CENTRAL DEVELOPMENT HOLDINGS LIMITED

中發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board (the "**Board**") of directors (the "**Directors**") of Central Development Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2024 together with the comparative audited figures for the year ended 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	NOTES	**2024** **HK$'000**	2023 *HK$'000*
Revenue	*3*	**188,549**	247,893
Cost of sales		**(180,813)**	(243,248)
Gross profit		**7,736**	4,645
Other income	*5*	**5,232**	5,758
Other gains and losses, net	*6*	**(6,095)**	16,000
Impairment losses under expected credit loss model, net of reversal		**–**	(559)
Selling and distribution costs		**(2,398)**	(2,158)
Administrative expenses		**(21,795)**	(22,043)
Equity-settled share-based payments		**–**	(6,041)
Finance costs	*7*	**(12,787)**	(8,002)
Share of results of an associate		**(778)**	(218)
Loss before taxation		**(30,885)**	(12,618)
Income tax	*8*	**(144)**	(2,040)
Loss for the year	*9*	**(31,029)**	(14,658)
Other comprehensive expense for the year			
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**(3,607)**	(3,692)
Total comprehensive expense for the year		**(34,636)**	(18,350)
(Loss) profit for the year attributable to:			
Owners of the Company		**(31,050)**	(11,906)
Non-controlling interests		**21**	(2,752)
		(31,029)	(14,658)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(33,972)**	(12,160)
Non-controlling interests		**(664)**	(6,190)
		(34,636)	(18,350)
Loss per share	*10*		
Basic (HK cents)		**(8.01)**	(3.07)
Diluted (HK cents)		**(8.01)**	(5.08)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2024

	NOTES	**2024** **HK$'000**	2023 *HK$'000*
Non-current assets			
Property, plant and equipment		**16,189**	18,418
Right-of-use assets		**12,024**	7,407
Investment properties		**83,485**	88,617
Intangible assets		**46,730**	50,132
Interest in an associate		**51,366**	54,002
Rental deposits		**239**	–
		210,033	218,576
Current assets			
Inventories		**2,704**	2,427
Trade receivables	*12*	**3,962**	2,181
Other receivables, deposits and prepayments		**26,333**	19,709
Cash and cash equivalents		**16,290**	13,122
		49,289	37,439
Current liabilities			
Trade payables	*13*	**3,531**	1,665
Other payables and accruals		**28,682**	25,019
Bank borrowing		**2,639**	2,724
Lease liabilities		**1,705**	195
		36,557	29,603
Net current assets		**12,732**	7,836
Total assets less current liabilities		**222,765**	226,412

	NOTE	**2024**	2023
	NOTE	***HK$'000***	*HK$'000*
Non-current liabilities			
Loans from a shareholder and a controlling shareholder		**105,751**	99,700
Deferred tax liabilities		**11,852**	12,123
Bank borrowing		**20,356**	17,099
Lease liabilities		**3,030**	24
Convertible bonds	*14*	**36,948**	30,053
Derivative financial instruments	*14*	**17,000**	13,000
		194,937	171,999
Net assets		**27,828**	54,413
Capital and reserves			
Share capital		**3,876**	3,876
Reserves		**63**	25,984
Equity attributable to owners of the Company		**3,939**	29,860
Non-controlling interests		**23,889**	24,553
Total equity		**27,828**	54,413

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. GENERAL INFORMATION

The Company is a public limited liability company incorporated in the Cayman Islands as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its parent and ultimate holding company is Resources Rich Capital Limited, a company incorporated in the British Virgin Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company is Room 2202, 22/F., Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in jewelry and energy businesses in the People's Republic of China ("**PRC**") and Hong Kong ("**HK**"). The Company and its subsidiaries are collectively referred to as the "Group".

The functional currency of the Company is Renminbi ("**RMB**"). The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), as the Company's shares are listed on the Stock Exchange, the directors of the Company consider that it is appropriate to present the consolidated financial statements in HK$.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies to the consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2024.

[3] Effective for annual periods beginning on or after 1 January 2025.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

As at 31 March 2024, the Group's outstanding convertible bonds include the "Restoration Clause" that the convertible bonds will be automatically cancelled on 1 July 2024 and the Company will transfer its entire 35% of equity interest in an associate to the bondholder who will return the convertible bonds to the Company for nil consideration on or before 6 July 2024 if the joint venture of the associate cannot obtain the Gas Business Licence on 30 June 2024 (deadline) and these convertible bonds also include counterparty conversion options that do not meet equity instruments classification by applying HKAS 32. The Group classified the convertible bonds as non-current based on the earliest date in which the Group has the obligation to redeem these instruments through cash settlement. The convertible bonds (debt component) is measured at amortised cost with carrying amount of HK$36,948,000 (2023: HK$30,053,000) and the derivative financial instruments (derivative component, including the conversion and early redemption options) is measured at fair value with carrying amount of HK$17,000,000 (2023: HK$13,000,000) as at 31 March 2024, both of which are classified as non-current. Subsequent to the end of report period, on 12 June 2024, a second supplemental agreement was entered into for extending the deadline to 30 November 2025 and the convertible bonds will then be automatically cancelled on 1 December 2025; the Company will re-transfer the entire 35% of equity interest in the associate to the bondholder who will return the convertible bonds to the Company for nil consideration on or before 6 December 2025.

The directors of the Company are in the process of assessing the impact of the amendments on the classification of the convertible bonds and the derivative financial instruments in relation thereto in the consolidated financial statements.

Except for as disclosed above, the application of the amendments will not result in reclassification of the Group's other liabilities as at 31 March 2024.

