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Chuang's China Investments Limited

(莊士中國投資有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 298)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

The board of Directors (the “Board”) of Chuang's China Investments Limited (the “Company”) announces the consolidated final results of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31 March 2023 as follows:

HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH 2023

- On 5 August 2022, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the property in Changan, Dongguan, the People's Republic of China for a consideration of approximately RMB132.1 million (equivalent to approximately HK\$149.7 million). The disposal was completed on 5 September 2022. Net cash proceed of approximately RMB127.6 million (equivalent to approximately HK\$144.6 million) was received by the Group and has strengthened the Group's financial position.
- Loss attributable to equity holders of the Company amounted to HK\$328.7 million.
- The Group had net cash of HK\$511.3 million as at 31 March 2023. Total cash resources of the Group (including bond investments of HK\$98.0 million) amounted to HK\$1,337.5 million, and bank borrowings amounted to HK\$826.2 million.
- Net asset value per share amounted to HK\$1.62.
- Loss per share was 14.00 HK cents.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2023

	Note	2023 HK\$'000	2022 HK\$'000
Revenues	3	63,010	204,540
Cost of sales		<u>(104,111)</u>	<u>(70,315)</u>
Gross (loss)/profit		(41,101)	134,225
Other income and net loss	5A	(65,822)	(675,901)
(Loss)/gain on disposal of subsidiaries	5B	(45,739)	1,181,548
Selling and marketing expenses		(12,782)	(21,534)
Administrative and other operating expenses		(82,798)	(141,099)
Change in fair value of investment properties		<u>(78,875)</u>	<u>(63,915)</u>
Operating (loss)/profit	6	(327,117)	413,324
Finance costs	7	(23,414)	(32,211)
Share of result of an associated company		–	(3,795)
Share of result of a joint venture	8	<u>43</u>	<u>(15,599)</u>
(Loss)/profit before taxation		(350,488)	361,719
Taxation credit/(charge)	9	<u>17,822</u>	<u>(138,532)</u>
(Loss)/profit for the year		<u>(332,666)</u>	<u>223,187</u>
Attributable to:			
Equity holders		(328,687)	227,757
Non-controlling interests		<u>(3,979)</u>	<u>(4,570)</u>
		<u>(332,666)</u>	<u>223,187</u>
		<i>HK cents</i>	<i>HK cents</i>
(Loss)/earnings per share (basic and diluted)	11	<u>(14.00)</u>	<u>9.70</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2023

	2023 HK\$'000	2022 HK\$'000
(Loss)/profit for the year	<u>(332,666)</u>	<u>223,187</u>
Other comprehensive income:		
Items that had been/may be reclassified subsequently to profit and loss:		
Net exchange differences	(180,471)	102,583
Share of exchange reserve of a joint venture	(18,123)	10,101
Realization of exchange reserve upon disposal of subsidiaries	<u>6,002</u>	<u>(27,353)</u>
Total other comprehensive (loss)/income that had been/may be reclassified subsequently to profit and loss	<u>(192,592)</u>	<u>85,331</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>(11,522)</u>	<u>1,414</u>
Total other comprehensive (loss)/income for the year	<u>(204,114)</u>	<u>86,745</u>
Total comprehensive (loss)/income for the year	<u><u>(536,780)</u></u>	<u><u>309,932</u></u>
Total comprehensive (loss)/income attributable to:		
Equity holders	(516,287)	317,567
Non-controlling interests	<u>(20,493)</u>	<u>(7,635)</u>
	<u><u>(536,780)</u></u>	<u><u>309,932</u></u>

CONSOLIDATED BALANCE SHEET

As at 31 March 2023

	Note	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Property, plant and equipment		31,152	35,660
Investment properties		1,210,926	1,601,355
Right-of-use assets		3,243	6,773
Properties for/under development		143,442	154,113
Cemetery assets		291,099	315,649
Joint venture		321,678	340,314
Financial assets at fair value through other comprehensive income		143,017	155,258
Loans and receivables and other deposits		233,633	251,336
		<u>2,378,190</u>	<u>2,860,458</u>
Current assets			
Properties for sale		672,257	680,273
Cemetery assets		752,954	798,604
Inventories		49,795	49,795
Debtors and prepayments	12	52,299	173,339
Financial assets at fair value through profit or loss		234,418	588,732
Cash and bank balances		1,239,494	1,524,929
		<u>3,001,217</u>	<u>3,815,672</u>
Current liabilities			
Creditors and accruals	13	244,015	255,722
Sales deposits received		–	381
Short-term bank borrowings		–	22,152
Current portion of long-term bank borrowings		482,941	512,905
Taxation payable		36,008	39,867
		<u>762,964</u>	<u>831,027</u>
Net current assets		<u>2,238,253</u>	<u>2,984,645</u>
Total assets less current liabilities		<u>4,616,443</u>	<u>5,845,103</u>

