

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Chuang's Consortium International Limited

(莊士機構國際有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 367)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board of Directors (the “Board”) of Chuang's Consortium International Limited (the “Company”) announces the consolidated final results of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31 March 2024 as follows:

HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH 2024

Business

1. During the year under review, the Group had successfully disposed of the following properties which is in-line with the Group's strategy to off-load investments in non-core assets. Their sale proceeds had strengthened the Group's financial position.
 - (a) On 1 February 2023, the Group entered into a provisional sale and purchase agreement with an independent third party to dispose of the 18 residential units at Parkes Residence, Kowloon, Hong Kong for a cash consideration of HK\$70.3 million. The disposal was completed on 3 May 2023 with the recognition of revenues by the Group in the current financial year.
 - (b) On 18 February 2023, the Group entered into another provisional sale and purchase agreement with an independent third party to dispose of a shop at Wuhu Residence, Kowloon, Hong Kong for a cash consideration of HK\$33.8 million. The disposal was completed on 8 June 2023 and was recorded by the Group in the current financial year.
 - (c) As announced on 9 May 2024, the Group entered into an agreement with an independent third party to dispose of International Financial Centre, an office building in Mongolia for a consideration of US\$33 million (equivalent to approximately HK\$258 million). The disposal was completed on 19 June 2024. Net cash proceed of approximately HK\$251 million was received and has strengthened the Group's financial position. An estimated net gain on the disposal of approximately HK\$23.5 million will be recorded in the financial year ending 31 March 2025.

2. For ARUNA, the Ap Lei Chau project, it is developed into a 27-storey residential/commercial building comprising 105 residential units with clubhouse facilities and retail units at the podium levels. Construction works have been completed. Occupation permit had been obtained on 13 June 2024. Pre-sale has commenced in April 2024 and a total of 28 residential units have been launched to the market for sale. Currently, 4 units have been presold at aggregate sale value of about HK\$15.4 million.
3. For ONE SOHO, the joint venture project at Mongkok, occupation permit and certificate of compliance had been obtained in March 2023 and July 2023 respectively. Pre-sale consent of the 322 residential units was obtained in April 2021, in which 183 units had been pre-sold with an aggregate consideration of about HK\$1.3 billion and had been handed-over to the end buyers during the first half of this financial year. The joint venture company has sold a further 138 units with an aggregate consideration of about HK\$0.9 billion up to the date of this report in which 30 units had been handed-over to the end buyers in the second half of this financial year. Besides, there are 12 carparking spaces out of which 9 carparking spaces with aggregate consideration of about HK\$13.8 million had been sold during the year under review. These 9 carparking spaces had been handed-over to end buyers subsequent to this financial year. The joint venture company will continue to sell the remaining 1 unit and 3 carparking spaces of this project.
4. For Po Shan Road joint venture project, the Group is developing the property into one vertical house with 8 storeys over the podium. The 8-storey house will include a luxury living and dining area with 6m floor-to-floor height, an entertainment floor and 6 residential suite floors with at least 3.5m floor-to-floor height. The proposed GFA for the house is about 44,422 *sq. ft.*, with an additional area of about 5,400 *sq. ft.* for garden and about 3,477 *sq. ft.* for roof. Concreting of the remaining superstructure works at podium level and tower portion, outdoor garden and swimming pool portion are completed. Installation works of external façade as well as the mechanical, electrical and plumbing systems are in progress. It is expected that the overall superstructure works will be completed in July 2024, and the occupation permit is expected to be obtained in the third quarter of 2024. Marketing work for the house is in progress.
5. For the redevelopment project at Gage Street, the Group has successfully consolidated this project with a total site area of about 3,600 *sq. ft.*. General building plans of the project to develop a 26-storey residential/commercial building comprising clubhouse facilities and retail units with GFA of about 34,675 *sq. ft.* have been approved. Foundation works are currently in progress and are expected to be completed in the second half of 2024.

