregate deposits amounted to about HK\$400.5 million have been received. According to the current marketing and sales plan, the targeted total sales proceeds of the residential portion of this project are estimated to be about HK\$2.3 billion, and the Group’s share of the 40% portion will be about HK\$900 million.

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

During the year under review, the Group had disposed of the project for a consideration of about US\$25.6 million (equivalent to approximately HK\$198.9 million). The transaction was completed in May 2021 and a net profit of approximately HK\$84 million was recorded in the current financial year. This disposal has further strengthened the financial position of the Group.

**(D) Chuang's China Investments Limited ("Chuang's China", stock code: 298) (61.15% owned)**

Chuang's China and its subsidiaries (the "Chuang's China Group") are principally engaged in, inter alia, property development and investment. For the year ended 31 March 2022, the Chuang's China Group recorded profit attributable to equity holders of HK\$227.8 million (2021: HK\$419.0 million) and revenues of HK\$204.5 million (2021: HK\$1,779.7 million) (which comprised revenues from sales of properties of HK\$72.8 million (2021: HK\$1,651.6 million), revenues from rental and management fee of HK\$25.9 million (2021: HK\$39.9 million), revenues from cemetery assets of HK\$41.0 million (2021: HK\$25.7 million) and revenues from securities investment and trading of HK\$64.8 million (2021: HK\$62.5 million)).

(i) *Investment Properties*

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

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

The Esplanade Place is developed by the Chuang's China Group in Tuen Mun which comprises a two-storey commercial podium having a total GFA of about 25,813 *sq. ft.*. There are about 16 commercial units and 12 commercial carparking spaces, of which 10 commercial units are leased to independent third parties with an aggregate annual rental income of about HK\$2.6 million. The Chuang's China Group will continue to market the remaining units and carparking spaces in order to generate rental income. As at 31 March 2022, the property was recorded at valuation of about HK\$175.9 million.

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

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

The weak economy in Anshan is adversely affected by Covid-19, thus business activities and leasing are progressing slowly. During the year under review, the Chuang's China Group has leased certain residential units to multi tenants with aggregate rental income of about RMB0.4 million (equivalent to approximately HK\$0.5 million). The Chuang's China Group will explore more marketing ideas on promotion and leasing of the commercial podium as well as the units of the twin tower. The valuation of the property was approximately RMB666.6 million (equivalent to approximately HK\$820.5 million) as at 31 March 2022, comprising RMB261.3 million for the commercial podium and RMB405.3 million for the twin tower.

3. Hotel and resort villas in Xiamen, Fujian (59.5% owned by Chuang's China)

This hotel complex is developed by the Chuang's China Group, comprising a 6-storey hotel building with 100 guest-rooms (GFA of 9,780 *sq. m.*) and 30 villas (aggregate GFA of about 9,376 *sq. m.*) in Siming District, Xiamen. As at 31 March 2022, the properties were recorded at valuation of RMB404.0 million (comprising RMB190.0 million for the hotel and RMB214.0 million for the 30 villas). The valuation attributable to the Chuang's China Group was about RMB240.4 million (equivalent to approximately HK\$295.9 million), whereas the total investment costs of the Chuang's China Group were about RMB155.2 million (equivalent to approximately HK\$191.0 million).

During the year under review, the hotel building together with 3 villas are leased to 廈門侂家鷺江酒店 (Xiamen Mega Lujiang Hotel) and is operated as “鷺江•侂家酒店” (Mega Lujiang Hotel). As announced on 15 October 2021, the Chuang's China Group entered into an amendment agreement for the reduction of rent for the hotel building and 3 villas for the period up to January 2024 in view of the operational difficulty of Xiamen Mega Lujiang Hotel under the poor business environment in Xiamen. Besides, as announced on 15 October 2021 and 26 January 2022, the Chuang's China Group entered into two additional tenancy agreements to lease further 16 villas and 4 villas respectively to Xiamen Mega Lujiang Hotel with a term of about 10 years in order to increase the recurrent income. The remaining 7 villas are leased to independent third parties. The aggregate annual rental income of this hotel complex amounted to about RMB18.8 million (equivalent to approximately HK\$23.1 million).