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Equity		
Share capital	117,352	117,352
Reserves	3,692,191	4,443,182
	<hr/>	<hr/>
Shareholders' funds	3,809,543	4,560,534
Non-controlling interests	95,443	115,936
	<hr/>	<hr/>
Total equity	3,904,986	4,676,470
	<hr/>	<hr/>
Non-current liabilities		
Long-term bank borrowings	343,299	719,918
Deferred taxation liabilities	287,270	363,573
Loans and payables with non-controlling interests	44,912	44,626
Other non-current liabilities	35,976	40,516
	<hr/>	<hr/>
	711,457	1,168,633
	<hr/>	<hr/>
	4,616,443	5,845,103
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NOTES:

1. GENERAL INFORMATION

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

As at 31 March 2023, the Company was a 61.15% owned subsidiary of Profit Stability Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Chuang's Consortium International Limited ("CCIL"), a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange. The board of Directors (the "Board") regards CCIL as the ultimate holding company.

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

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 and improvements to standards

For the year ended 31 March 2023, the Group adopted the following amendments and improvements to standards that are effective for the accounting periods beginning on or after 1 April 2022 and relevant to the operations of the Group:

HKAS 16 (Amendment)	Property, Plant and Equipment: Proceeds before Intended Use
HKAS 37 (Amendment)	Onerous Contracts – Cost of Fulfilling a Contract
HKFRS 3 (Amendment)	Reference to the Conceptual Framework
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2018–2020 Cycle

The Group has assessed the impact of the adoption of these amendments and improvements to standards and considered 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 and interpretation that are not yet effective**

The following new standard, amendments to standards, practice statement and interpretation have been published which are mandatory for the Group's accounting periods beginning on or after 1 April 2023, 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)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (no mandatory effective date)
HKFRS 16 (Amendment)	Lease Liability in a Sale and Leaseback (effective from 1 January 2024)
HKFRS 17 and HKFRS 17 (Amendments)	Insurance Contracts (effective from 1 January 2023)
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 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 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 in more detail.

3. REVENUES

Revenues recognized during the year are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Sales of properties	1,350	72,848
Rental income and management fees	23,435	25,914
Sales of cemetery assets	23,180	40,998
Interest and other income from financial assets at fair value through profit or loss	15,045	64,780
	<u>63,010</u>	<u>204,540</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 others (including hotel operation and management). The CODM assesses the performance of the operating segments based on the measure of segment result.

The segment information by business lines is as follows:

	Property development, investment and trading HK\$'000	Cemetery HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Others and corporate HK\$'000	2023 Total HK\$'000
Revenues from contracts with customers:						
– Recognized at a point in time	1,350	23,180	-	-	-	24,530
– Recognized over time	1,292	-	-	-	-	1,292
Revenues from other sources	22,143	-	-	15,045	-	37,188
Revenues	<u>24,785</u>	<u>23,180</u>	<u>-</u>	<u>15,045</u>	<u>-</u>	<u>63,010</u>
Other income and net gain/(loss)	<u>2,016</u>	<u>594</u>	<u>-</u>	<u>(94,492)</u>	<u>26,060</u>	<u>(65,822)</u>
Loss on disposal of subsidiaries	<u>(45,739)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,739)</u>
Operating loss	(220,690)	(1,278)	(71)	(80,327)	(24,751)	(327,117)
Finance costs	(23,390)	-	-	(24)	-	(23,414)
Share of result of a joint venture	43	-	-	-	-	43
Loss before taxation	(244,037)	(1,278)	(71)	(80,351)	(24,751)	(350,488)
Taxation credit/(charge)	14,302	(718)	-	4,238	-	17,822
Loss for the year	<u>(229,735)</u>	<u>(1,996)</u>	<u>(71)</u>	<u>(76,113)</u>	<u>(24,751)</u>	<u>(332,666)</u>
Segment assets	2,374,186	1,099,858	49,917	235,069	1,298,699	5,057,729
Joint venture	321,678	-	-	-	-	321,678
Total assets	<u>2,695,864</u>	<u>1,099,858</u>	<u>49,917</u>	<u>235,069</u>	<u>1,298,699</u>	<u>5,379,407</u>
Total liabilities	<u>1,153,932</u>	<u>271,511</u>	<u>10</u>	<u>24</u>	<u>48,944</u>	<u>1,474,421</u>
Other segment items are as follows:						
Capital expenditure	80,906	19,138	-	-	2,317	102,361
Depreciation of property, plant and equipment	530	471	-	-	5,880	6,881
Depreciation of right-of-use assets	3,417	96	-	-	-	3,513
Provision for impairment of properties for sale	80,688	-	-	-	-	80,688
Provision for impairment of trade debtors	351	3,916	-	-	-	4,267
Fair value loss of investment properties	78,875	-	-	-	-	78,875