Financial

- Total cash resources of the Group (including bond and securities investments) amounted to HK\$2.3 billion, in which cash and bank balances aggregated to approximately HK\$2.2 billion.
- Net assets attributable to equity holders of the Company amounted to HK\$8,239.3 million.
- Net debt to equity ratio of the Group is 18.3%.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2024

	<i>Note</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Revenues	<i>3</i>	396,573	251,676
Cost of sales		(460,117)	(266,886)
Gross loss		(63,544)	(15,210)
Other income and net loss	<i>5A</i>	(218,211)	(165,838)
Loss on disposal of subsidiaries	<i>5B</i>	–	(13,166)
Selling and marketing expenses		(29,706)	(16,643)
Administrative and other operating expenses		(264,519)	(278,523)
Change in fair value of investment properties		(326,753)	(532,725)
Operating loss	<i>6</i>	(902,733)	(1,022,105)
Finance costs	<i>7</i>	(160,475)	(132,529)
Share of results of associated companies		(2,160)	(2,067)
Share of results of joint ventures	<i>8</i>	(8,277)	(79)
Loss before taxation		(1,073,645)	(1,156,780)
Taxation credit	<i>9</i>	14,494	60,074
Loss for the year		(1,059,151)	(1,096,706)
Attributable to:			
Equity holders		(932,049)	(966,292)
Non-controlling interests		(127,102)	(130,414)
		(1,059,151)	(1,096,706)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share (basic and diluted)	<i>11</i>	(55.73)	(55.77)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
Loss for the year	<u>(1,059,151)</u>	<u>(1,096,706)</u>
Other comprehensive income:		
Items that had been/may be reclassified subsequently to profit and loss:		
Net exchange differences	(126,158)	(201,114)
Share of exchange reserve of a joint venture	(13,178)	(18,123)
Realization of exchange reserve upon disposal of subsidiaries	<u>–</u>	<u>6,002</u>
Total other comprehensive loss that had been/may be reclassified subsequently to profit and loss	<u>(139,336)</u>	<u>(213,235)</u>
Item that may not be reclassified subsequently to profit and loss:		
Change in fair value of financial assets at fair value through other comprehensive income	<u>(19,744)</u>	<u>(11,522)</u>
Total other comprehensive loss for the year	<u>(159,080)</u>	<u>(224,757)</u>
Total comprehensive loss for the year	<u><u>(1,218,231)</u></u>	<u><u>(1,321,463)</u></u>
Total comprehensive loss for the year attributable to:		
Equity holders	(1,032,939)	(1,110,794)
Non-controlling interests	<u>(185,292)</u>	<u>(210,669)</u>
	<u><u>(1,218,231)</u></u>	<u><u>(1,321,463)</u></u>

CONSOLIDATED BALANCE SHEET

As at 31 March 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		147,734	172,556
Investment properties		7,522,302	7,934,939
Right-of-use assets		56,531	37,109
Properties for/under development		400,842	441,008
Cemetery assets		257,441	274,582
Associated companies		44,533	46,793
Joint ventures		834,290	839,708
Financial assets at fair value through other comprehensive income		123,226	143,017
Loans and receivables and other deposits		227,725	242,364
		9,614,624	10,132,076
Current assets			
Properties for sale		1,465,767	1,611,808
Cemetery assets		432,847	448,808
Inventories		101,009	102,119
Debtors and prepayments	<i>12</i>	88,057	114,541
Financial assets at fair value through profit or loss		200,106	466,279
Cash and bank balances		2,243,568	2,922,984
		4,531,354	5,666,539
Investment property held for sale	<i>13</i>	10,780	33,800
		4,542,134	5,700,339
Current liabilities			
Creditors and accruals	<i>14</i>	419,899	424,839
Sales deposits received		–	9,161
Short-term bank borrowings		84,146	147,669
Current portion of long-term bank borrowings		2,581,652	892,909
Taxation payable		33,466	36,374
		3,119,163	1,510,952
Liability held for sale	<i>13</i>	1,860	–
		3,121,023	1,510,952
Net current assets		1,421,111	4,189,387
Total assets less current liabilities		11,035,735	14,321,463