4. Commercial Property in Shatian, Dongguan, Guangdong (100% owned by Chuang's China)

The Chuang's China Group holds a 4-storey commercial building in Shatian, Dongguan, providing a total GFA of about 4,167 *sq. m.* for commercial, retail and office usage. As at 31 March 2022, valuation of the property was RMB36.4 million (equivalent to approximately HK\$44.8 million). One storey was leased to 中國人壽東莞分公司 (China Life Dongguan branch) for office use since years ago, and subsequent to this year end, the ground floor was leased to an independent party in June 2022 for retail use. The aggregate annual rental income is about RMB0.8 million (equivalent to approximately HK\$1.0 million). Marketing is in progress for leasing of the remaining units of the property.

5. Wisma Chuang, Jalan Sultan Ismail, Kuala Lumpur, Malaysia (100% owned by Chuang's China)

Wisma Chuang is located within the prime city centre, situated right next to the landmark shopping complex, Pavilion KL, the heart of central business district and prestigious shopping area of Kuala Lumpur. It is built on a freehold land and is a 29-storey high rise office building having retail and office spaces of approximately 254,000 *sq. ft.* (on total net lettable area basis is approximately 195,000 *sq. ft.*) and 298 carparking spaces. As at 31 March 2022, the valuation of this property was MYR167.7 million (equivalent to approximately HK\$312.3 million), which represents an average value of approximately MYR860 (equivalent to approximately HK\$1,602) per *sq. ft.* of net lettable retail and office area.

During the year under review, the occupancy rate was seriously affected by the lockdown imposed due to Covid-19 and fell to approximately 54% whereas rental rates was also decreased. Rental income was approximately MYR5.5 million (equivalent to approximately HK\$10.2 million). The Chuang's China Group will seek appropriate opportunity to dispose of the property to accelerate return from this investment.

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



(ii) *Property Development*

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

The project was completed with GFA of about 117,089 *sq. ft.* for residential purpose, named as The Esplanade, and GFA of about 25,813 *sq. ft.* for commercial purpose, named as The Esplanade Place, respectively. The Esplanade comprises 371 residential flats 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 8 carparking spaces have been sold at aggregate amount of about HK\$1,718.5 million. Among these sales, 365 residential units and 3 carparking spaces with sales value of about HK\$1,647.5 million had been handed-over to end-buyers in the last financial year. During the year under review, the remaining 6 residential units and 4 carparking spaces with sales value of about HK\$69.7 million had also been completed. The remaining 1 sold carparking space with sale value of about HK\$1.3 million was completed subsequent to the year end date. The Chuang's China Group will continue to market the remaining unsold carparking spaces.

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

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.

Foundation works have been completed. Superstructure work is currently in progress. Preparation works for pre-sale have also been commenced, which is expected to be launched in the third quarter of 2022.

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

Chuang's Le Papillon is an integrated residential and commercial community and its development is implemented by phases. The Chuang's China Group has completed the development of Phase I and II, having a total GFA of approximately 260,800 *sq. m.*. It comprises 34 high-rise residential towers with a total of 2,077 flats and 22 villas, commercial properties, club houses and 1,497 carparking spaces. All residential units and 6 villas had been sold in previous years, furthermore, 1 villa was disposed of during the year under review. For the remaining development (Phase III), it comprises a land of over 92,000 *sq. m.* and its total plot ratio GFA is about 175,011 *sq. m.* and saleable GFA is about 162,958.64 *sq. m.*.

