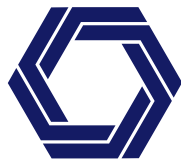


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沪港联合

HONG KONG SHANGHAI ALLIANCE HOLDINGS LIMITED

滙港聯合控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1001)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH 2023

The board of directors (the “Board”) of Hong Kong Shanghai Alliance Holdings Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31st March 2023 (the “Year”).

FINANCIAL HIGHLIGHTS

For the year ended 31st March

	2023	2022	Change
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Revenue	2,658.5	2,807.9	-5.3%
Gross profit	352.0	339.7	+3.6%
Operating profit	180.8	157.0	+15.2%
Profit for the year	82.2	63.4	+29.5%
Profit attributable to owners of the Company	82.8	65.5	+26.5%
Basic earnings per ordinary share (HK cents)	12.94	10.22	+26.6%
Interim dividend per ordinary share (HK cent(s))	1.00	1.50	-33.3%
Proposed final dividend per ordinary share (HK cents)	1.50	1.50	N/A
Gross profit margin	13.2%	12.1%	+1.1 p.p.
Operating profit margin	6.8%	5.6%	+1.2 p.p.
Net profit margin	3.1%	2.3%	+0.8 p.p.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March 2023

		2023	2022
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	2,658,481	2,807,900
Cost of sales	5	<u>(2,306,497)</u>	<u>(2,468,207)</u>
Gross profit		351,984	339,693
Selling and distribution expenses	5	(13,501)	(14,776)
Impairment loss on financial assets - net	5	(3,634)	(601)
General and administrative expenses	5	(153,668)	(173,880)
Other gains - net	4	3,803	5,724
Net fair value (loss)/gain on investment properties		<u>(4,206)</u>	<u>832</u>
Operating profit		180,778	156,992
Finance income	6	755	1,066
Finance costs	6	(76,852)	(62,502)
Share of results of investments for using the equity method		<u>(11,297)</u>	<u>(12,550)</u>
Profit before income tax		93,384	83,006
Income tax expense	7	<u>(11,201)</u>	<u>(19,567)</u>
Profit for the year		<u>82,183</u>	<u>63,439</u>
Profit/(loss) attributable to:			
– Owners of the Company		82,846	65,503
– Non-controlling interests		<u>(663)</u>	<u>(2,064)</u>
		<u>82,183</u>	<u>63,439</u>
Earnings per ordinary share attributable to owners of the Company for the year			
Basic earnings per ordinary share	9	<u>HK12.94 cents</u>	<u>HK10.22 cents</u>
Diluted earnings per ordinary share	9	<u>HK12.94 cents</u>	<u>HK10.22 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit for the year	82,183	63,439
Other comprehensive income/(loss):		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
– Net fair value change of cash flow hedge	484	2,268
– Release of exchange reserve upon deregistration of subsidiaries	—	(1,131)
– Currency translation differences	(109,035)	60,117
<u>Item that will not be reclassified to profit or loss:</u>		
– Change in fair value of financial asset at fair value through other comprehensive income	1,903	(1,454)
Other comprehensive (loss)/income for the year	(106,648)	59,800
Total comprehensive (loss)/income for the year	(24,465)	123,239
Total comprehensive (loss)/income attributable to:		
– Owners of the Company	(13,676)	119,454
– Non-controlling interests	(10,789)	3,785
	(24,465)	123,239

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2023

	<i>Note</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		38,766	44,141
Investment properties		1,376,991	1,482,738
Right-of-use assets		10,996	28,389
Investments accounted for using the equity method	<i>10</i>	313,118	347,775
Prepayments, deposits and other receivables		11,681	14,499
Deferred income tax assets		38,894	42,550
Financial asset at fair value through profit or loss		3,701	3,908
Financial asset at fair value through other comprehensive income		4,652	2,749
		<hr/>	<hr/>
Total non-current assets		1,798,799	1,966,749
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current assets			
Prepayments, deposits and other receivables		94,058	111,204
Inventories		473,057	547,466
Trade and bill receivables	<i>11</i>	430,674	509,598
Derivative financial instruments		1,668	1,202
Pledged bank deposits		11,680	43,071
Cash and cash equivalents		147,485	188,931
		<hr/>	<hr/>
Total current assets		1,158,622	1,401,472
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total assets		2,957,421	3,368,221
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	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		64,041	64,041
Reserves		897,108	926,794
		961,149	990,835
Non-controlling interests		111,504	123,393
Total equity		1,072,653	1,114,228
Liabilities			
Non-current liabilities			
Accrued liabilities and other payables		8,136	10,403
Deferred income tax liabilities		98,129	102,587
Borrowings	<i>13</i>	64,530	762,239
Lease liabilities		138	4,642
Total non-current liabilities		170,933	879,871
Current liabilities			
Trade and bill payables	<i>12</i>	204,056	433,562
Contract liabilities		38,979	78,080
Accrued liabilities and other payables		61,090	61,613
Provisions		25,876	34,362
Derivative financial instruments		—	18
Current income tax liabilities		10,563	11,996
Borrowings	<i>13</i>	1,368,789	736,719
Lease liabilities		4,482	17,772
Total current liabilities		1,713,835	1,374,122
Total liabilities		1,884,768	2,253,993
Total equity and liabilities		2,957,421	3,368,221

NOTES:

1 General information

The Company is a limited liability company incorporated in Bermuda on 12th January 1994 as an exempted company under the Companies Act 1981 of Bermuda (as amended). The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 18th February 1994. Its registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business in Hong Kong is located at Rooms 1103-05, 11th Floor, East Town Building, 41 Lockhart Road, Wanchai, Hong Kong.