	Property development, investment and trading <i>HK\$'000</i>	Cemetery <i>HK\$'000</i>	Sales of goods and merchandises <i>HK\$'000</i>	Securities investment and trading <i>HK\$'000</i>	Others and corporate <i>HK\$'000</i>	2022 Total <i>HK\$'000</i>
Revenues from contracts with customers:						
– Recognized at a point in time	72,848	40,998	–	–	–	113,846
– Recognized over time	852	–	–	–	–	852
Revenues from other sources	25,062	–	–	64,780	–	89,842
Revenues	<u>98,762</u>	<u>40,998</u>	<u>–</u>	<u>64,780</u>	<u>–</u>	<u>204,540</u>
Other income and net gain/(loss)	<u>569</u>	<u>168</u>	<u>–</u>	<u>(685,740)</u>	<u>9,102</u>	<u>(675,901)</u>
Gain on disposal of subsidiaries	<u>1,181,548</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,181,548</u>
Operating profit/(loss)	1,119,774	8,184	(80)	(621,768)	(92,786)	413,324
Finance costs	(29,608)	–	–	(2,603)	–	(32,211)
Share of result of an associated company	–	–	–	–	(3,795)	(3,795)
Share of result of a joint venture	(15,599)	–	–	–	–	(15,599)
Profit/(loss) before taxation	1,074,567	8,184	(80)	(624,371)	(96,581)	361,719
Taxation (charge)/credit	(136,226)	(2,858)	–	552	–	(138,532)
Profit/(loss) for the year	<u>938,341</u>	<u>5,326</u>	<u>(80)</u>	<u>(623,819)</u>	<u>(96,581)</u>	<u>223,187</u>
Segment assets	2,883,254	1,190,603	49,979	615,019	1,596,961	6,335,816
Joint venture	<u>340,314</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>340,314</u>
Total assets	<u>3,223,568</u>	<u>1,190,603</u>	<u>49,979</u>	<u>615,019</u>	<u>1,596,961</u>	<u>6,676,130</u>
Total liabilities	<u>1,628,117</u>	<u>295,758</u>	<u>10</u>	<u>26,758</u>	<u>49,017</u>	<u>1,999,660</u>
Other segment items are as follows:						
Capital expenditure	48,377	467	–	–	–	48,844
Depreciation of property, plant and equipment	519	506	52	–	9,331	10,408
Depreciation of right-of-use assets	1,709	107	–	–	–	1,816
Provision for impairment of properties for sale	1,355	–	–	–	–	1,355
Reversal of provision for impairment of trade debtors	475	–	–	–	–	475
Reversal of provision for impairment of other deposits	710	–	–	–	–	710
Fair value loss of investment properties	<u>63,915</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>63,915</u>

(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	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Hong Kong	20,779	137,458	80,489	46,407
The People's Republic of China (the "PRC")	27,949	52,812	21,119	2,357
Malaysia	14,282	14,270	753	80
	<u>63,010</u>	<u>204,540</u>	<u>102,361</u>	<u>48,844</u>
	Non-current assets (Note)		Total assets	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Hong Kong	198,858	204,729	2,343,034	3,093,293
The PRC	1,511,684	1,935,539	2,707,823	3,225,449
Malaysia	290,998	313,596	296,216	324,376
Other countries	–	–	32,334	33,012
	<u>2,001,540</u>	<u>2,453,864</u>	<u>5,379,407</u>	<u>6,676,130</u>

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

5A. OTHER INCOME AND NET LOSS

	2023 HK\$'000	2022 HK\$'000
Interest income from bank deposits	31,128	3,402
Dividend income from financial assets at fair value through other comprehensive income	7,366	7,469
Net loss of financial assets at fair value through profit or loss (note)	(94,716)	(685,322)
Loss on disposal of investment properties	–	(313)
Net gain/(loss) on disposal of property, plant and equipment	199	(18)
Net exchange loss	(10,556)	(2,841)
Others	757	1,722
	<u>(65,822)</u>	<u>(675,901)</u>

Note: The amount comprises of net gain on disposal of HK\$22.7 million (2022: net loss of HK\$14.8 million) and net fair value loss of HK\$117.4 million (2022: HK\$670.5 million) for financial assets at fair value through profit or loss.

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

- (a) On 5 August 2022, a direct wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to dispose of the property holding subsidiaries which held a property in Changan, Dongguan, the PRC, at a consideration of approximately RMB132.1 million (equivalent to approximately HK\$149.7 million) (the “Changan Disposal”). Details of the Changan Disposal were announced by the Company on 5 August 2022. The transaction was completed on 5 September 2022, and a loss on disposal of subsidiaries of approximately HK\$45.7 million was recorded in the year ended 31 March 2023, taking into account the net assets disposed of approximately HK\$189.1 million, the realization of a negative exchange reserve upon disposal of approximately HK\$6.0 million and the related transaction costs.
- (b) On 9 February 2021, the Group entered into the conditional sale and purchase agreements with independent third parties for the disposal of the properties holding subsidiaries that hold the property project in Panyu, Guangzhou, the PRC, for an aggregate consideration of about RMB1,574.9 million (equivalent to approximately HK\$1,896.7 million) (the “Panyu Disposal”). The Panyu Disposal had been approved by the shareholders of the Company on 13 April 2021. Details of the Panyu Disposal were announced by the Company on 11 February 2021 and 14 May 2021, and published in the circular of the Company on 19 March 2021. The transaction was completed on 14 May 2021, and a gain on disposal of subsidiaries of approximately HK\$1,181.5 million 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.