On 9 February 2021, the Chuang's China Group entered into the conditional sale and purchase agreements with independent third parties for the disposal of the properties holding subsidiaries that hold this Phase III land site, together with 15 villas, 2 clubhouses and 369 carparks, for an aggregate consideration of about RMB1,574.9 million (equivalent to approximately HK\$1,896.7 million). Completion of the disposal took place on 14 May 2021, and a net gain of about HK\$1.04 billion (after net of the related taxation charge of HK\$142.1 million) was recognized for the year under review. Consideration of about RMB1,350.1 million (equivalent to approximately HK\$1,628.0 million) was received at completion. Pursuant to the sale and purchase agreement, a deferred consideration of the remaining proceed is to be received after the expiry of 12 months from the date of completion, and such amount of RMB99.9 million (equivalent to approximately HK\$122.9 million) had been received in May 2022. In addition, a deferred tax amount capped at RMB25 million (equivalent to approximately HK\$30.1 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. Details of the disposal were announced by the Company on 11 February 2021 and 14 May 2021 respectively, and published in the circular of the Company on 19 March 2021.

One villa and 14 carparks were retained by the Chuang's China Group from the abovementioned disposal, in which 10 carparks were disposed of during the year. The villa was recorded at valuation of RMB8.2 million (equivalent to approximately HK\$10.1 million) as at 31 March 2022. The Chuang's China Group will adopt a flexible approach to lease/sell this villa.

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

The Chuang's China Group owns a site area of about 20,000 *sq. m.* in the city centre of Changan (長安), Dongguan, on which an industrial building with GFA of about 39,081 *sq. m.* was erected. The property is currently leased to an independent third party until 2023, at gross rental income of about RMB7.2 million (equivalent to approximately HK\$8.9 million) per annum. As at 31 March 2022, the property was recorded at valuation of RMB189.8 million (equivalent to approximately HK\$233.6 million). On the basis of the annual rental income, the rental yield is approximately 3.8% based on valuation.

This site has been rezoned to "residential usage". Under existing requirements in the region, the site of 20,000 *sq. m.* is not sizable and has not reached the requisite size for applying for land usage conversion on its own. It will therefore be required to combine various adjacent sites for combined redevelopment. In view of the uncertainty and lengthy time for land usage conversion, the Chuang's China Group will seek for appropriate opportunity to dispose of the property.



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

Adjacent to Chuang's Mid-town, the Chuang's China Group acquired through government tender the second site located in the prime city centre of Tie Dong Qu (鐵東區) with a site area of about 39,449 *sq. m.*. As about 1,300 *sq. m.* of the land title has not yet been rectified by the government authorities with the local railway corporation, the Chuang's China Group suffered a reduction in land area that was occupied by the local railway corporation. The Chuang's China Group is holding discussions with the local authorities and will identify opportunities to dispose of this project.

6. Changsha, Hunan (69% owned by Chuang's China)

The Chuang's China Group owns an effective 69% interests in a property development project in Changsha, and the total historical investment cost incurred by the Chuang's China Group in the PRC project company was about HK\$26.6 million. The Chuang's China Group has obtained conclusive court ruling for winding up of the PRC project company. The voluntary liquidation is currently in progress. Based on the preliminary assessment by the liquidation team regarding the assets and liabilities of the PRC project company and as adversely affected by the weak market condition in Changsha, there may not be much distribution available to shareholders of the PRC project company, however, the actual outcome will still be subject to finalization of the liquidation process. Taking into account the estimated net liabilities of the PRC project company, its consolidated net value is nil in the consolidated financial statements of the Chuang's China Group.

7. Chengdu, Sichuan (51% owned by Chuang's China)

The Chuang's China Group holds a 51% development interest in a project in Wuhou District, Chengdu. The Chuang's China Group's total historical investment costs in this project was about RMB146.8 million (equivalent to approximately HK\$180.7 million). As announced on 10 February 2021, the Chuang's China Group had received the final judgment from the court which had made a revision of the judgement payments in favour of the Chuang's China Group. The Chuang's China Group has made application to the court to enforce the final judgement. In August 2021, the Chuang's China Group had received a portion of judgement payments amounting to about RMB12.9 million (equivalent to approximately HK\$15.5 million). The Chuang's China Group will continue to explore ways in order to recover its investment.

8. As previously reported, the Chuang's China Group obtained a judgement from court in Beijing for the registered owners of the courtyard house to transfer the title to the designated nominee of the Chuang's China Group. The transfer of one courtyard house with original investment cost of about HK\$0.7 million was completed during the year under review, whereas procedure for the transfer of another courtyard house with original investment cost of about HK\$7.8 million implemented by court is in progress.