3. REVENUE

Disaggregation of revenue from contracts with customer

	2024	2023
	HK$'000	*HK$'000*
Revenue from sales of goods:		
Jewelry products	**18,000**	26,709
Solar energy products	**345**	1,541
Refined oil	**64,857**	27,927
Liquefied natural gas ("**LNG**")	**105,347**	191,716
Total revenue	**188,549**	247,893
Timing of revenue recognition:		
A point in time	**188,549**	247,893

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the year ended 31 March 2024		
	Jewelry business *HK$'000*	**Energy business** *HK$'000*	**Total** *HK$'000*
Sales of jewelry products	**18,000**	**–**	**18,000**
Sales of solar energy products	**–**	**345**	**345**
Sales of refined oil	**–**	**64,857**	**64,857**
Sales of LNG	**–**	**105,347**	**105,347**
	18,000	**170,549**	**188,549**

	For the year ended 31 March 2023		
	Jewelry business *HK$'000*	Energy business *HK$'000*	Total *HK$'000*
Sales of jewelry products	26,709	–	26,709
Sales of solar energy products	–	1,541	1,541
Sales of refined oil	–	27,927	27,927
Sales of LNG	–	191,716	191,716
	26,709	221,184	247,893

4. SEGMENT INFORMATION

Information regularly reviewed by the chief operating decision maker (the "**CODM**"), represented by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance focuses on the nature of the Group's businesses and operations. The Group's operating and reportable segments are therefore as follows:

(i) Jewelry business (wholesale of jewelry products); and

(ii) Energy business including i) manufacture and sales of solar cooling intelligent technology products using thermal cooling-stored pipes and sales of solar photovoltaic modules and components (which are collectively referred to as solar energy products); ii) sales of refined oil; and iii) sales of LNG.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment results represent the profit or loss by each segment without allocation of gain or loss on fair value changes of investment properties and derivative financial instruments, unallocated corporate expenses which include central administration costs, directors' remuneration at the head office and equity-settled share-based payments, unallocated corporate income which include rental income, interest income and sundry income and finance costs which include certain interest on lease liabilities, interest on convertible bonds and imputed interest on loans from a controlling shareholder. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For the year ended 31 March 2024

	Jewelry business	**Energy business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Revenue	**18,000**	**170,549**	**188,549**
Segment loss	**(195)**	**(7,379)**	**(7,574)**
Loss on fair value changes of investment properties			**(2,095)**
Loss on fair value changes of derivative financial instruments			**(4,000)**
Unallocated corporate income			**5,196**
Unallocated corporate expenses			**(10,732)**
Finance costs			**(11,680)**
Loss before taxation			**(30,885)**

For the year ended 31 March 2023

	Jewelry business	Energy business	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue	26,709	221,184	247,893
Segment profit (loss)	251	(12,148)	(11,897)
Gain on fair value changes of investment properties			5,361
Gain on fair value changes of derivative financial instruments			11,000
Unallocated corporate income			5,749
Unallocated corporate expenses			(16,072)
Finance costs			(6,759)
Loss before taxation			(12,618)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both years.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

	2024	2023
	HK$'000	*HK$'000*
Jewelry business	**3,422**	1,554
Energy business	**153,628**	152,450
Total segment assets	**157,050**	154,004
Bank balances and cash	**16,290**	13,122
Other unallocated assets	**85,982**	88,889
Consolidated assets	**259,322**	256,015
Jewelry business	**3,304**	1,482
Energy business	**85,053**	71,242
Total segment liabilities	**88,357**	72,724
Loans from a shareholder and a controlling shareholder	**105,751**	99,700
Other unallocated liabilities	**37,386**	29,178
Consolidated liabilities	**231,494**	201,602

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than certain property, plant and equipment, certain right-of-use assets, certain other receivables, deposits and prepayments, investment properties and bank balances and cash.

- all liabilities are allocated to reportable segments other than certain other payables and accruals, certain lease liabilities, loans from a shareholder and a controlling shareholder, derivative financial liabilities and deferred tax liabilities.

5. OTHER INCOME

	2024	2023
	HK$'000	*HK$'000*
Interest income	**51**	44
Rental income	**5,172**	5,459
Government grants *(note)*	**–**	132
Others	**9**	123
	5,232	5,758

Note: During the year ended 31 March 2023, the Group received and recognised government grants of HK$132,000 related to the Employment Support Scheme provided by the Hong Kong Government.

6. OTHER GAINS AND LOSSES, NET

	2024	2023
	HK$'000	*HK$'000*
(Loss) gain on fair value changes of investment properties	**(2,095)**	5,361
(Loss) gain on fair value changes of derivative financial instruments (note 14)	**(4,000)**	11,000
Loss on early termination of a lease	**–**	(362)
Net exchange gain	**–**	1
	(6,095)	16,000

7. FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Interest on bank borrowing	**1,038**	1,217
Interest on lease liabilities	**153**	46
Interest on convertible bonds (note 14)	**6,895**	2,053
Imputed interest on loans from a controlling shareholder	**4,701**	4,686
	12,787	8,002

8. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2024	2023
	HK$'000	*HK$'000*
PRC Enterprise Income Tax	–	5
Deferred tax	**144**	2,035
Income tax for the year	**144**	2,040

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime that applies to years of assessment commencing on or after 1 April 2018. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits of a qualifying group entity will be taxed at 8.25%, and assessable profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Accordingly, Hong Kong Profits Tax for subsidiaries operating in HK is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made for both years as either tax losses are incurred for the subsidiaries operating in HK or the assessable profit is wholly absorbed by tax losses brought forward from previous years.

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate applied to the PRC subsidiaries is 25%. No provision for the PRC Enterprise Income Tax has been made for the subsidiaries operating in the PRC for both years as either tax losses are incurred for the subsidiaries operating in the PRC or the assessable profit is wholly absorbed by tax losses brought forward from previous years.