The Group is principally engaged in distribution and processing of construction materials such as steel products; trading of sanitary wares and kitchen cabinets; and property investment and fund management businesses.

These consolidated financial statements are presented in Hong Kong dollar (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue on 29th June 2023 by the Board.

2 Basis of preparation

These consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and disclosure requirements of the Companies Ordinance. They have been prepared under the historical cost convention, as modified by financial assets/liabilities (including derivative financial instruments) at fair value through profit or loss and other comprehensive income and investment properties, which are carried at fair values.

The preparation of these consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

2.1 Going Concern Basis

As at 31st March 2023, the Group’s current liabilities exceeded its current assets by approximately HK\$555.2 million. Among the total current liabilities, bank borrowings amounting to HK\$475.7 million was classified as current liabilities as the borrowings will be due for repayment in December 2023, while the Group’s cash and cash equivalents amounted to approximately HK\$147.5 million.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group, the potential capital contribution to the investment in a joint venture and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but not limited to, the following:

- In view of the current portion of bank borrowings of approximately HK\$475.7 million will be matured within a 12-month period from 31st March 2023 (the “Existing Bank Facilities”), the Group is in advance negotiations with various banks for financing options. Subsequent to 31st March 2023, the Group has received indicative term sheets for financing the aforementioned Existing Bank Facilities for facilities

amounts totalling HK\$578.5 million (the “New Bank Facilities”). The Group is in the process of finalising the terms of the binding credit facilities agreements with the banks. The directors have a reasonable expectation that the Company will obtain all the necessary approvals and the binding borrowing agreements will be signed in due course;

- Besides the Existing Bank Facilities which will be matured within a 12-month period, as at 31st March 2023, the Group had unutilised banking facilities of HK\$453.0 million (excluding the undrawn banking facilities of HK\$237.0 million related to the Existing Bank Facilities) that is subject to standard annual review process by the banks. Management maintains on-going communication with the relevant banks and these facilities are under normal utilisation in accordance with their terms and conditions. In the opinion of the directors, these unutilised banking facilities will continue to be available to the Group for supporting its operation for the next twelve months from 31st March 2023; and
- In addition to the New Bank Facilities, management is actively negotiating with other various existing banks for increasing the credit facilities amounts as well as new banks for new credit facilities. Subsequent to 31st March 2023, the Group has received signed agreements for facilities amounting to HK\$108.0 million. Moreover, the Group has received an indicative term sheet from a bank for facilities amount of HK\$70.0 million, and the Group is in the process of finalising the terms of the banking facilities agreements with the bank.

The directors of the Company have reviewed the Group’s cash flow projections prepared by management and the cash flow projections cover a period of not less than twelve months from 31st March 2023. They are of the opinion that, taking into account the anticipated cash flow generated from the Group’s operations, the possible changes in its operating performance, the continued availability of the Group’s bank borrowings as well as the Group’s ability to draw down from its existing banking facilities, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31st March 2023. Accordingly, the directors consider that it is appropriate to prepare the Group’s consolidated financial statements on a going concern basis.

2.2 Amended standards, improvements and accounting guideline adopted by the Group

The Group has applied the following amendments to standards, improvements and accounting guideline for the first time for their annual reporting period commencing 1st April 2022:

Annual Improvements project	Annual Improvements to HKFRSs Standards 2018-2020
HKAS 16 (Amendments)	Property, plant and equipment: Proceeds before intended use
HKAS 37 (Amendments)	Onerous contracts – Cost of fulfilling a contract
HKFRS 3 (Amendments)	Reference to the conceptual framework
Hong Kong Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

The newly adopted amendments to existing standards, improvements and accounting guideline listed above did not have material impact on the results and financial position of the Group.

2.3 New and amended standards and interpretation not yet adopted by the Group

The following new standards, amendments to existing standards and interpretation have been issued but are not effective for the financial year beginning on or after 1st April 2022 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKFRS 17	Insurance Contracts	1st January 2023
Amendments to HKFRS 17	Amendments to HKFRS 17	1st January 2023
HKFRS 17	Initial Application of HKFRS 17 and IFRS 9 - Comparative Information	1st January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1st January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1st January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1st January 2023
HK (IFRIC) – Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1st January 2024
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1st January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1st January 2024
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1st January 2024
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new standards, amendments to existing standards and interpretation when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new standards, amendments to existing standards and interpretation, none of which is expected to have a significant effect on the consolidated financial statements of the Group.

3 Revenue and segment information

The Group's revenue consists of the following:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Recognised at a point in time - Sales of goods	2,546,875	2,710,794
Recognised over time - Service income	63,313	47,096
Rental income	48,293	50,010
Total revenue	<u>2,658,481</u>	<u>2,807,900</u>

The Group's businesses are managed according to the nature of their operations and the products and services they provide.

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM") that are used to making strategic decisions. The CODM is identified as the Executive Directors. The Executive Directors consider the business from a customer perspective and assess the performance of the operating segments based on the segment revenue and segment results for the purposes of allocating resources and assessing performance. These reports are prepared on the same basis as these consolidated financial statements. The CODM considers the Group operates predominantly in three operating segments:

- (i) Steels Distribution and Processing Business;
- (ii) Building Products Distribution Business; and
- (iii) Property Investment and Fund Management Business.