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

9. Fortune Wealth, Sihui, Guangdong (86% owned by Chuang's China)

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

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

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 the local government. In July 2021, Fortune Wealth had entered into a supplemental agreement with 四會市自然資源局 and obtained approval from the local government for the extension for commencement of works by January 2022, and Fortune Wealth has commenced the works accordingly.

As at 31 March 2022, the cemetery assets (including non-controlling interests) were recorded based on the book cost of about RMB620.8 million (equivalent to approximately HK\$764.1 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 2022, about 2,972 grave plots and 531 niches were available for sale. Fortune Wealth will review its sales and marketing strategy and will take more proactive steps in its brand building and customer services.

*(iii) Investments in CNT Group Limited (“CNT”) and CPM Group Limited (“CPM”)*

As at 31 March 2022, the Chuang’s China Group owned about 19.35% 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 2022 of HK\$0.39 (31 March 2021: HK\$0.38) and HK\$0.40 (31 March 2021: HK\$0.48), the aggregate book value of the Chuang’s China Group’s investments in CNT and CPM is about HK\$146.2 million (31 March 2021: HK\$143.8 million). The change in book value is accounted for as “Reserve” in the financial statements.

**(E) Other Businesses**

*(i) Sintex Nylon and Cotton Products (Pte) Limited (“Sintex”)*

Sintex is engaged in the sales of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the year, Sintex recorded revenues of HK\$16.7 million (2021: HK\$16.2 million), and incurred a loss of HK\$2.5 million (2021: HK\$1.2 million). It is expected that Covid-19 would continue to have a negative impact on Sintex’s business. As such, Sintex is adjusting its business model that has less reliance on in-store shopping and concentrate more resources for developing online business. Moreover, Sintex is taking steps to reduce significant amount of overhead, solidify its internal operation and further evaluate the effectiveness of its retail stores by reorganizing the retail store portfolio. As part of these efforts, the Group had entered into an agreement to dispose of the land and factory building of Sintex for a consideration of S\$21 million (equivalent to approximately HK\$118.4 million) in June 2022. Details of the disposal were announced by the Group on 15 June 2022 and it is expected that a net gain of S\$15.2 million (equivalent to approximately HK\$85.7 million) will be recorded upon completion. This disposal helps to unlock the stored value in the property and is in line with the Group’s strategy of off-loading investment in non-core assets. The Group is strategically reviewing the development strategy and operation model of the business of Sintex following the disposal.

*(ii) Securities Investment and Trading*

During the year, the performance of the bond investments of the Group was continuously adversely affected by unfavorable and high volatile high yield bond market. As a result, securities investment and trading business of the Group recorded a net loss before tax and before deducting non-controlling interests of HK\$1,588.1 million, comprising dividend and interest income from investments of HK\$176.5 million, net realized loss on disposals and redemptions of bonds of HK\$35.7 million, and unrealized fair value loss on investments of HK\$1,728.9 million mainly as a result of mark to market valuations of the bond investments as at the balance sheet date.

As at 31 March 2022, investments of the Group amounted to HK\$1,153.2 million (HK\$564.5 million were held by the wholly-owned subsidiaries of the Group and HK\$588.7 million were held by the Chuang's China Group), and comprised as to HK\$989.2 million for investments in high yield bonds, HK\$1.6 million for investments in securities listed on the Stock Exchange and the balance of HK\$162.4 million for other investments in some FinTech companies, venture capital and funds which are not listed and/or just listed in the markets.

For reference and information only, subsequent to the year end and up to the date of this report, face value of approximately HK\$506.8 million of bond investments of the Group have been redeemed at par value upon maturity or disposed of in the open market with an aggregate consideration of approximately HK\$427.4 million, which represents a net realized gain before deducting non-controlling interests of approximately HK\$38.4 million when comparing with the aggregate market value of these bonds of approximately HK\$389.0 million as at 31 March 2022.