9. LOSS FOR THE YEAR

	2024	2023
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	**1,718**	1,692
Depreciation of right-of-use assets	**1,246**	718
Amortisation of intangible assets	**1,683**	1,751
Auditor's remuneration	**1,450**	1,485
Staff costs (including directors' remuneration)		
– salaries, allowances and other benefits	**8,541**	9,244
– retirement benefit scheme contributions	**739**	740
– equity-settled share-based payments	–	6,041
Total staff costs	**9,280**	16,025
Cost of inventories recognised as an expense (including write-down of inventories amounting to HK$1,143,000 (2023: HK$2,145,000)	**180,813**	243,248

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2024	2023
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purposes of calculating basic loss per share	**(31,050)**	(11,906)
Effect of dilutive potential ordinary shares:		
– Gain on fair value changes of derivative financial instruments	**–**	(11,000)
– Interest on convertible bonds	**–**	2,053
Loss for the year attributable to owners of the Company for the purpose of calculating diluted loss per share	**(31,050)**	(20,853)

	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic loss per share	**387,564**	387,564
Effect of dilutive potential ordinary shares:		
– Convertible bonds	**–**	22,525
Weighted average number of ordinary shares for the purpose of diluted loss per share	**387,564**	410,089

The computation of diluted loss per share for the year ended 31 March 2024 does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in decrease in loss per share and does not assume the exercise of the Company's share options as the exercise prices of these share options were higher than the average market price for shares of the Company for the year.

The computation of diluted loss per share for the years ended 31 March 2023 did not assume the exercise of the Company's share options as the exercise prices of these share options were higher than the average market price for shares of the Company for the year.

11. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

12. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables from contracts with customers	**4,578**	2,819
Less: Allowance for credit losses	**(616)**	(638)
	3,962	2,181

As at 1 April 2022, trade receivables from contracts with customers amounted to HK$2,057,000.

The Group allows an average credit period ranging from 30 to 180 days to its customers in jewelry business and an average credit period ranging from 5 to 365 days to its customers in energy business. The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on invoice date at the end of the reporting period:

	2024	2023
	HK$'000	*HK$'000*
Within 30 days	**3,962**	2,181

As at 31 March 2024 and 2023, the carrying amounts of trade receivables of the Group had not yet been past due.

13. TRADE PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**3,531**	1,665

The average credit period on purchase of goods is 365 days.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2024	2023
	HK$'000	*HK$'000*
Within 30 days	**1,908**	1,442
31 to 90 days	**1,339**	–
Over 180 days	**284**	223
	3,531	1,665

14. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

The Company issued convertible bonds with a principal amount of HK$52,000,000 on 5 December 2022 for the acquisition of the Group's associate, which principally holds 50% equity interest of Anhui Huagang Bochen New Energy Co. Ltd (安徽華港博臣新能源有限公司).

The convertible bonds are denominated in Hong Kong dollars (other than the Group's functional currency), unsecured and interest-free.

The convertible bonds are comprised of convertible bonds (debt component) and derivative financial instruments (derivative component including conversion and early redemption options).

At initial recognition, both the convertible bonds and the derivative financial instruments are recognised at fair values amounting to HK$28,000,000 and HK$24,000,000 respectively.

The convertible bonds are subsequently measured at amortised cost with effective interest rate of 22.9% per annum while the derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss.

The movement of the convertible bonds and derivative financial instruments for the year are set out below:

	Convertible bonds *HK$'000*	**Derivative financial instruments** *HK$'000*
As at 1 April 2022	–	–
Issued during the year	28,000	24,000
Interest on convertible bonds	2,053	–
Gain on fair value changes	–	(11,000)
As at 31 March 2023	30,053	13,000
Interest on convertible bonds	6,895	–
Loss on fair value changes	–	4,000
As at 31 March 2024	36,948	17,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group principally engaged in the energy business and jewelry business during the Current Year. The demand for our products has been steadily increasing as the market demand recovers. However, due to factors such as geopolitical instability, falling energy prices and intensified market competition, the Group's operating revenue decreased to varying degrees. In the Current Year, the Group recorded total revenue of approximately HK$188.5 million (2023: HK$247.9 million), representing a decrease of approximately 23.9% compared to the Previous Year.

Energy Business

During the Current Year, leveraging our proprietary technological products and continuous collaboration with experienced industry partners, the Group actively developed its energy business with the primary objective of providing a diversified range of energy products. Our principal businesses include the sales of liquefied natural gas ("**LNG**") and refined oil, and the sales of solar photovoltaic ("**PV**") intelligent technology products, which include solar PV components and accessories, intelligent direct-current micro-inverters and power optimisers. During the Current Year, revenue from sales of refined oil at an oil and gas filling station (the "**Filling Station**") increased slightly, while revenue from sales of LNG products and solar energy products decreased. The decline in overall energy prices and keen market competition had an impact on revenue for the Current Year, especially for LNG products. As a result, revenue from the Group's energy business decreased by 22.9% year-on-year from HK$221.2 million for the Previous Year to HK$170.5 million for the Current Year.

The People's Republic of China (the "**PRC**") has positioned 'carbon peaking and carbon neutrality' (the "**Dual Carbon**") as a key driver for sustainable economic and social development during the "14th Five-Year Plan" period (2021-2025) in its national strategic planning. According to the "China Natural Gas Development Report (2023)", the National Energy Administration of the PRC (the "**NEA**") stated that natural gas, as a representative of clean energy among fossil energy sources, plays an indispensable role in the construction of a new energy system in the PRC, and its consumption is expected to continue to grow steadily in the coming period. This policy direction has had a positive driving effect on LNG sales, but it has also intensified competition in the market, which had an impact on our sales for the Current Year. During the Current Year, the gradual resumption of production at previously suspended liquefaction plants following the pandemic, the continued expansion of production capacity and increased supply, coupled with the government's promotion of LNG, resulted in intensified competition among suppliers. Suppliers were competing for market share by expanding into new geographical regions or adjusting prices. Under intense competition, our LNG revenue for the Current Year was lower than that for the Previous Year. Despite the challenges, we endeavoured to maintain good co-operation with upstream suppliers during the Current Year to ensure the stable supply of LNG, while actively exploring new customers and responding to market changes.