The CODM assesses the performance of operating segments based on a measure of profit before income tax.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated financial statements.

Segment assets by geographical market consist primarily of property, plant and equipment, investment properties, right-of-use assets, investments accounted for using the equity method, prepayments, deposits and other receivables. They exclude financial instruments and deferred income tax assets.

Capital expenditure comprises additions to investment properties and property, plant and equipment for the Year.

Analysis of the Group's results by business segment for the year ended 31st March 2023 is as follows:

	Steels Distribution and Processing Business HK\$'000	Building Products Distribution Business HK\$'000	Property Investment and Fund Management Business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Revenue from contracts with customers					
– Recognised at a point in time	2,221,336	325,539	—	—	2,546,875
– Recognised over time and rental income	27	—	111,579	—	111,606
	<u>2,221,363</u>	<u>325,539</u>	<u>111,579</u>	<u>—</u>	<u>2,658,481</u>
Operating profit/(loss)	123,127	36,987	73,150	(52,486)	180,778
Finance income	334	130	280	11	755
Finance costs	(39,313)	(5,107)	(31,359)	(1,073)	(76,852)
Share of results of investments accounted for using the equity method	—	—	(11,297)	—	(11,297)
Profit/(loss) before income tax	<u>84,148</u>	<u>32,010</u>	<u>30,774</u>	<u>(53,548)</u>	<u>93,384</u>
Other (losses)/gains - net	<u>(515)</u>	<u>(375)</u>	<u>3,552</u>	<u>1,141</u>	<u>3,803</u>
Fair value loss on investment properties	<u>—</u>	<u>—</u>	<u>(4,206)</u>	<u>—</u>	<u>(4,206)</u>
Capital expenditure	<u>496</u>	<u>671</u>	<u>1,164</u>	<u>453</u>	<u>2,784</u>
Depreciation and amortisation	<u>(4,244)</u>	<u>(5,072)</u>	<u>(446)</u>	<u>(7,105)</u>	<u>(16,867)</u>

Analysis of the Group's results by business segment for the year ended 31st March 2022 is as follows:

	Steels Distribution and Processing Business <i>HK\$'000</i>	Building Products Distribution Business <i>HK\$'000</i>	Property Investment and Fund Management Business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from contracts with customers					
– Recognised at a point in time	2,317,125	393,669	—	—	2,710,794
– Recognised over time and rental income	29	—	97,077	—	97,106
	<u>2,317,154</u>	<u>393,669</u>	<u>97,077</u>	<u>—</u>	<u>2,807,900</u>
Operating profit/(loss)	107,177	48,217	57,523	(55,925)	156,992
Finance income	830	71	160	5	1,066
Finance costs	(19,649)	(5,192)	(35,151)	(2,510)	(62,502)
Share of results of investments accounted for using the equity method	—	—	(12,550)	—	(12,550)
Profit/(loss) before income tax	<u>88,358</u>	<u>43,096</u>	<u>9,982</u>	<u>(58,430)</u>	<u>83,006</u>
Other (losses)/gains - net	<u>(1,588)</u>	<u>1,792</u>	<u>3,057</u>	<u>2,463</u>	<u>5,724</u>
Fair value gain on investment properties	<u>—</u>	<u>—</u>	<u>832</u>	<u>—</u>	<u>832</u>
Capital expenditure	<u>7,263</u>	<u>303</u>	<u>574</u>	<u>959</u>	<u>9,099</u>
Depreciation and amortisation	<u>(4,061)</u>	<u>(4,885)</u>	<u>(1,417)</u>	<u>(6,617)</u>	<u>(16,980)</u>

The Group's main business is domiciled in Hong Kong and Mainland China. Analysis of the Group's revenue by geographical market is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	2,094,021	2,078,884
Mainland China	<u>564,460</u>	<u>729,016</u>
	<u>2,658,481</u>	<u>2,807,900</u>

Non-current assets, other than financial instruments and deferred income tax assets, by geographical market is as follows:

	2023	2022
	HK\$'000	HK\$'000
Hong Kong	365,018	423,543
Mainland China	1,386,534	1,493,999
	<u>1,751,552</u>	<u>1,917,542</u>

(a) Revenue recognition in relation to contract liabilities

As at 31st March 2023, contract liabilities included receipts in advance and deferred revenue amounting to HK\$38,979,000 (2022: HK\$78,080,000). The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	2023	2022
	HK\$'000	HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the year	<u>78,080</u>	<u>53,537</u>

(b) Unsatisfied long-term contract

The following table shows unsatisfied performance obligations resulting from fixed-price long-term sales contracts recognised at a point in time:

	2023	2022
	HK\$'000	HK\$'000
Aggregate amount of the transaction price allocated to long-term sales contracts that are partially or fully unsatisfied as at 31st March	<u>1,119,521</u>	<u>671,568</u>

Management expects that 89.2% (2022: 65.9%) of the transaction price, totalling HK\$998,195,000 (2022: HK\$442,690,000) allocated to unsatisfied performance obligations as of 31st March 2023 will be recognised as revenue during the next reporting period. The remaining 10.8% of approximately HK\$121,326,000 will be recognised in the 2024/25 financial year (2022: remaining 34.1% of approximately HK\$228,878,000 will be recognised in 2023/24 financial year).