6. OPERATING (LOSS)/PROFIT

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
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
	<u>–</u>	<u>1,185</u>
and after charging:		
Cost of properties sold	678	39,788
Cost of cemetery assets sold	9,334	15,179
Depreciation of property, plant and equipment	6,881	10,408
Depreciation of right-of-use assets	3,513	1,816
Provision for impairment of properties for sale (<i>note a</i>)	80,688	1,355
Provision for impairment of trade debtors	4,267	–
Staff costs, including Directors' emoluments		
Wages and salaries (<i>note b</i>)	35,462	42,888
Retirement benefit costs	2,341	2,518
	<u>132,483</u>	<u>116,552</u>

Notes:

- (a) The amount has been included in cost of sales for the year ended 31 March 2023.
- (b) Government grants amounting to HK\$607,000 (2022: nil) have been recognized and deducted in wages and salaries expenses for the year ended 31 March 2023.

7. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest expenses of		
Bank borrowings	49,406	38,637
Lease liabilities	49	35
	<u>49,455</u>	<u>38,672</u>
Amounts capitalized into properties under development	(26,041)	(6,461)
	<u>23,414</u>	<u>32,211</u>

The capitalization rates applied to funds borrowed for the development of properties were ranged from 3.78% to 5.53% (2022: 1.36% to 2.56%) per annum.

8. SHARE OF RESULT OF A JOINT VENTURE

Share of profit of a joint venture of HK\$43,000 (2022: loss of HK\$15,599,000) in the consolidated income statement included the share of fair value loss of the investment properties (net of the related deferred taxation) of joint venture of HK\$13,711,000 (2022: HK\$27,939,000), and the rental income recorded by the joint venture from the wholly-owned subsidiary of the joint venture partner (the "JVP Subsidiary") for the year ended 31 March 2023 amounting to approximately HK\$18,596,000 (2022: HK\$15,162,000). On 26 June 2023, the joint venture entered into an amendment agreement with the JVP Subsidiary for the reduction of rent for certain leased properties for about 15 months. Details of the agreement were announced by the Company on 26 June 2023.

9. TAXATION (CREDIT)/CHARGE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current taxation		
Hong Kong profits tax	(31)	1,498
PRC corporate income tax	3,139	5,827
PRC withholding corporate income tax (<i>notes 5B(a) and 5B(b)</i>)	3,441	142,071
PRC land appreciation tax	–	6,426
Overseas profit tax	95	497
Deferred taxation	(24,466)	(17,787)
	<u>(17,822)</u>	<u>138,532</u>

No provision for Hong Kong profits tax has been made as the Group has either sufficient tax losses brought forward to set off against the estimated assessable profits for the year or has no estimated assessable profits for the year (2022: Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits for that year). PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC withholding corporate income tax represents the relevant tax on disposal of subsidiaries arising from the Changan Disposal and Panyu Disposal as mentioned in notes 5B(a) and 5B(b) respectively. PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures.

There was no taxation charge/credit of the associated company for the year ended 31 March 2023 (2022: nil). Share of current taxation charge of the joint venture of HK\$336,000 (2022: nil, as it had sufficient tax losses brought forward to set off against the estimated assessable profits for that year) and share of deferred taxation credit arising from the fair value loss of the investment properties of the joint venture for the year ended 31 March 2023 of HK\$4,570,000 (2022: HK\$9,313,000) are included in the consolidated income statement as “Share of result of a joint venture”.

10. DIVIDENDS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interim dividend of 2.0 HK cents per share for 2022	–	46,977
Special dividend of 4.0 HK cents per share for 2022	–	93,881
Final dividend of 2.0 HK cents per share for 2022	–	46,941
Second special dividend of 8.0 HK cents per share for 2022	–	187,763
	<u>–</u>	<u>375,562</u>

On 28 June 2023, the Board had resolved not to recommend the payment of a final dividend for the year ended 31 March 2023 (2022: 2.0 HK cents per share amounting to HK\$46,941,000).

11. (LOSS)/EARNINGS PER SHARE

The calculation of the (loss)/earnings per share is based on the loss attributable to equity holders of HK\$328,687,000 (2022: profit attributable to equity holders of HK\$227,757,000) and the weighted average number of 2,347,035,316 (2022: 2,348,388,467) shares in issue during the year.