The Group's Filling Station, located at a core logistics area in Qingbaijiang District, Chengdu, is positioned within the vicinity of an international railway hub and surrounded by several highways and major national expressways. It is also one of the important gateways to the surrounding tourist attractions. As the pandemic eases and the economy recovers, public enthusiasm for travelling and tourism is high, and Chengdu has even hosted a number of major sports events and exhibitions, attracting a large number of people. These factors brought significant growth in traffic flow to the Filling Station. During the Current Year, we managed to maintain a stable supply chain through close co-operation with suppliers, thereby enhancing the efficiency of logistics and distribution at the Filling Station. Despite the challenges arising from the volatile international energy prices, we were able to ensure steady growth in sales of refined oil, and achieved solid growth in the face of adversity.

During the Current Year, the international business environment was impacted by a volatile global geopolitical climate, notably the tensions between Russia and Ukraine and the escalation of the Palestinian-Israeli conflict. The increasingly competitive environment in the PRC market and the significantly tighter financing environment have forced many potential solar PV projects to be halted and potential overseas customers to adopt a wait-and-see attitude. These, coupled with the continued decline in the selling price of solar PV products, have put significant pressure on our solar energy business, resulting in a significant reduction in revenue for the Current Year.

Acquisition of 35% Equity Interest in Chengdu Huahan Energy Co., Ltd. (成都華漢能源有限公司) ("Chengdu Huahan")

Hainan Huagang New Energy Development Co., Ltd. (海南華港新能源開發有限公司) ("**Hainan Huagang**"), an indirect wholly-owned subsidiary of the Company, as the purchaser, entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with Mr. Zhang Bing as the vendor (the "**Vendor**"), and Chengdu Huahan as the target company on 19 August 2022, and subsequently entered into a supplemental agreement to the Equity Transfer Agreement (the "**First Supplemental Agreement**") on 15 November 2022 (the "**Acquisition**"). Pursuant to the terms and conditions of the Equity Transfer Agreement and the First Supplemental Agreement, Hainan Huagang has agreed to purchase, and the Vendor has agreed to sell, 35% equity interest in the target company for a total consideration of HK$52 million, which should be settled through the issue of interest-free convertible bonds in the principal amount of HK$52 million with a maturity date falling on the third anniversary of the date of issuance (the "**Convertible Bonds**") by the Company to the Vendor.

The Acquisition was completed on 5 December 2022 in accordance with the terms of the Equity Transfer Agreement and the First Supplemental Agreement, pursuant to which Chengdu Huahan became an associate of the Group. The Company has also issued the Convertible Bonds to the Vendor in accordance with the terms and conditions of the Equity Transfer Agreement and the First Supplemental Agreement, and the Company shall issue and allot 70,270,270 new shares of the Company at a conversion price of HK$0.74 per conversion share to the Vendor upon full conversion of the Convertible Bonds to settle the entire consideration of HK$52 million in accordance with the terms of the Equity Transfer Agreement and the First Supplemental Agreement.

Subsequently, Chengdu Huahan advised the Company that Anhui Huagang cannot obtain the Gas Business License by the deadline of 30 June 2024, as originally stated in the First Supplemental Agreement, and anticipates that Anhui Huagang can only obtain the Gas Business License on or before 30 November 2025. Accordingly, on 12 June 2024, Hainan Huagang, the Vendor and Chengdu Huahan entered into the second supplemental agreement (the "**Second Supplemental Agreement**") to amend the Equity Transfer Agreement and the First Supplemental Agreement that the Convertible Bonds will be automatically cancelled on 1 December 2025, the Company will re-transfer the shares of Chengdu Huahan to the Vendor and the Vendor will return the Convertible Bonds to the Company for nil consideration on or before 6 December 2025 if Anhui Huagang cannot obtain the Gas Business License on or before 30 November 2025.

The Vendor has worked in the energy industry for over 25 years. The Vendor is the ultimate beneficial owner of the entire equity interest in Chengdu Huahan. Chengdu Huahan is principally engaged in investment holding, and is the beneficial owner of a 50% equity interest in Anhui Huagang Bochen New Energy Co., Ltd. (安徽華港博臣新能源有限公司) ("**Anhui Huagang**"). Anhui Huagang is principally engaged in the construction and operation of natural gas pipeline networks, the operation and maintenance of pipeline corridors, provision of residential heating, and the procurement, transportation and sale of natural gas in Mengcheng County, Anhui Province, the PRC. It is currently building two distributed energy stations, multiple gas-fired steam boilers, natural gas gateways and heat supply networks. Anhui Huagang has entered into a licensing agreement with the Housing and Urban-Rural Development Bureau of Mengcheng County, under which it was granted a 30-year license to supply heat and steam to industrial, commercial and corporate entities and urban residents in the county planning area of Mengcheng County.

The Acquisition, including the Equity Transfer Agreement, the First Supplemental Agreement and the Second Supplemental Agreement, constitutes a discloseable and connected transaction of the Company. As at the date of the Second Supplemental Agreement (being 12 June 2024), the Vendor was (i) a Director of the Company; (ii) the ultimate beneficial owner of 49% equity interest in Chengdu Kaibangyuan Trading Co., Limited (成都凱邦源商貿有限公司) ("**Chengdu Kaibangyuan**"), an indirect non-wholly owned subsidiary of the Company; and (iii) the ultimate beneficial owner of 65% of the equity interest in Chengdu Huahan of which the Company has a 35% equity interest. As such, the Acquisition and the issuance of the Convertible Bonds as consideration constitute connected transactions of the Group, and are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Rules Governing the Listing of Securities on the Main Board (the "**Listing Rules**") of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Second Supplemental Agreement constitutes a material variation of the terms of the Acquisition and therefore subject to the same reporting, announcement and the independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. Details of the Acquisition, including the Equity Transfer Agreement, the First Supplemental Agreement, and the Second Supplemental Agreement, are set out in the Company's announcements dated 19 August 2022, 25 August 2022, 15 November 2022, 5 December 2022 and 12 June 2024, and the Company's circular dated 18 November 2022.