All other contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4 Other gains - net

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Dividend income	394	657
Net exchange losses	(4,784)	(1,466)
Gain on modification of lease	1,290	1,141
Penalty income from tenants in relation to early termination of rental agreements	2,059	2,671
Release of exchange reserve upon deregistration of subsidiaries	—	1,131
Unrealised fair value loss on financial assets at fair value through profit or loss	(207)	—
Income from selling solar energy	449	—
Government subsidies	858	584
Sundry income	3,744	1,006
	<u>3,803</u>	<u>5,724</u>

5 Expenses by nature

Expenses included in “cost of sales”, “selling and distribution expenses”, “impairment loss on financial assets - net” and “general and administrative expenses” are analysed as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cost of finished goods sold	2,204,338	2,362,219
Reversal of written-down of inventories	(71)	(1,051)
Reversal of onerous contracts provision	(8,380)	(213)
Depreciation of property, plant and equipment	6,600	6,470
Depreciation of right-of-use assets	10,267	9,800
Loss on disposals of property, plant and equipment	36	96
Amortisation of intangible assets	—	710
Employee benefit expenses (Note)	117,708	133,802
Expenses relating to short-term or low-value leases	1,946	3,153
Property tax for investment properties	6,459	7,996
Provision for impairment of trade and bill receivables - net	3,634	601
Auditor’s remuneration		
– Audit services	2,669	2,667
– Non-audit services	230	275
Legal and professional fees	3,904	5,489
Freight charges	82,236	79,556
Storage and handling charges	8,519	8,373
Others	37,205	37,521
	<u>2,477,300</u>	<u>2,657,464</u>
Total	<u>2,477,300</u>	<u>2,657,464</u>

Note:

During the year ended 31st March 2023, wage subsidies of HK\$1,056,000 and HK\$2,198,000 granted from the Employment Support Scheme under Anti-Epidemic Fund was recognised in “cost of sales” and “general and administrative expenses”, respectively, and had been offset with the employee benefit expenses. No wage subsidies were received by the Group for the year ended 31st March 2022.

6 Finance income and costs

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Finance income		
Interest income:		
– short-term bank deposits	755	1,066
Finance costs		
Interest expenses:		
– borrowings and hire purchase liabilities	(73,688)	(56,921)
– transfer from hedging reserve		
– interest rate swaps designated as cash flow hedges	952	(794)
– lease liabilities	(472)	(477)
Bank charges	(3,644)	(4,310)
	<u>(76,852)</u>	<u>(62,502)</u>
Net finance costs	<u>(76,097)</u>	<u>(61,436)</u>

7 Income tax expenses

Taxation on overseas profits has been calculated on the estimated assessable profit for the Year at the rates of taxation prevailing in the countries in which the Group operates.

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) except for one of the Hong Kong incorporated subsidiaries which is subject to 8.25% for its first HK\$2,000,000 of assessable profits under the two-tiered profits tax regime during the Year (2022: Same). Subsidiaries established in Mainland China are subject to China corporate income tax at 25% (2022: 25%).

The amount of income tax expense recorded in the consolidated income statement represents:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	5,503	5,068
– China corporate income tax	719	2,913
Deferred income tax	6,042	11,415
(Over)/under-provision in prior years	(1,063)	171
	<u>11,201</u>	<u>19,567</u>

8 Dividends

	2023	2022
	HK\$'000	HK\$'000
Interim dividend of HK1.00 cent (2022: HK1.50 cents) per ordinary share (<i>Note (a)</i>)	6,404	9,606
Proposed final dividend of HK1.50 cents (2022: HK1.50 cents) per ordinary share (<i>Note (b)</i>)	9,606	9,606

Notes:

- (a) An interim dividend in respect of the six months ended 30th September 2022 of HK1.00 cent per ordinary share (six months ended 30th September 2021: HK1.50 cents per ordinary share) was paid in cash on 30th December 2022 to shareholders whose names appeared on the register of members of the Company at the close of business on 14th December 2022.
- (b) A final dividend in respect of the year ended 31st March 2023 of HK1.50 cents per ordinary share (2022: HK1.50 cents per ordinary share), amounting to approximately HK\$9,606,000, will be proposed for shareholders' approval at the forthcoming annual general meeting of the Company. The amount of the proposed final dividend is based on 640,414,315 ordinary shares in issue as at 31st March 2023. These consolidated financial statements do not reflect this proposed final dividend payable for the year ended 31st March 2023.

9 Earnings per ordinary share

(a) Basic

Basic earnings per ordinary share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2023	2022
Profit attributable to owners of the Company (HK\$'000)	82,846	65,503
Weighted average number of ordinary shares in issue ('000)	640,414	640,889
Basic earnings per ordinary share (HK cents)	12.94	10.22

(b) Diluted

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares arising from share options, for which a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. Diluted earnings per ordinary share for the years ended 31st March 2023 and 2022 equal to basic earnings per ordinary share as there were no potentially dilutive ordinary shares as at both years end.

10 Investments accounted for using the equity method

The movements of investments accounted for using the equity method are as follows:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
At beginning of year	347,775	337,430
Share of loss of investments accounted for using the equity method	(11,297)	(12,550)
Contributions	8,429	7,201
Currency translation differences	(31,789)	15,694
	<u>313,118</u>	<u>347,775</u>

11 Trade and bill receivables

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables		
– from third parties	433,347	499,352
– from an associate	7,593	—
Bill receivables	8,663	26,782
Less: Provision for impairment	(18,929)	(16,536)
	<u>430,674</u>	<u>509,598</u>

Sales are either covered by letters of credit or open account with credit terms of 0 to 90 days.