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.

12. 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.

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Below 30 days	541	632
31 to 60 days	358	141
61 to 90 days	119	216
Over 90 days	4,062	7,452
	<u>5,080</u>	<u>8,441</u>

As at 31 March 2022, debtors and prepayments included net deposits of HK\$3,000,000 for acquisition of property projects, properties and right-of-use assets after the accumulated provision for impairment, and the deferred consideration of about HK\$122.9 million for the Panyu Disposal as mentioned in note 5B(b), which was received in May 2022 after the expiry of 12 months from the date of completion of the Panyu Disposal.

13. CREDITORS AND ACCRUALS

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Below 30 days	1,514	1,632
31 to 60 days	2	2
Over 90 days	9	11
	<u>1,525</u>	<u>1,645</u>

Creditors and accruals include the construction cost payables and accruals of HK\$139,830,000 (2022: HK\$144,138,000) for the property and cemetery projects of the Group.

14. FINANCIAL GUARANTEES

As at 31 March 2023, the subsidiaries had provided guarantees of HK\$6,116,000 (2022: HK\$9,409,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the Group in the PRC.

15. COMMITMENTS

As at 31 March 2023, the Group had commitments contracted but not provided for in respect of property projects and properties of HK\$196,783,000 (2022: HK\$26,724,000) and financial assets at fair value through profit or loss of HK\$43,938,000 (2022: HK\$47,569,000) respectively.

16. PLEDGE OF ASSETS

As at 31 March 2023, the Group had pledged certain assets, including investment properties and properties for sale with an aggregate carrying value of HK\$831,426,000 (2022: HK\$878,967,000, also included financial assets at fair value through profit or loss), to secure banking facilities granted to the subsidiaries.

17. CAPITAL EXPENDITURE

For the year ended 31 March 2023, the Group incurred acquisition and development costs on property, plant and equipment of HK\$3,274,000 (2022: HK\$79,000), right-of-use assets of HK\$126,000 (2022: HK\$6,834,000) and property projects, properties, investment properties and cemetery assets of HK\$98,961,000 (2022: HK\$41,931,000) respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS REVIEW

During the year under review, the Group's revenues amounted to about HK\$63.0 million (2022: HK\$204.5 million), and comprised the following:

- sales of development properties amounted to about HK\$1.4 million (2022: HK\$72.8 million), representing the completion of sold properties of The Esplanade, Tuen Mun in Hong Kong. The decrease in sales recognition in the year under review was because most of the sold properties had been completed in the last corresponding year;
- rental and management fee income decreased by 9.7% to about HK\$23.4 million (2022: HK\$25.9 million), mainly due to the decrease in rental income recorded for the property in Changan, Dongguan, the People's Republic of China (the "PRC") as the property was disposed of on 5 September 2022;
- revenues from securities investment and trading decreased by 76.9% to about HK\$15.0 million (2022: HK\$64.8 million) as a result of the decrease of interest income from bond investments held by the Group during the year under review as the level of investment holding decreased and most of the bonds were defaulted in payment; and
- sales of cemetery assets in the PRC decreased by 43.4% to about HK\$23.2 million (2022: HK\$41.0 million) mainly due to the decrease in number of grave plots sold during the year under review.

During the year under review, gross loss of HK\$41.1 million (2022: gross profit of HK\$134.2 million) was recorded which was attributable to the decrease in revenues and impairment provision for properties for sale at Ap Lei Chau, Hong Kong under the current property market conditions.

Other income and net loss amounted to about HK\$65.8 million (2022: HK\$675.9 million) principally due to the net loss of bond investments. A breakdown of other income and net loss is shown in note 5A on page 10 hereof. Loss on disposal of subsidiaries of about HK\$45.7 million was recorded for the year under review upon the completion of the disposal of subsidiaries holding the property in Changan, Dongguan, the PRC as announced on 5 August 2022 (2022: gain of HK\$1.18 billion for the disposal of subsidiaries holding the property project in Panyu, Guangzhou, the PRC).

The Group recorded a loss on change in fair value of investment properties of HK\$78.9 million (2022: HK\$63.9 million) mainly arising from the investment properties in Anshan, Liaoning, the PRC (2022: arising from the investment properties in the PRC and Malaysia).

On the costs side, selling and marketing expenses decreased by about 40.5% to about HK\$12.8 million (2022: HK\$21.5 million) mainly due to the decrease in sales commission of The Esplanade in Tuen Mun recorded as comparing to that for the last corresponding year. Administrative and other operating expenses decreased by 41.3% to about HK\$82.8 million (2022: HK\$141.1 million) due to the decrease in business activities and cost saving on general overheads during the year under review. Finance costs decreased by 27.3% to HK\$23.4 million (2022: HK\$32.2 million) as a result of increased capitalization of interest expenses on properties under development during the year. Share of result of a joint venture was about HK\$43,000 (2022: loss of HK\$15.6 million) after accounted for the share of revaluation loss arising on investment properties owned by the joint venture. Taxation credit amounted to about HK\$17.8 million (2022: taxation charge of HK\$138.5 million) mainly due to the reversal of deferred taxation arising from the fair value loss of investment properties during the year (2022: mainly due to the taxation charge relating to the disposal of subsidiaries with property project in Panyu).