Jewelry Business

During the Current Year, the Group was mainly engaged in providing products to jewelry distributors in the PRC and Hong Kong. Our jewelry business continued to be affected by prevailing market conditions during the Current Year. Revenue from the jewelry business decreased by approximately 32.6% from approximately HK$26.7 million in the Previous Year to approximately HK$18.0 million in the Current Year, mainly due to decreased sales in Hong Kong. Sales in Hong Kong accounted for approximately 64.8% (2023: 63.3%) of the overall segment sales, while sales in the PRC accounted for approximately 35.2% (2023: 36.7%). Our jewelry business continued to face various challenges during the Current Year, including increased market competition, economic uncertainty and changes in consumer preferences.

The jewelry market in Hong Kong has become increasingly competitive since the pandemic subsided, with both local and international market players fighting for market share, exerting varying degrees of pressure on jewelry wholesalers. Despite the growth momentum of Hong Kong's economy, factors such as sluggish global economic growth, international political turmoil, and the downturn in Hong Kong's property and stock markets have led to a weakening of local consumers' confidence in the economic outlook and an overall sentiment towards conservatism. This has led consumers to be more cautious in their purchases of non-essential items, especially jewelry, as they seek better value for money and versatile jewelry pieces. However, in an increasingly competitive market environment, it has become more difficult to source jewelry at lower prices, resulting in a decline in sales for our Hong Kong business during the Current Year.

Meanwhile, while the PRC economy as a whole remained affected by slowing macroeconomic growth and uncertainties, the post-pandemic surge in demand for dining, travel and leisure quickly fuelled a recovery in consumption. Increased purchasing power and confidence in the economic outlook of Chinese consumers led to a general upturn in demand in the jewelry market, providing a strong impetus to the growth of our jewelry business in the PRC, with sales revenue rising during the Current Year.

During the Current Year, we also established relationships with new customers and suppliers by participating in major international jewelry fairs held in both regions, such as the Hong Kong International Jewellery Show, while simultaneously broadening our sourcing base to maintain our supply stability and product quality.

PROSPECTS

Development Opportunities from Energy Structure Transformation

Consumer demand for refined oil and LNG remains strong as time passes. According to the 2023 Oil and Gas Industry Development Report, the PRC consumed 399 million tonnes of refined oil in 2023, a year-on-year growth of 9.5%, which is close to the pre-pandemic level in 2019. Meanwhile, according to information disclosed by the PRC's National Development and Reform Commission and the NEA, apparent consumption of natural gas reached 394.53 billion cubic metres in that year, a year-on-year increase of 7.6%. These figures undoubtedly reflect the continued rise in demand for refined oil and natural gas.

Over the next few years, the PRC will continue to steadily push for industry transformation, deepen the reform process of the oil and gas system, and actively build an efficient supply, storage and marketing system for natural gas. This indicates that natural gas consumption is expected to continue to grow steadily for some time to come. As we enter 2024, global geopolitical dynamics remain volatile, with events such as the Russia-Ukraine confrontation and the Palestinian-Israeli conflict continuing to fester, and energy supply and pricing remaining a major challenge. The 2024 Guiding Opinions on Energy Work published by the NEA emphasises the need to further strengthen the foundation of fossil energy to ensure the stability and security of the energy supply. Therefore, refined oil and LNG will remain the "ballast" and "mainstay" of the world's energy supply. Despite the complexity and volatility of the global energy market, accelerating energy transformation, and increasing uncertainties, refined oil and LNG remain at the core of the world's energy supply. The Group will also capitalise on the business opportunities in the sale of oil and gas products and make positive contributions to the overall business.

With the gradual deepening of the Dual Carbon strategy, a comprehensive policy framework has been put in place that not only accelerates the clean and low-carbon transformation of society but also encourages the replacement of traditional energy sources with environmentally friendly options, such as natural gas, in various sectors including industrial, construction, heating and transportation. As a highly efficient and green option in the low-carbon transition, natural gas holds a strategically important position in the synergistic development of multiple energy sources, and will serve as a transitional pillar on the road to achieving the Dual Carbon goal. Concurrently, the PRC is steadily pushing forward reforms in the industry and is committed to strengthening and improving its production, supply, storage and marketing systems for natural gas. According to industry forecasts, the supply and demand for natural gas will continue to rise and develop steadily.

In light of the above, we acquired Chengdu Huahan as an associate of the Group in 2022 to maximise our operational and management strengths, which will also create synergies with our existing natural gas and solar PV businesses, thereby enhancing the Group's overall resource allocation efficiency and strengthening the long-term development potential of the energy business. The associate will provide us with excellent opportunities for future development, enriching the Group's business portfolio and further realising the Group's goal of becoming a supplier of a diversified range of energy products and solutions. We will also leverage the associates's existing industrial resources, brand image and extensive marketing experience to complement our existing energy business, thereby promoting the rapid development of our diversified energy business.

Proactively Analyse Market Dynamics and Explore Growth Paths

At the end of 2023, during the National Energy Work Conference of China convened by the NEA, it was clearly proposed that the implementation of the Dual Carbon mission task should be of focal importance, pursuant to which the continuous optimisation and adjustment of the energy structure was emphasised, and a significant jump in the scale of renewable energy installations globally was predicted. However, in the face of global economic turmoil and international trade headwinds, our solar energy business has encountered short-term challenges in its expansion toward the international market. The over-expansion of the PV industry in the PRC and the rapid fluctuation of prices in the PV industry chain have become an issue that cannot be taken lightly. In response to this competitive pressure, we will continue to focus on optimising our business model and actively explore potential energy projects, including energy storage power stations, PV-storage-charging stations, and other distributed integrated energy station projects. Leveraging our extensive experience in the fields of solar PV and energy storage, we will also continue to strengthen our collaboration with various partners to drive the solar PV business forward together. We will continue to remain vigilant regarding domestic and international exhibitions in the solar energy and energy storage industries, taking a proactive approach to analysing market dynamics, assessing the market situation and exploring new business growth drivers. By adhering to the general operating principles of "seeking stability amidst changes and striving for progress amidst stability", we aim to ensure sustainable value growth for our shareholders.