Ageing analysis of trade and bill receivables by invoice date is as follows:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 60 days	358,802	338,506
61 to 120 days	29,443	101,857
121 to 180 days	4,154	35,368
181 to 365 days	17,810	23,729
Over 365 days	39,394	26,674
	<u>449,603</u>	<u>526,134</u>
Less: Provision for impairment	(18,929)	(16,536)
	<u>430,674</u>	<u>509,598</u>

The carrying amounts of net trade and bill receivables approximated their fair values as at 31st March 2023 and 2022.

12 Trade and bill payables

Payment terms with suppliers are either on letters of credit or open account with credit period of 30 to 180 days.

Ageing analysis of trade and bill payables by invoice date is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 to 60 days	178,746	358,632
61 to 120 days	630	5,273
121 to 180 days	24,645	68,900
181 to 365 days	11	498
Over 365 days	24	259
	<u>204,056</u>	<u>433,562</u>

The carrying amounts of trade and bill payables approximated their fair values as at 31st March 2023 and 2022.

13 Borrowings

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current		
– Trust receipts bank loans	785,127	593,598
– Short-term bank loans	100,707	86,099
– Current portion of long-term bank loans, secured	475,741	49,856
– Current portion of a hire purchase liability, secured	892	862
– Other loan	6,322	6,304
	<u>1,368,789</u>	<u>736,719</u>
Non-current		
– Long-term bank loans, secured	55,910	746,444
– Hire purchase liability, secured	2,432	3,320
– Other loan	6,188	12,475
	<u>64,530</u>	<u>762,239</u>
Total borrowings	<u>1,433,319</u>	<u>1,498,958</u>

14 Commitments

(a) Commitments under operating leases

(i) Lessor

The Group leases investment properties under non-cancellable operating lease agreements. The lease agreements are renewable at the end of the lease period at market rate. As at 31st March 2023, the Group had total commitments receivable under various non-cancellable operating lease agreements in respect of rented premises of HK\$27,658,000 (2022: HK\$29,800,000).

(ii) Lessee

As at 31st March 2023, the Group had total commitments payable under various non-cancellable operating lease agreements in respect of short-term and low-value leases of HK\$622,000 (2022: HK\$638,000) which will be recognised as an expense in the forthcoming consolidated income statement.

(b) Capital commitments

As at 31st March 2023, the Group had total capital commitment of approximately HK\$130,874,000 (2022: HK\$133,324,000), mainly includes contracted but not provided for in respect of property, plant and equipment and investment property of approximately HK\$5,695,000 (2022: HK\$81,000) and commitment in respect of investments accounted for using equity method, if called, of approximately HK\$125,179,000 (2022: HK\$133,243,000).

15 Contingent Liabilities

In carrying out the ordinary course of business, the Group is subject to the risk of being named as defendant in legal actions, claims and disputes in connection with its business activities. The nature of the legal proceedings initiated against the Group mainly includes claims for compensation by the Group's existing or former employees for work related injuries. The Group maintains insurance cover and, in the opinion of the directors, based on current available evidence, any such existing claims and legal proceedings against the Group are not expected to have significant adverse financial impact to the Group as at 31st March 2023.

Other than the above, as at 31st March 2023, the Group did not have any material contingent liability (2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

FY2022/23 (the “Year”) represents another challenging year for the Group. During the first three quarters of the Year, COVID-19 outbreak continued to trouble both Hong Kong and Mainland China. Various geopolitical events, along with surging inflation and climbing interest rates, have also casted doubts over the region’s short-term economic outlook, leading to a low lease absorption rate in Shanghai, as well as a decreasing demand for new home renovation and construction projects in the private sector in Hong Kong. Luckily, the Year ended on a good note, as the Group saw recovering momentum in Shanghai’s leasing market, as well as its Steels Distribution and Processing Business in Hong Kong in the fourth quarter, supported by the easing pandemic measures and the introduction of various economic stimulus packages.

Under such challenging circumstances, the Group strives to maintain a cost-effective steel sourcing mechanism, enhances its steels processing efficiency, while refining its leasing strategy and implementing various cost containment measures. As a result, the Group was able to deliver another set of satisfactory results for the Year. Revenue decreased slightly by 5.3% year-on-year, from approximately HK\$2,807.9 million last year to approximately HK\$2,658.5 million for the Year, mainly due to the difficult pandemic situation and the high-base effect of last year. However, gross profit increased from approximately HK\$339.7 million to approximately HK\$352.0 million, with gross profit margin also slightly improved from 12.1% to 13.2% for the Year. Riding on the increasing economies of scale and improvement in operational leveraging, the Group’s profit attributable to owners of the Company reached approximately HK\$82.8 million, representing a notable improvement of 26.5% as compared with the same period last year.

Given the dynamic market situation, the Group’s business segments also had varying performances during the Year. Property Investment and Fund Management Business achieved another milestone in occupancy rate of Central Park • Huangpu, which has resulted in an additional fee income for the Year. The segment’s profit before income tax also demonstrated a significant growth of 2.1 times as compared to last year, reaching approximately HK\$30.8 million for the Year. Meanwhile, delay in projects delivery together with the interest rate hikes since the second half of the Year have put notable pressure on the Group’s Steels Distribution and Processing Business and Building Products Distribution Business, resulting in a year-on-year drop of 4.8% and 25.7% in profits before income tax, respectively. Despite that, these two business segments continued to demonstrate their resilience, achieving profits before income tax of approximately HK\$84.1 million and HK\$32.0 million, respectively.