Taking into account the above, loss attributable to equity holders of the Company for the year ended 31 March 2023 amounted to HK\$328.7 million (2022: profit of HK\$227.8 million). Loss per share was 14.00 HK cents (2022: earnings per share of 9.70 HK cents).

DIVIDENDS

In order to maintain a stronger cash position under the current uncertain business environment, the board of Directors (the “Board”) does not recommend the payment of a final dividend (2022: 2.0 HK cents per share) for the year ended 31 March 2023. No interim dividend had been paid during the year (2022: 2.0 HK cents per share).

BUSINESS REVIEW

During the year under review, the Group has completed the disposal of the property in Changan, Dongguan, the PRC and this disposal has strengthened the financial position of the Group. However, the performance of the Group’s investment in listed corporate bonds was continuously adversely affected by the unfavorable market condition of the PRC property bond sector.

During the year under review, the Group has contracted property sales of about EUR5.7 million (equivalent to approximately HK\$48.8 million), which is expected to be completed in the third quarter of 2023, when such sales will be recognized as revenues of the Group.

A. Investment Properties

The 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)*

The Esplanade has gross floor area (“GFA”) of about 117,089 *sq. ft.* comprises 371 residential flats and 30 residential carparking spaces, of which all the residential flats were sold in prior years. During the year under review, one carparking space with sales value of about HK\$1.4 million had also been completed. The Group will continue to market the remaining 22 unsold carparking spaces.

The Esplanade Place comprises a two-storey commercial podium with about 16 commercial units and 12 commercial carparking spaces, of which 12 commercial units are leased to independent third parties with an aggregate annual rental income of about HK\$3.8 million. The Group will continue to market the remaining units and carparking spaces in order to generate rental income. As at 31 March 2023, the property was recorded at valuation of about HK\$177.0 million.

2. *Chuang’s Mid-town, Anshan, Liaoning (100% owned)*

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

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 Group has leased certain residential units to multi tenants with aggregate rental income of about RMB0.5 million (equivalent to approximately HK\$0.6 million). The Group will explore more marketing ideas on promotion and leasing of the commercial podium as well as the units of the twin tower. The valuation of the property has dropped to approximately RMB604.0 million (equivalent to approximately HK\$689.8 million) as at 31 March 2023, comprising RMB230.8 million for the commercial podium and RMB373.2 million for the twin tower.

3. *Hotel and resort villas in Xiamen, Fujian (59.5% owned)*

This hotel complex is developed by the Group, comprising a 6-storey hotel building with 100 guest-rooms (GFA of 8,838 *sq. m.*) and 30 villas (aggregate GFA of about 9,376 *sq. m.*) in Siming District, Xiamen. As at 31 March 2023, the properties were recorded at valuation of RMB383.2 million (comprising RMB171.2 million for the hotel and RMB212.0 million for the 30 villas). The valuation attributable to the Group was about RMB228.0 million (equivalent to approximately HK\$260.4 million), whereas the total investment costs of the Group were about RMB155.2 million (equivalent to approximately HK\$177.2 million).

During the year under review, the hotel building together with 23 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). The remaining 7 villas are leased to independent third parties. The aggregate annual rental income of this hotel complex amounted to about RMB19.7 million (equivalent to approximately HK\$22.5 million). From the last quarter of 2022, the main road (龍虎山路) where the hotel complex is located was closed to facilitate the construction of underground metro train of Siming District. This adversely affected not only accessibility to the hotel complex but also business demands of our tenants. In view of this, the Group has provided certain concession to tenants of the hotel complex for a reasonable period of time until road access is expected to be resumed. As announced on 26 June 2023, the Group entered into the second amendment agreement with Xiamen Mega Lujiang Hotel for the reduction of rent for the hotel building and 3 villas for the period from December 2023 to the month when the road access is resumed by the relevant authority, which is currently expected to be in February 2025.

4. *One villa, Chuang’s Le Papillon, Guangzhou, Guangdong (100% owned)*

The Group holds one villa and 4 car parks in Guangzhou, with a GFA of about 318 sq. m. for investment purpose. The villa was recorded at valuation of RMB8.1 million (equivalent to approximately HK\$9.3 million) as at 31 March 2023. The Group will hold this villa for future appreciation.