Responding to the Complexity and Challenges of the Jewelry Market

The jewelry industry's business environment is facing severe tests due to the volatile international political situation, the uncertainty that surrounds the global economy and increasing market competition. In the short term, consumers are expected to become more cautious in their purchasing behaviour, especially in the high-end luxury sector. Consequently, our jewelry business may face future pressures. To address these challenges, our jewelry sales team will continue to adopt a prudent business strategy, focusing on strengthening the good relationship with existing suppliers and ensuring the stability of the supply chain. At the same time, we will closely track market dynamics, actively expand the sales network and implement innovative marketing strategies. This includes participating in jewelry trade fairs and expositions worldwide and seeking strategic partnerships with emerging and fashionable jewelry suppliers from around the world, to fulfill our customers' desire for trendy and investment-worthy products. Looking ahead, we firmly believe that our core competitive advantages, including our long-standing relationships with existing customers and suppliers, the opening up of new customer resources, and the outstanding professional competence of our elite sales team and business consultants, will enable us to adapt to evolving market demands and drive our business to achieve long-term and stable development.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Current Year was approximately HK$188.5 million, representing a decrease of approximately 23.9% as compared to approximately HK$247.9 million for the Previous Year. The decrease was mainly attributable to the result of the decrease in turnover of both the energy business and the jewelry business.

Revenue of the energy business decreased by approximately 22.9% from approximately HK$221.2 million for the Previous Year to approximately HK$170.5 million for the Current Year. It was primarily attributable to the decrease in the sales of LNG during the Current Year. The sales of refined oil have increased during the Current Year but the amplitude was less than the decrease in sales of LNG. The sales of our solar intelligent technology products were continuously impacted by escalated international trade conflicts and intense market competition.

Revenue of the jewelry business decreased by approximately 32.6% from approximately HK$26.7 million for the Previous Year to approximately HK$18.0 million for the Current Year. It was primarily attributable to the intensified market competition and economic instability during the Current Year.

Cost of Sales and Gross profit

Cost of sales of the Group for the Current Year was approximately HK$180.8 million, representing a decrease of approximately 25.7%, as compared to approximately HK$243.2 million for the Previous Year. Gross profit increased from approximately HK$4.6 million for the Previous Year to approximately HK$7.7 million for the Current Year, representing an increase of approximately 66.5%. The increase in gross profit was mainly attributable to the combination of increased sales of refined oil with higher margin and write-down of inventories in cost of sales amounted to HK$1.1 million (2023: HK$2.1 million) recorded for the Current Year. Meanwhile, gross profit margin increased from 1.9% for the Previous Year to 4.1% for the Current Year.

Other income

Other income decreased from approximately HK$5.8 million for the Previous Year to approximately HK$5.2 million for the Current Year, representing a decrease of approximately 9.1%, which was mainly attributable to the government grants received by the Group during the Previous Year but none in the Current Year.

Other gains and losses, net

The Group recorded net other losses of approximately HK$6.1 million for the Current Year (2023: net other gains of approximately HK$16.0 million). The losses represented the loss from a change in fair value of investment properties of approximately HK$2.1 million (2023: approximately HK$5.4 million gain) and the loss on fair value changes of derivative financial instruments in relation to the Convertible Bonds of approximately HK$4.0 million (2023: approximately HK$11.0 million gain) during the Current Year. In the Previous Year, the amounts also contributed by the loss on early termination of a lease of approximately HK$0.4 million, but none of this loss was incurred in the Current Year.

Impairment loss under expected credit loss (“ECL”) model, net of reversal

The Group recorded an impairment loss on trade receivables under the ECL model, net of reversal, which amounted to approximately HK$0.6 million for the Previous Year, but none in the Current Year. The management of the Group will continue to conduct regular reviews of the debtors’ repayment histories, resources and financial capabilities to ensure the ability of repayment within the credit period.

Selling and distribution costs

Selling and distribution costs increased from approximately HK$2.2 million for the Previous Year to approximately HK$2.4 million for the Current Year, representing an increase of approximately 11.1%, which was mainly attributable to the increase in transportation costs along with increased sales of refined oil in the Current Year.

Administrative expenses

Administrative expenses for the Current Year primarily comprised staff costs, directors' remuneration, auditor's remuneration, legal and professional fees, rent, rates and management fees, and other administrative expenses including depreciation and amortisation. Administrative expenses decreased from approximately HK$22.0 million for the Previous Year to approximately HK$21.8 million for the Current Year, representing a decrease of approximately 1.1%, which was mainly due to the continuous implementation of tightened cost control in the Current Year.

Equity-settled share-based payments

The Group recorded an equity-settled share-based payments in the Previous Year amounted to approximately HK$6.0 million, which represented the recognition of equity-settled share options expenses in connection with the grant of share options during the Previous Year, whereas none incurred in the Current Year.

Finance costs

Finance cost represented the imputed interests derived from the long-term loans from a controlling shareholder and a shareholder amounted to approximately HK$4.7 million (2023: HK$4.7 million), the imputed interests derived from the interest-free convertible bonds amounted to approximately HK$6.9 million (2023: HK$2.1 million), the interest derived from lease liabilities amounted to approximately HK$0.2 million (2023: HK$0.1 million) and the interest derived from the long term bank loan amounted to approximately HK$1.0 million (2023: HK$1.2 million) for the Current Year.