For the Year, basic earnings per ordinary share of the Company was HK12.94 cents, as compared with HK10.22 cents in the same period last year.

The Group also made strides in achieving sustainability. In particular, the Group’s Automated Rebar Processing and Assembly Plant in Tsing Yi has completed all phases of its solar photovoltaic system installation in January 2023, allowing it to cover approximately 70% of the plant’s electricity consumption through renewable energy. In addition, the three commercial properties under the Group’s management, namely Central Park • Huangpu, Central Park • Jing’an and Central Park • Pudong, have all been awarded LEED GOLD and WELL Health-Safety Rating certifications, highlighting the Group’s dedicated efforts in providing green and healthy workspace for its tenants and business partners.

BUSINESS REVIEW

Steels Distribution and Processing Business

Steels Distribution and Processing Business mainly offers construction and industrial steel in Hong Kong and Mainland China. During the Year, the segment continued to face challenges on various fronts. The COVID-19 outbreak in Shanghai has weakened the demand for its industrial steels in Mainland China, whereas the delay in construction projects in Hong Kong has also led to a slow order fulfillment, leading to a moderate drop in segment revenue from approximately HK\$2,317.1 million last year, to approximately HK\$2,221.3 million for the year. Nevertheless, as there is an increasing acceptance of offsite rebar fabrication in Hong Kong, the delivery quantity of the Group's construction steels processing business has increased by 11.6% year-on-year.

Despite the high volatility in steel prices during the Year, the Group continued to implement its proven procurement strategy in managing the price risks and was able to record an improvement in gross profit margin for the Year. That laid a solid foundation for another set of good results, with profit before income tax for the Year reaching approximately HK\$84.1 million, as compared to approximately HK\$88.4 million in the same period last year. During the Year, the Group has participated in a number of notable civil infrastructures works and private projects, including the construction of Shek Wu Hui Effluent Polishing Plant, public housing projects in Kwun Tong and Ma On Shan, and private residential projects in Siu Hong station, Tin Wing station and Pak Shek Kok, etc.

Building Products Distribution Business

Building Products Distribution Business represents a comprehensive value proposition for architects and designers. It offers an extensive, well-designed, and popular portfolio of branded sanitary wares, smart toilet solutions, as well as fitting and kitchenware products, catering the needs of hotels, residential, shopping malls, airport and commercial buildings. It strives to provide full chain of services covering design, installation, logistics and technical support.

Amidst the slump in residential property transactions in the Year, as well as the high base effect brought by certain large-size projects being completed in the same period last year, the segment reported a profit before income tax of approximately HK\$32.0 million, on revenue of approximately HK\$325.5 million, as compared with a profit before income tax of approximately HK\$43.1 million, on revenue of approximately HK\$393.7 million in the same period last year. Several iconic projects delivered by the segment in the Year included the renovation work for Hong Kong Airport, Island Shangri-la Hotel, InterContinental Hotel and Millennium City in Hong Kong.

Property Investment and Fund Management Business

Positioned as a niche market specialist with a proven track record in asset revitalisation and value optimisation, the Group continues to embrace its “asset-light” model when developing its investment projects in Shanghai. As at 31st March 2023, the Group manages a total gross floor area (“GFA”) of approximately 161,724 square meters, with its assets value under management reached approximately HK\$9.1 billion. Among the three Central Park projects under management, Central Park • Pudong is wholly-owned by the Group, with a view to generating sustainable rental and property management fee income, as well as achieving fair value appreciation in the medium-to-long term. The Group is also partnering with leading investment funds for the other two revitalisation projects, namely Central Park • Jing’an and Central Park • Huangpu, where the Group takes an equity stake and acts as a general partner and/or investment manager.

Looking back to the Year, even though the pandemic prevention measures continued to pose momentary impact on the Group’s operation and hinder commercial activities in the region, the Central Park projects were able to carry on without significant disruption. Rental income of the Group’s wholly-owned property, Central Park • Pudong, maintained at approximately HK\$48.3 million for the Year, as compared to HK\$49.9 million in the same period last year; the occupancy rate of Central Park • Huangpu has also improved considerably, reaching another milestone that has resulted in an increase in relevant fee income for the Year. Leveraging its unique position and proven capability, the Group’s Property Investment and Fund Management Business recorded a profit before income tax of approximately HK\$30.8 million, on revenue of approximately HK\$111.6 million for the Year, representing a remarkable improvement from the profit before income tax of approximately HK\$10.0 million, on revenue of approximately HK\$97.1 million in the same period last year.



OUTLOOK

Heading into FY2023/24, the Group expects the market to remain volatile and unpredictable. The lingering effect of geopolitical events and tension, the low short-term economic visibility, as well as the expectation of sustained high interest rates, are all likely to pose sustained impact on global steel prices, suppressing new home renovation and private construction demand, and hindering property leasing decision and investment appetite.

Nonetheless, the Group remains cautiously optimistic on the economic development of both Shanghai and Hong Kong. For Hong Kong, it is noted that the Chief Executive's 2022 Policy Address has highlighted the need to accelerate the development of the Northern Metropolis, along with a series of infrastructure projects and initiatives that would increase overall public housing supply by 50% in the coming five years. Those projects are expected to boost the Government's annual expenditure on capital works to over HK\$100 billion in the next few years. Compounded by the contribution from private projects, the annual total construction volume in Hong Kong is expected to reach HK\$300 billion in the next few years, laying a solid foundation for the demand of the Group's Steels Distribution and Processing Business. In face of the potential surge in demand, the Group also invested in new machineries for automated rebar processing, in order to further expand its processing capacity and gain market share, as well as playing a more important role in driving local construction industry transformation.