5. *Commercial Property in Shatian, Dongguan, Guangdong (100% owned)*

The Group holds a 4-storey commercial building in Shatian, Dongguan, providing a total GFA of about 4,167 sq. m. for commercial, retail and office usage. As at 31 March 2023, valuation of the property was RMB36.4 million (equivalent to approximately HK\$41.6 million). During the year under review, one storey was leased to 中國人壽東莞分公司 (China Life Dongguan branch) for office use, and the ground floor was leased to an independent third party in June 2022 for retail use. The aggregate annual rental income is about RMB0.8 million (equivalent to approximately HK\$0.9 million). Marketing is in progress for leasing of the remaining units of the property.

6. *Wisma Chuang, Jalan Sultan Ismail, Kuala Lumpur, Malaysia (100% owned)*

Wisma Chuang is located within the prime city centre, situated right next to the landmark shopping complex, Pavilion KL, the heart of central business district and prestigious shopping area of Kuala Lumpur. It is built on a freehold land and is a 29-storey high rise office building having retail and office spaces of approximately 254,000 sq. ft. (on total net lettable area basis is approximately 195,000 sq. ft.) and 298 carparking spaces. As at 31 March 2023, the valuation of this property has dropped to MYR162.8 million (equivalent to approximately HK\$289.4 million), which represents an average value of approximately MYR835 (equivalent to approximately HK\$1,484) per sq. ft. of net lettable retail and office area.

Wisma Chuang is leased to multi tenants with an occupancy rate of approximately 63%, and annual rental income was approximately MYR5.9 million (equivalent to approximately HK\$10.5 million). The Group will seek appropriate opportunities to dispose of the property to accelerate return from this investment.

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

B. Property Development

1. ARUNA, No. 8 Ping Lan Street, Ap Lei Chau, Hong Kong (100% owned)

The property has a site area of about 4,320 *sq. ft.* and has a developable GFA of about 40,000 *sq. ft.*. It will be developed into a 27-storey residential/commercial building comprising 105 residential units with clubhouse facilities and retail units at the podium levels.

Superstructure work is nearly completed. Internal and external finishing works is in progress. As affected by the fall in property market and rise in interest rate, a provision of impairment of about HK\$80.7 million (2022: nil) was recorded for this project during the year under review.

2. Changan, Dongguan, Guangdong (100% owned before disposal)

The Group owns a site area of about 20,000 *sq. m.* in the city centre of Changan (長安), Dongguan, on which an industrial building with GFA of about 39,081 *sq. m.* was erected. During the year under review, the property was leased to an independent third party with aggregate rental income of about RMB3.0 million (equivalent to approximately HK\$3.4 million).

On 5 August 2022, the Group entered into a sale and purchase agreement with an independent third party for the disposal of subsidiaries that hold this property for a consideration of approximately RMB132.1 million (equivalent to approximately HK\$149.7 million). The disposal was completed on 5 September 2022. Net cash proceed of approximately RMB127.6 million (equivalent to approximately HK\$144.6 million) was received and has strengthened the Group's financial position.

3. Chuang's Plaza, Anshan, Liaoning (100% owned)

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

4. *Changsha, Hunan (69% owned)*

The Group owns an effective 69% interests in a property development project in Changsha, and the total historical investment cost incurred by the Group in the PRC project company was about HK\$24.6 million. The 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 Group.

5. *Chengdu, Sichuan (51% owned)*

The Group holds a 51% development interest in a project in Wuhou District, Chengdu. The Group's book cost in this project was about RMB132.9 million (equivalent to approximately HK\$151.8 million) after taking into account a portion of judgement payments amounting to about RMB12.9 million (equivalent to approximately HK\$14.7 million) received by the Group in August 2021 through court enforcement. The Group will continue to explore ways in order to recover its investment.

6. *Others*

As previously reported, the Group obtained a judgement from court in Beijing for the registered owners of the courtyard house to transfer the title to the designated nominee of the Group. The transfer of one courtyard house was completed during the year ended 31 March 2022, whereas procedure for the transfer of another courtyard house is in progress.

Besides, a handling agent had previously instituted a legal proceeding against the designated nominee of the Group regarding the appointment of the handling agent for the aforesaid courtyard house. In March 2023, a settlement agreement was entered into between the designated nominee and the handling agent. The legal proceedings had been withdrawn by the handling agent and approved by the local court.

C. Fortune Wealth, Sihui, Guangdong (86% owned)

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

Development of the remaining 418 mu will be divided into Phase II to Phase V. Based on the existing master layout plan of Phase II to Phase V, about 41,815 grave plots will be constructed covering land area of 268 mu and 150 mu of road access and greenbelts. 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. Site formation and construction works are in progress on parts of the land.

As at 31 March 2023, the cemetery assets (including non-controlling interests) were recorded based on the book cost of about RMB914.2 million (equivalent to approximately HK\$1,044.0 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 2023, about 2,791 grave plots and 526 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.