During the year and subsequent to the year end date, the Group has continuously slimmed down the portfolio size in high yield bond investments and the Group will continue to monitor the performance of its respective investment portfolios and make adjustments to them (with regard to the types and/or amounts of investments held) from time to time.

Set out below is further information of the bond investments of the Group as at 31 March 2022:

Stock code	Bond issuer	Face value of	Market value	Percentage of
		bonds held as at 31 March 2022 <i>US\$'000</i>	as at 31 March 2022 <i>HK\$'000</i>	market value to the Group's total assets as at 31 March 2022
754	Hopson Development Holdings Limited (7%, due 2024)	13,000	74,860	0.4%
1030	Seazen Group Limited (a) 6.15%, due 2023 (b) 6.45%, due 2022	2,500 2,300 <hr/> 4,800	31,892	0.2%
1233	Times China Holdings Limited (a) 5.3%, due 2022 (b) 5.55%, due 2024 (c) 5.75%, due 2022 (d) 6.6%, due 2023	2,000 8,000 4,000 5,000 <hr/> 19,000	95,362	0.5%
1638	Kaisa Group Holdings Ltd. (a) 8.5%, due 2022# (b) 9.75%, due 2023# (c) 11.25%, due 2022	16,400 2,000 6,000 <hr/> 24,400	39,682	0.2%
1668	China South City Holdings Limited (a) 10.75%, due 2023 (b) 10.875%, due 2022 (c) 11.5%, due 2022	2,700 2,500 16,000 <hr/> 21,200	140,884	0.7%

Stock code	Bond issuer	Face value of	Market value	Percentage of
		bonds held	as at 31 March	market value
		as at 31 March	as at 31 March	to the Group's
		2022	2022	total assets
		US\$'000	HK\$'000	as at 31 March
				2022
1777	Fantasia Holdings Group Co., Limited			
	(a) 7.95%, due 2022 <sup>#</sup>	1,000		
	(b) 11.75%, due 2022 <sup>#</sup>	17,000		
	(c) 12.25%, due 2022 <sup>#</sup>	2,000		
	(d) 15%, due 2021 <sup>#^</sup>	2,000		
		<u>22,000</u>	24,634	0.1%
1813	KWG Group Holdings Limited			
	(a) 7.4%, due 2024	5,000		
	(b) 7.875%, due 2023	5,000		
		<u>10,000</u>	37,044	0.2%
1918	Sunac China Holdings Limited (8.35%, due 2023)	9,000	23,413	0.1%
1966	China SCE Group Holdings Limited			
	(a) 5.95%, due 2024	3,500		
	(b) 7.25%, due 2023	6,150		
		<u>9,650</u>	56,137	0.3%
1996	Redsun Properties Group Limited			
	(a) 7.3%, due 2024	5,000		
	(b) 9.7%, due 2023	2,000		
		<u>7,000</u>	10,811	0.1%
2007	Country Garden Holdings Company Limited (5.625%, due 2026)	3,500	16,819	0.1%

Stock code	Bond issuer	Face value of	Market value	Percentage of
		as at 31 March 2022 <i>US\$'000</i>	as at 31 March 2022 <i>HK\$'000</i>	market value to the Group's total assets as at 31 March 2022
2768	Jiayuan International Group Limited (a) 11%, due 2024 (b) 12%, due 2022 (c) 12.5%, due 2023	5,000 12,100 4,000 <u>21,100</u>	68,640	0.3%
2772	Zhongliang Holdings Group Company Limited (8.5%, due 2022)	10,000	42,323	0.2%
2777	Easy Tactic Limited, a wholly-owned subsidiary of Guangzhou R&F Properties Co., Ltd. (5.75%, due 2022)	49,188	107,651	0.6%
3301	Ronshine China Holdings Limited (a) 7.35%, due 2023 (b) 8.1%, due 2023 (c) 8.95%, due 2023	10,000 10,000 2,000 <u>22,000</u>	35,180	0.2%
3333	China Evergrande Group (a) 7.5%, due 2023 <sup>#</sup> (b) 8.25%, due 2022 <sup>#^</sup> (c) 8.75%, due 2025 <sup>#</sup>	10,743 39,200 4,714 <u>54,657</u>	57,044	0.3%
3383	Agile Group Holdings Limited (5.125%, due 2022)	10,000	43,172	0.2%