Regarding the Group's Property Investment and Fund Management Business, the Group saw various policies and domestic measures that have been put forth by the municipal government in stimulating economic recovery and restoring market confidence. Shanghai gradually moves out of the shadow of COVID-19, with the resumption of business travel as well as conference and exhibitions activities, we saw a strong rebound of occupancy rate of the hotel in our Central Park • Huangpu, reaching approximately 90% with average room rate approaching pre-COVID level. The Group believes Shanghai would continue be the ideal destination for businesses to establish or expand their presence in Mainland China. The Group will continue to keep a keen eye on available market opportunities using a light asset approach, and expand its asset management capability in the future.

Currently, the businesses are well on track to deliver sustainable profit. The Group will continue to execute its prudent cost control and capital management measures, so as to mitigate risks and headwinds ahead; while continue to drive changes for better serving our customers' needs and business growth.

CORPORATE FINANCE AND RISK MANAGEMENT

Financial Position

Compared with the financial year ended 31st March 2022, the Group's total assets decreased from approximately HK\$3,368.2 million to approximately HK\$2,957.4 million as at 31st March 2023, mainly as a result of translation difference of the Group's investments in Mainland China, and the reduction in working capital. With the softening of steel price and the arrival of low-cost shipments, the Group's inventories decreased from approximately HK\$547.5 million to approximately HK\$473.1 million. The average inventory days of supply increased to 81 days. The Group's trade and bill receivables also decreased from approximately HK\$509.6 million to approximately HK\$430.7 million, with the average overall days of sales outstanding increasing to 57 days. Net asset value of the Group reduced to approximately HK\$1,072.7 million, mainly attributable to the translation difference arisen from the depreciation on Renminbi ("RMB") for Group's net investments in Mainland China. Net asset value per ordinary share of the Company was equivalent to approximately HK\$1.50 as at 31st March 2023.

Compared with the financial position as at 31st March 2022, the Group's cash and cash equivalents and pledged bank deposits decreased to approximately HK\$159.2 million. The Group's borrowings also decreased by approximately HK\$65.6 million to approximately HK\$1,433.3 million as at 31st March 2023. Gearing ratio (net debt, which is total borrowings minus pledged bank deposits and cash and cash equivalents, divided by capital and reserves attributable to owners of the Company plus net debt) slightly increased from 56.1% to 57.0%, mainly contributed by the reduction in capital and reserves upon currency translation.

As a result of the reclassification of current portion of long-term bank loans of approximately HK\$475.7 million to current liabilities as at 31st March 2023, the Group's current ratio has been reduced to 0.68. To fulfill such short-term commitment, the Group has received indicative term sheets for refinancing the aforementioned current portion of long-term bank loans. The Group is in the process of finalising the terms and the binding credit facilities agreements with the banks. In the opinion of the directors of the Company (the "Directors"), after due and careful consideration and taking into account of the internally generated funds as well as all the banking facilities presently available to the Group, the Group has sufficient financial resources to meet its liabilities as they fall due, and is able to carry on its business without significant disruption.

The Group will continue to closely monitor its liquidity performance and the turnover of its working capital, and take various cost containment and efficiency enhancement measures so as to minimise the impact of macro factors such as interest rate hike.

Financial Resources

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The Group's overall treasury and funding policies focus on managing financial risks including interest rate and foreign exchange risks; cost efficient funding of the Company and its subsidiaries; and yield enhancement from time to time when the Group's cash position allows. The Group has always adhered to prudent financial management principles, including the selection of appropriate investment in securities according to the Group's treasury investment policy.

The Group's trade financing remained primarily supported by its bank trading and term loan facilities. As at 31st March 2023, about 65.5% of the Group's interest-bearing borrowings were denominated in HK dollar, about 33.6% in RMB and about 0.9% in US dollar. These facilities are either secured by the Group's inventories held under short-term trust receipts bank loan arrangement and/or pledged bank deposits and/or corporate guarantee provided by the Company or the Group's machineries. All of the above borrowings were on floating rate basis except for certain term loans totalling HK\$55.9 million, which are converted to a fixed rate basis through an interest rate swap arrangement. Interest costs of import bank loans were levied on interbank offered rates plus very competitive margin. RMB loans of the Group have been obtained from domestic and foreign banks in the amount of RMB419.8 million. Interest costs of RMB banking facilities were based on standard loan rates set by the People's Bank of China/Loan Prime Rate adjusted with competitive margin. The maturity of the Group's borrowings as at 31st March 2023 was as follows:

Maturity Profile

Within 1 year	1-2 years	2-5 years	Total
95.5%	4.4%	0.1%	100%

Charges on Assets

As at 31st March 2023, the Group had certain charges on assets which included (i) bank deposits of approximately HK\$11.7 million (31st March 2022: approximately HK\$43.1 million) and bill receivables of approximately HK\$6.8 million (31st March 2022: approximately HK\$20.7 million), which were pledged as collateral for the Group's bill payables; (ii) investment properties of approximately HK\$1,376.4 million (31st March 2022: approximately HK\$1,482.1 million) and building of approximately HK\$5.7 million (31st March 2022: Nil), which was included in property, plant and equipment, were pledged as collaterals for certain bank borrowings of the Group; and (iii) machineries of approximately HK\$5.5 million (31st March 2022: approximately HK\$6.0 million), which was included in property, plant and equipment, and was used to secure the Group's hire purchase liabilities.