Share of result of an associate

Share of result of an associate represented the share of loss of Chengdu Huahan amounted to HK$0.8 million (2023: HK$0.2 million) during the Current Year.

Income tax expense

Income tax expense of the Group was approximately HK$0.1 million for the Current Year (2023: HK$2.0 million), mainly represented the provision of deferred taxation derived from the accelerated tax depreciation during the Current Year.

Loss for the year attributable to the Owners of the Company

By reason of the factors stated above, the loss for the year attributable to the owners of the Company increased from approximately HK$11.9 million for the Previous Year to approximately HK$31.1 million for the Current Year, representing an increase of approximately 160.8%. Basic loss per share was 8.01 HK cents (2023: 3.07 HK cents).

Final Dividend

The Board does not recommend the payment of final dividend for the Current Year (2023: Nil).

Liquidity and Financial Position

As at 31 March 2024, the Group had net current assets and current ratio stood at approximately HK$12.7 million and 1.3 respectively (31 March 2023: HK$7.8 million and 1.3 respectively).

As at 31 March 2024, the bank balances and cash amounted to approximately HK$16.3 million (31 March 2023: HK$13.1 million). As at 31 March 2024, the inventories amounted to approximately HK$2.7 million (31 March 2023: HK$2.4 million), representing the refined oil and solar modules intelligent technology products. As at 31 March 2024, the trade receivables and trade payables amounted to approximately HK$4.0 million and HK$3.5 million respectively (31 March 2023: HK$2.2 million and HK$1.7 million respectively), both were mainly derived from the energy business. As at 31 March 2024, the Group's property, plant and equipment, right-of-use assets and investment properties amounted to approximately HK$16.2 million, HK$12.0 million and HK$83.5 million respectively (31 March 2023: HK$18.4 million, HK$7.4 million and HK$88.6 million respectively). The investment properties of the Group are located at No. 61, Haichao Road, Sino-Italy Ningbo Ecological Park (also known as Zhongyi Ningbo Shengtai Park), Yuyao City of Zhejiang Province for industrial use and are held under operating leases to earn rentals. The investment properties were valued by an independent firm of professional property valuer and the fair value of the investment properties was derived using income approach for both years.

As at 31 March 2024, the net carrying amount of the intangible assets was approximately HK$46.7 million (31 March 2023: HK$50.1 million), representing the operating rights in relation to the relevant certificates, licenses and approvals for the operations of the filling station and the sale of refined oil with finite useful lives. The intangible assets were arising from the acquisition of Chengdu Kaibangyuan.

Capital Resources and Gearing

As at 31 March 2024, the Group had an interest-bearing bank borrowing amounted to approximately HK$23.0 million (31 March 2023: HK$19.8 million) and bore interest rate of 4.5% per annum (31 March 2023: 5.7%), of which approximately HK$2.6 million (31 March 2023: HK$2.7 million) will be repayable within one year and approximately HK$20.4 million (31 March 2023: HK$17.1 million) will be repayable after one year. The Group's gearing ratio (which was expressed as a percentage of total bank borrowing over total equity) was approximately 82.6% as at 31 March 2024 (31 March 2023: 36.4%).

The bank borrowing was secured by the Group's assets, for details of the charges on the Group's assets, please refer to the section headed "Charges On Group Assets" in this announcement. Save as disclosed above, the Group has no other banking facilities (31 March 2023: Nil). As at 31 March 2024, the Group had interest-free loans due to a controlling shareholder and a shareholder of approximately HK$101.9 million (31 March 2023: HK$95.9 million) and approximately HK$3.8 million (31 March 2023: HK$3.8 million) respectively, both were repayable after one year from the end of the reporting period.

The Group principally meets its working capital requirement and other liquidity requirements through a combination of operating cash flows, bank loans and interest-free loans due from a controlling shareholder and a shareholder during the Current Year.

Convertible bonds

On 5 December 2022, the Convertible Bonds were issued to the Vendor after the completion of the Acquisition. The Convertible Bonds can be converted into shares of the Company at a conversion price of HK$0.74 per conversion share (subject to adjustment), during the conversion period of 3 years from 5 December 2022. Upon exercise of the conversion rights attached to the Convertible Bonds in full, the Convertible Bonds are convertible into 70,270,270 new shares of the Company at a conversion price of HK$0.74 per conversion share (subject to adjustment).

As at 31 March 2024, the entire principal amount of the Convertible Bonds remained outstanding. The management performed a fair value assessment and engaged an independent valuer to conduct assessment on the Convertible Bonds at the end of the reporting period. As at 31 March 2024, the carrying amount of the debt component and the fair value of the derivative financial instrument derived from the Convertible Bonds were approximately HK$36.9 million and HK$17.0 million respectively (31 March 2023: HK$30.1 million and HK$13.0 million). The Convertible Bonds were classified as non-current liabilities as at 31 March 2024 with a maturity date of more than one year from the end of the reporting period.

Capital Structures

The Group's total assets and total liabilities as at 31 March 2024 amounted to approximately HK$259.3 million (31 March 2023: HK$256.0 million) and approximately HK$231.5 million (31 March 2023: HK$201.6 million) respectively. The Group's debt ratio (which was expressed as a percentage of total liabilities over total assets) was approximately 89.3% as at 31 March 2024 (31 March 2023: 78.7%).

Charges on Group Assets

As at 31 March 2024, the buildings with carrying amounts of approximately HK$3.5 million (31 March 2023: HK$3.8 million), the right-of-use assets with carrying amounts of approximately HK$5.0 million (31 March 2023: HK$5.3 million) and the investment properties with carrying amounts of approximately HK$83.5 million (31 March 2023: HK$88.6 million), were pledged to a bank in the PRC as collateral security for a bank borrowing amounted to approximately HK$23.0 million (31 March 2023: HK$19.8 million).