Stock code	Bond issuer	Face value of	Market value	Percentage of
		bonds held	as at 31 March	market value
		as at 31 March	as at 31 March	to the Group's
		2022	2022	total assets
		US\$'000	HK\$'000	as at 31 March
				2022
3883	China Aoyuan Group Limited			
	(a) 5.375%, due 2022 <sup>#</sup>	3,000		
	(b) 6.35%, due 2024 <sup>#</sup>	16,000		
	(c) 7.95%, due 2023 <sup>#</sup>	6,000		
		<u>25,000</u>	33,850	0.2%
6158	Zhenro Properties Group Limited			
	(a) 8%, due 2023	5,000		
	(b) 9.15%, due 2023	6,000		
		<u>11,000</u>	13,436	0.1%
600606	Greenland Global Investment Limited, a wholly-owned subsidiary of Greenland Holdings Corporation Limited			
	(a) 6.125%, due 2023	2,950		
	(b) 6.75%, due 2022	2,600		
	(c) 6.75%, due 2023	200		
		<u>5,750</u>	36,390	0.2%
		<u>352,245</u>	<u>989,224</u>	<u>5.2%</u>

<sup>#</sup> Bond interest with aggregate amount of about HK\$40.4 million were in default during the year ended 31 March 2022.

<sup>^</sup> Principal of bonds due at maturity with aggregate face value of about HK\$322.5 million (recorded with aggregate market value of about HK\$43.7 million as at 31 March 2022) were in default during the year ended 31 March 2022.



Brief description of principal business of the respective bond issuers held as at 31 March 2022 is as follows:

<b>Name of company</b>	<b>Principal business</b>
Hopson Development Holdings Limited	Property development, commercial properties investment, property management, infrastructure and investments businesses
Seazen Group Limited	Property development, property investment and commercial property management
Times China Holdings Limited	Property development, urban redevelopment business and property leasing
Kaisa Group Holdings Ltd.	Property development, property investment, property management, hotel and catering operations and other businesses
China South City Holdings Limited	Property development, property investment and management and other businesses
Fantasia Holdings Group Co., Limited	Property development, property investment, property agency services, property operation services, hotel operation and others
KWG Group Holdings Limited	Property development, property investment and hotel operation
Sunac China Holdings Limited	Property development and investment, cultural and tourism city construction and operation, property management services and other services
China SCE Group Holdings Limited	Property development, property investment, property management and project management
Redsun Properties Group Limited	Property development, commercial property investment and operations, and hotel operations
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

<b>Name of company</b>	<b>Principal business</b>
Zhongliang Holdings Group Company Limited	Property development, property leasing and management consulting 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
Agile Group Holdings Limited	Property development, property management and others
China Aoyuan Group Limited	Property development, property investment and others
Zhenro Properties Group Limited	Property development, property leasing and commercial property management
Greenland Holdings Corporation Limited	Property development, property investment, construction and hotel operation

*(iii) Money Lending Business*

The Group had advanced loans to customers. Revenues generated from this business during the year amounted to HK\$1.6 million (2021: HK\$3.6 million). As at 31 March 2022, outstanding amount of loans due from customers amounted to about HK\$174.8 million (2021: HK\$169.6 million), which were mainly relating to mortgage loans. Among these mortgage loans, one borrower with outstanding loan amount of approximately HK\$117.5 million (the loan is secured by a property in Hong Kong with valuation higher than the outstanding loan amount) has failed to pay its monthly instalments since December 2019 with only HK\$3.0 million settlement thereafter, and as such the corresponding unreceived interest income is not recognized since then. The Group has taken legal action to recover the overdue amount in order to protect the Group's interest, and has successfully obtained vacant possession of the secured property in the capacity of mortgagee at the end of February 2022. The Group has further entered into a provisional agreement with an independent third party in April 2022 to dispose of the secured property with the amount of HK\$128 million. Formal agreement was signed in May 2022 and deposit with amount of HK\$12.8 million has been received, and the disposal is expected to be completed in July 2022. The whole proceeds will be retained by the Group for the repayment of the mortgage loan principal and the relevant interest thereof.