D. Securities Investments

1. Investments in CNT Group Limited (“CNT”) and CPM Group Limited (“CPM”)

As at 31 March 2023, the 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 2023 of HK\$0.38 (2022: HK\$0.39) and HK\$0.325 (2022: HK\$0.4), the aggregate book value of the Group’s investments in CNT and CPM is about HK\$142.0 million (2022: HK\$146.2 million). The change in book value is accounted for as “Reserve” in the financial statements.

2. *Investments in listed corporate bonds and other investments*

As at 31 March 2023, investments of the Group amounted to HK\$234.4 million, comprised as to HK\$98.0 million for investments in listed corporate bonds and the balance of HK\$136.4 million for other investments.

During the year under review, the performance of listed corporate bond investments of the Group was continuously adversely affected by unfavourable market condition of the PRC property bond sector, and thus certain listed corporate bonds held by the Group were in default. The Group has redeemed/disposed and accepted restructuring exchange of certain listed corporate bond investments during the year. As a result, the Group recorded net loss before tax of HK\$79.7 million for investments, comprising interest and other income from bond investments of HK\$15.0 million, net gain on disposals and redemption (including the redemption of existing bonds through the exchange of the new bonds of the same issuers) of investments of HK\$22.7 million, and unrealized fair value loss on investments of HK\$117.4 million mainly as a result of mark to market valuation of investments held as at the balance sheet date. The unrealized fair value loss is accounting loss with no immediate cash flow impact to the Group.

The other investments of the Group (of which about HK\$56.9 million are denominated in Renminbi, and about HK\$79.5 million are denominated in United States dollar), comprised FinTech companies, venture capital investment platforms, high technology companies and investment funds which are not listed or just listed in the markets. The Group will continue to monitor the performance of its respective investment portfolios from time to time.

FINANCIAL REVIEW

Net asset value

As at 31 March 2023, the net asset value attributable to equity holders of the Company amounted to HK\$3,809.5 million. Net asset value per share amounted to HK\$1.62.

Financial Resources

As at 31 March 2023, the Group had cash and bank balances of HK\$1,239.5 million (2022: HK\$1,524.9 million) and held bond investments amounted to HK\$98.0 million (2022: HK\$428.2 million), totaling HK\$1,337.5 million (2022: HK\$1,953.1 million). As at the same date, bank borrowings of the Group amounted to HK\$826.2 million (2022: HK\$1,255.0 million). On this basis, the Group had net cash of HK\$511.3 million (2022: HK\$698.1 million) and the calculation of net debt to equity ratio was therefore not applicable (2022: Same).

Approximately 77.0% of the Group's cash, bank balances and bond investments were in Hong Kong dollar and United States dollar, 22.7% were in Renminbi and the balance of 0.3% were in other currencies. Approximately 84.6% of the Group's bank borrowings were in Hong Kong dollar, and the remaining of 15.4% were in Malaysian Ringgit.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 48.7% of the Group's bank borrowings were repayable within the first year, 38.1% were repayable within the second year, and the balance of 13.2% were repayable within the third to fifth years.

Foreign Exchange Risk

As disclosed in the "Business Review" section of this announcement, besides Hong Kong, the Group also conducts its businesses in the PRC and Malaysia, with the income and the major cost items in those places being denominated in their local foreign currencies. Therefore, it is expected that any fluctuation of these foreign currencies' exchange rates would not have material effect on the operations of the Group. However, as the Group's consolidated financial statements are presented in Hong Kong dollar, and the Group has some monetary assets and liabilities denominated in foreign currencies, 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

Going forward, the Group holds a cautious view about the global economic outlook. In the PRC, the Group considers that the economic growth will be slowed down and that the liquidity crisis of property development sector has yet to be resolved. In Hong Kong, we are facing a downturn in the property sector, in the midst of the rising interest rates. Against such backdrop, the Group will continue to optimize its operations and will also continue to identify opportunities to enhance its revenue and maximize return for its shareholders.

CLOSING OF REGISTER

The annual general meeting of the Company (the "AGM") is scheduled on Friday, 8 September 2023. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 5 September 2023 to Friday, 8 September 2023, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Progressive Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 4 September 2023.

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 2023, the Group employed 104 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

The Company has complied throughout the year ended 31 March 2023 with the code provisions set out in the Appendix 14 – Corporate Governance Code of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

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 2023. The current members of the audit committee are Mr. Abraham Shek Lai Him, Mr. Andrew Fan Chun Wah and Dr. Eddy Li Sau Hung, the Independent Non-Executive Directors of the Company.

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

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in this preliminary announcement of the Group's results for the year ended 31 March 2023 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 2023 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 China Investments Limited
Albert Chuang Ka Pun
Chairman

Hong Kong, 28 June 2023

As at the date of this announcement, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam are the Executive Directors of the Company, Mr. Dominic Lai is the Non-Executive Director of the Company, and Mr. Abraham Shek Lai Him, Mr. Andrew Fan Chun Wah, Dr. Eddy Li Sau Hung and Dr. Ng Kit Chong are the Independent Non-Executive Directors of the Company.