Save as disclosed above, there were no other charges on the Group's assets as of 31 March 2024.

Capital Commitments and Contingent Liabilities

As at 31 March 2024, the Group did not have any capital commitments (31 March 2023: Nil).

As at 31 March 2024, the Group did not have any contingent liabilities (31 March 2023: Nil).

Employee and Remuneration Policy

As at 31 March 2024, the Group had a total of 64 employees (31 March 2023: 60). The Group remunerates its employees based on their performance and work experience and the prevailing market rates. Salaries of employees are maintained at competitive levels while bonuses are granted by reference to the performance of the Group and individual employees.

The Group also provides internal training to employees when necessary and other staff benefits which include a share option scheme and corporate contribution to the statutory mandatory provident fund scheme to its employees in Hong Kong and the statutory central pension schemes to its employees in the PRC.

Furthermore, the remuneration committee of the Company (the "**Remuneration Committee**") will review and give recommendations to the Board as to the compensation package of the Directors and senior management of the Group with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management of the Group.

Foreign Exchange Fluctuation and Hedges

The business operations of the Group's subsidiaries were conducted mainly in the PRC and Hong Kong with sales and purchases of the Group's subsidiaries denominated mainly in Hong Kong dollars, Renminbi and United States dollars ("**USD**"). The Group's cash and bank deposits were denominated in Hong Kong dollars, Renminbi and USD as well. Any significant exchange rate fluctuation of Hong Kong dollars against USD or Renminbi may have financial impacts on the Group. While the Group would closely monitor the volatility of the foreign exchange rate, the Directors considered that the Group's risk exposure to foreign exchange rate fluctuation remained minimal currently.

As at 31 March 2024, no forward foreign currency contracts are designated in hedging accounting relationships (31 March 2023: Nil).

Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

There were no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Current Year.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, the Group did not have any plans for material investments and capital assets as at 31 March 2024.

Event After Reporting Period

Save as disclosed in the section headed "Acquisition of 35% Equity Interest in Chengdu Huahan Energy Co., Ltd" in the "Management Discussion and Analysis" in relation to the Second Supplemental Agreement, after the Current Year and up to the date of this announcement, the Board was not aware of any significant events relating to the business or financial performance of the Group.

No Material Change

Since the publication of the latest annual report for the year ended 31 March 2023, there have been no material changes to the Company's business.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is to be held on Thursday, 5 September 2024 (the "**2024 AGM**") and the notice of the 2024 AGM will be published and dispatched to the shareholders of the Company within the prescribed time and in such manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 2 September 2024 to Thursday, 5 September 2024 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify to attend and vote at the 2024 AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 30 August 2024.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize effective internal control, accountability and transparency of the Board and are adopted in the best interest of the Company and its shareholders.

Accordingly, the Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules. The Company has applied the principles and complied with all the applicable code provisions set out in the CG Code throughout the Current Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, they confirmed that they have complied with the required standard set out in the Model Code throughout the Current Year.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company and based on the confirmation from the Directors, the change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report are set out below:

Mr. Jin Qingjun, an independent non-executive Director, has been appointed as an independent non-executive director of Prinx Chengshan Holdings Limited (Stock Code: 1809) with effect from 9 September 2023. He also retired from the position of independent director of Shenzhen Cheng Chung Design Co. Ltd. a company listed on the Shenzhen Stock Exchange (stock code: 002811), with effect from 23 February 2024.

The Board approved as recommended by the Remuneration Committee the inclusion of the emolument comprising a fixed monthly salary of HK$13,000 and respective contribution to the statutory retirement benefits scheme into the remuneration packages of Mr. Wu Hao and Mr. Zhang Bing respectively with effect from 1 April 2024 in view of their remarkable performance in cultivating trust among business partners of the Group.

AUDIT COMMITTEE

The Company has established the audit committee of the Company (the "**Audit Committee**") with written terms of reference in compliance with the code provisions under the CG Code set out in Appendix C1 to the Listing Rules to review the Group's financial reporting, corporate governance reporting process, internal audit functions, internal control system, risk management matters, and make relevant recommendations to the Board. The Audit Committee comprises three independent non-executive Directors, namely Ms. Zhong Yingjie, Christina, Mr. Jin Qingjun and Ms. Sun, Ivy Connie.

The Group's consolidated financial statements and the annual results for the Current Year have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the Current Year comply with applicable accounting standards, and the Listing Rules and that adequate disclosures have been made. The Audit Committee also monitored the Company's progress in implementing the code provisions of the CG Code as required under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares during the Current Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group strives to protect the environment and minimize any negative impact on the environment and occupational health and safety induced by our business, achieving the goal of sustainable development.

Pursuant to rule 13.91 of the Listing Rules, an Environmental, Social and Governance ("**ESG**") Report of the Company for the Current Year in compliance with the provisions set out in the ESG Reporting Guide in Appendix C2 to the Listing Rules will be published on the Stock Exchange's website and the Company's website at the same time as the publication of the annual report of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed percentage of public float under the Listing Rules.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement has been agreed by the auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 26 June 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com). The annual report of the Company for the Current Year containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and posted on the above websites in due course.

APPRECIATION

Our Board would like to take this opportunity to express its gratitude to our shareholders, our business associates and all our employees for their continuous support.

By order of the Board
CENTRAL DEVELOPMENT HOLDINGS LIMITED
Chan Wing Yuen, Hubert
Chief Executive & Executive Director

Hong Kong, 26 June 2024

As at the date of this announcement, the Board consists of four executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun, Mr. Chan Wing Yuen, Hubert and Mr. Zhang Bing; a non-executive Director, namely Mr. Li Wei Qi, Jacky; and three independent non-executive Directors, namely Mr. Jin Qingjun, Ms. Sun, Ivy Connie and Ms. Zhong Yingjie, Christina.

* *for identification purpose only*