## **FINANCIAL POSITION**

### **Net asset value**

As at 31 March 2022, net assets attributable to equity holders of the Company was HK\$10,717.5 million (2021: HK\$11,311.2 million). Net asset value per share was HK\$6.41 (2021: HK\$6.76), which is calculated based on the book costs of the Group's properties for sale before taking into account their appreciated values.

### **Financial resources**

As at 31 March 2022, the Group's cash, bank balances and bond and securities investments amounted to HK\$5,170.8 million (2021: HK\$5,633.4 million). Bank borrowings as at the same date amounted to HK\$5,404.5 million (2021: HK\$7,092.7 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash, bank balances and bond and securities investments over net assets attributable to equity holders of the Company, was only 2.2% (2021: 12.9%).

Approximately 96.7% of the Group's cash, bank balances and bond and securities investments were denominated in Hong Kong dollar and United States dollar, 2.6% were in Renminbi and the balance of 0.7% were in other currencies. Approximately 97.4% of the Group's bank borrowings were denominated in Hong Kong dollar and United States dollar, and the balance of 2.6% 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 25.5% of the Group's bank borrowings were repayable within the first year, 11.4% were repayable within the second year, 60.8% were repayable within the third to fifth years and the balance of 2.3% were repayable after the fifth year.

### **Foreign exchange risk**

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

## **PROSPECTS**

With the gradual relaxation of social distancing curbs and the resumption of quarantine-free travel abroad, it is expected that the property market and economy in Hong Kong will recover gradually. We will monitor the situation closely and will take appropriate steps to preserve the Group's competitiveness and grasp opportunities ahead. The Group will continue to look for opportunities to realize investments in various investment properties and offload investments in those non-core assets in order to further enhance the financial resources and capability of the Group to replenish its land bank in Hong Kong, especially for the luxury and mass residential market, for future property development and trading. We are confident that, with the implementation of the above strategies, the Group's profitability and financial position will be improved, and further value can be created for our shareholders.

## **CLOSING OF REGISTER**

The AGM is scheduled on Friday, 2 September 2022. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 30 August 2022 to Friday, 2 September 2022, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (to be changed to 17/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong with effect from 15 August 2022), for registration not later than 4:30 p.m. on Monday, 29 August 2022.

The record date for entitlements to the proposed final dividend (which is subject to the approval of the shareholders of the Company (the "Shareholders") at the AGM) and the second special dividend is Wednesday, 14 September 2022. For determining the entitlements to the proposed final dividend and the second special dividend, the register of members of the Company will be closed from Thursday, 8 September 2022 to Wednesday, 14 September 2022, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and the second special dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (to be changed to 17/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong with effect from 15 August 2022), for registration not later than 4:30 p.m. on Wednesday, 7 September 2022.

## **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 2022, the Group (excluding the Chuang's China Group) employed 168 staff and the Chuang's China Group employed 112 staff. The Group provides its staff with other benefits including discretionary bonus, double pay, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

## **DEALING IN THE COMPANY'S SECURITIES**

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

## **CORPORATE GOVERNANCE**

Due to other commitments, one Independent Non-Executive Director had not attended the special general meeting of the Company on 4 March 2022 as required by Code C.1.6 of the code provisions set out in the Appendix 14 – Corporate Governance Code (the “CG Code”) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Since 15 October 2019, Mr. Albert Chuang Ka Pun had been appointed as the Chairman and the Managing Director of the Company and taken up both roles as the Chairman and the Chief Executive Officer. The roles of the chairman and the chief executive officer are not separated pursuant to Code C.2.1 of the CG Code. However, the Board considers that this structure has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions efficiently and consistently. Except as mentioned hereof, the Company has complied throughout the year ended 31 March 2022 with the code provisions set out in the CG Code.