Foreign Exchange Risk

The Group's businesses are primarily transacted in HK dollars, US dollars and RMB. As exchange rate between HK dollars and the US dollars is pegged, the Group believes its exposure to exchange rate risk arising from US dollars is not material. Facing the volatility of RMB, the Group will, among others, continue to match RMB payments with RMB inflow to minimise exchange risk exposure.

Forward foreign exchange contracts would be entered into when suitable opportunities arise and when management of the Group considers appropriate, in order to hedge against major non-HK dollars currency exposures. It is the Group's policy not to enter into any derivative transaction for speculative purposes.

Capital Expenditure

During the Year, the Group's total capital expenditure amounted to approximately HK\$2.8 million (FY2021/22: approximately HK\$9.1 million), which was primarily financed through cash generated from operating activities.

Capital Commitments

As at 31st March 2023, the Group's total capital commitments amounted to approximately HK\$130.9 million (31st March 2022: approximately HK\$133.3 million).

Contingent Liabilities

Save as disclosed in Note 15, as at 31st March 2023, the Group had no other material contingent liabilities (31st March 2022: Same).

Material Acquisitions and Disposals

The Group did not have any material acquisitions and disposals of subsidiaries and associated companies during the Year.

Events after the reporting period

Save as disclosed elsewhere in this announcement, the Group did not have any material events after the reporting period (31st March 2022: Same).

HUMAN CAPITAL

The Group puts a strong emphasis on nurturing talents to support its business development. Our growth strategy has always emphasised its strong commitment to people. The Group provides competitive remuneration package, along with a safe and pleasant working environment with constant learning and growth opportunities, to attract and motivate employees. As at 31st March 2023, the Group employed 226 staff (2022: 235 staff). Total staff costs during the Year, including the contribution to retirement benefit schemes and the wage subsidies granted from the Employment Support Scheme under Anti-Epidemic Fund, amounted to approximately HK\$117.7 million. During the Year, no option has been offered and/or granted to its Directors and employees under the share option schemes adopted by the Company.

DIVIDENDS

The Board recommended the payment of a final dividend of HK1.50 cents per ordinary share for the year ended 31st March 2023 (2022: HK1.50 cents per ordinary share), payable to shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 30th August 2023, subject to the approval of shareholders at the annual general meeting of the Company to be held on Friday, 18th August 2023 (the “2023 AGM”). Final dividend is expected to be paid on Friday, 8th September 2023.

During the Year, an interim dividend of HK1.00 cent per ordinary share was paid to the shareholders by the Company on 30th December 2022.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods and during these periods, no transfer of shares will be registered:

(i) For ascertaining the shareholders’ entitlement to attend and vote at the 2023 AGM:

The register of members of the Company will be closed from Tuesday, 15th August 2023 to Friday, 18th August 2023, both days inclusive, for the purpose of ascertaining the shareholders’ entitlement to attend and vote at the 2023 AGM. In order to be eligible to attend and vote at the 2023 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited (the “Branch Share Registrar”) of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 14th August 2023.

(ii) For ascertaining the shareholders’ entitlement to the final dividend:

On the assumption that the resolution for declaring the final dividend for the year ended 31st March 2023 is duly passed at the 2023 AGM, the register of members of the Company will be closed from Monday, 28th August 2023 to Wednesday, 30th August 2023, both days inclusive, for the purpose of ascertaining the shareholders’ entitlement to the final dividend. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Branch Share Registrar for registration no later than 4:30 p.m. on Friday, 25th August 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE

The audit committee of the Company has reviewed and discussed auditing, internal controls and financial reporting matters including review of the results for the year ended 31st March 2023.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st March 2023 as set out in the preliminary announcement 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 and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except for CG Code provision C.2.1 for the year ended 31st March 2023.

CG Code provision C.2.1 stipulates that the roles of the chairman and the chief executive should be separated and should not be performed by the same individual. However, Mr. Yao Cho Fai Andrew ("Mr. Yao") serves as both the Chairman and Chief Executive Officer (i.e. Chief Executive). The Board believes that the vesting of the roles of both Chairman and Chief Executive Officer in Mr. Yao will enable him to continue to provide the Group with strong leadership, efficient usage of resources, as well as effective planning, formulation and implementation of the Company's business strategies. The day-to-day management and operation of the Group will continue to be the responsibility of the management team under the monitoring of the executive committee of the Company and Mr. Yao's leadership.

CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, as amended from time to time, as its own code of conduct (the "Company's Model Code"). Having made specific enquiry of all the Directors, they all confirmed that they have complied with the required standard set out in the Company's Model Code during the Year.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.hkshalliance.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31st March 2023 containing all information required by the Listing Rules will be despatched to shareholders and available on the same websites in due course.

On behalf of the Board
Hong Kong Shanghai Alliance Holdings Limited
Yao Cho Fai Andrew
Chairman

Hong Kong, 29th June 2023

As at the date of this announcement, the Board comprises Mr. Yao Cho Fai Andrew and Mr. Lau Chi Chiu (being the executive directors); Mr. Tam King Ching Kenny, Mr. Xu Lin Bao, Mr. Yeung Wing Sun Mike and Mr. Li Yinquan (being the independent non-executive directors).