An audit committee has been established by the Company to review and supervise the Company's financial reporting process, risk management and internal controls and review the relationship with the auditor. The audit committee has held meetings in accordance with the relevant requirements and reviewed the consolidated results of the Group for the year ended 31 March 2022. The current members of the audit committee are Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong and Mr. Yau Chi Ming, the Independent Non-Executive Directors of the Company.

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

## **PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME**

The share option scheme adopted by the Company on 31 August 2012 is for a period of 10 years expiring on 30 August 2022 (the “2012 Scheme”). As at the date of this report, the Company did not have any share option scheme other than the 2012 Scheme and there were no options granted under the 2012 Scheme which remained valid or exercisable. As the 2012 Scheme is due to expire in August 2022, the Board proposes to adopt a new share option scheme of the Company (the “New Share Option Scheme”). Relevant resolution(s) will be proposed at the AGM to seek the approval of the Shareholders for adoption of a new share option scheme of the Company. A circular containing, among others, details of the proposed New Share Option Scheme and the proposed New CC Scheme (as defined below) will be despatched to the Shareholders as soon as practicable.

## **PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME OF A SUBSIDIARY**

The share option scheme of Chuang's China (a subsidiary of the Company) adopted by Chuang's China on 31 August 2012 is for a period of 10 years and is also expiring on 30 August 2022 (the "2012 CC Scheme"). As at the date of this report, Chuang's China did not have any share option scheme other than the 2012 CC Scheme and there were no options granted under the 2012 CC Scheme which remained valid or exercisable. As the 2012 CC Scheme is due to expire in 2022, the directors of Chuang's China proposes to recommend to the shareholders of Chuang's China at the forthcoming annual general meeting of Chuang's China to approve the adoption of a new share option scheme of Chuang's China (the "New CC Scheme"). As the Company is a holding company of Chuang's China whose shares are listed on the Stock Exchange, the New CC Scheme is subject to the approval of the Shareholders as required under the Listing Rules. Relevant resolution(s) will be proposed at the AGM to seek the approval of the Shareholders to approve the adoption of the New CC Scheme.

## **PROPOSED AMENDMENTS TO EXISTING BYE-LAWS AND ADOPTION OF NEW BYE-LAWS**

On 1 January 2022, the Listing Rules were amended by, among others, adopting a uniform set of 14 core standards for shareholder protections for issuers set out in Appendix 3 to the Listing Rules. The Board proposes to make certain amendments to the existing bye-laws of the Company (the "Existing Bye-Laws") to conform to the said core standards for shareholder protection and to allow general meetings of the Company to be held as a hybrid meeting or electronic meeting where Shareholders may attend by electronic means in addition to as a physical meeting where Shareholders attend in person. The amendments also explicitly set out other related powers of the Board and the chairman of the general meetings, including making arrangements for attendance as well as ensuring the security and orderly conduct of such general meetings. Other amendments to the Existing Bye-laws are also made for corresponding as well as housekeeping changes. Further, there are also amendments to the Existing Bye-laws to reflect certain updates in relation to the applicable laws of Bermuda and the Listing Rules. The Board also proposes to adopt the new bye-laws of the Company incorporating the amendments to the Existing Bye-Laws (the "New Bye-Laws") in substitution for, and to the exclusion of, the Existing Bye-Laws.

The proposed amendments to the Existing Bye-Laws and the proposed adoption of the New Bye-Laws shall be subject to the passing of a special resolution by the Shareholders at the AGM. A circular containing, among others, details of the proposed amendments to the Existing Bye-Laws brought about by the adoption of the New Bye-Laws and a notice convening the AGM will be despatched to the Shareholders as soon as practicable.

## **REVIEW OF PRELIMINARY ANNOUNCEMENT**

The figures in this preliminary announcement of the Group's results for the year ended 31 March 2022 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

## **PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE**

The annual report of the Company for the year ended 31 March 2022 containing all applicable information required by paragraph 45 of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

By order of the Board of  
**Chuang's Consortium International Limited**  
**Albert Chuang Ka Pun**  
*Chairman and Managing Director*

Hong Kong, 29 June 2022

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