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Equity		
Share capital	418,138	418,138
Reserves	7,821,121	8,854,060
	<hr/>	<hr/>
Shareholders' funds	8,239,259	9,272,198
Non-controlling interests	1,291,948	1,477,240
	<hr/>	<hr/>
Total equity	9,531,207	10,749,438
	<hr/>	<hr/>
Non-current liabilities		
Long-term bank borrowings	1,148,343	3,187,137
Deferred taxation liabilities	237,798	278,658
Loans and payables with non-controlling interests	45,141	44,912
Other non-current liabilities	73,246	61,318
	<hr/>	<hr/>
	1,504,528	3,572,025
	<hr/>	<hr/>
	11,035,735	14,321,463
	<hr/> <hr/>	<hr/> <hr/>

NOTES:

1. GENERAL INFORMATION

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

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

2. BASIS OF PREPARATION

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

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

(i) Effect of adopting new standard, amendments to standards and practice statement

For the year ended 31 March 2024, the Group adopted the following new standard, amendments to standards and practice statement that are effective for the accounting periods beginning on or after 1 April 2023 and relevant to the operations of the Group:

HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendment)	Definition of Accounting Estimates
HKAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction
HKAS 12 (Amendment)	International Tax Reform – Pillar Two Model Rules
HKFRS 17 and HKFRS 17 (Amendment)	Insurance Contracts

The Group has assessed the impact of the adoption of these new standard, amendments to standards and practice statement and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the consolidated financial statements.

(ii) Amendments to standards and interpretation that are not yet effective

The following amendments to standards and interpretation have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1 April 2024, but have not been early adopted by the Group:

HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current (effective from 1 January 2024)
HKAS 1 (Amendment)	Non-current Liabilities with Covenants (effective from 1 January 2024)
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements (effective from 1 January 2024)
HKAS 21 (Amendment)	Lack of Exchangeability (effective from 1 January 2025)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (no mandatory effective date)
HKFRS 16 (Amendment)	Lease Liability in a Sale and Leaseback (effective from 1 January 2024)
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (effective from 1 January 2024)

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

3. REVENUES

Revenues recognized during the year are as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sales of properties	141,571	1,350
Rental income and management fees	137,610	141,201
Sales of cemetery assets	18,307	23,180
Sales of goods and merchandises	13,341	13,628
Interest income from money lending business	1,116	8,417
Interest and other income from bond investments of financial assets at fair value through profit or loss	84,742	64,112
Dividend income from securities investments for trading of financial assets at fair value through profit or loss	23	23
Net loss of securities investments for trading of financial assets at fair value through profit or loss	(137)	(235)
	<u>396,573</u>	<u>251,676</u>

4. SEGMENT INFORMATION

(a) Segment information by business lines

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

The CODM considers the business from a business perspective, including property development, investment and trading, development and operation of cemetery, sales of goods and merchandises, securities investment and trading and money lending business. The CODM assesses the performance of the operating segments based on the measure of segment result.

The segment information by business lines is as follows:

	Property development, investment and trading HK\$'000	Cemetery HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Money lending business HK\$'000	Others and corporate HK\$'000	2024 Total HK\$'000
Revenues from contracts with customers:							
– Recognized at a point in time	141,571	18,307	13,341	-	-	-	173,219
– Recognized over time	15,429	-	-	-	-	-	15,429
Revenues from other sources	122,181	-	-	84,628	1,116	-	207,925
Revenues	<u>279,181</u>	<u>18,307</u>	<u>13,341</u>	<u>84,628</u>	<u>1,116</u>	<u>-</u>	<u>396,573</u>
Other income and net gain/(loss)	<u>30,283</u>	<u>423</u>	<u>4,035</u>	<u>(341,206)</u>	<u>-</u>	<u>88,254</u>	<u>(218,211)</u>
Operating (loss)/profit	(541,474)	(435)	(5,959)	(257,649)	329	(97,545)	(902,733)
Finance costs	(158,472)	-	(1,597)	(406)	-	-	(160,475)
Share of results of associated companies	72	-	-	-	-	(2,232)	(2,160)
Share of results of joint ventures	(8,277)	-	-	-	-	-	(8,277)
(Loss)/profit before taxation	(708,151)	(435)	(7,556)	(258,055)	329	(99,777)	(1,073,645)
Taxation credit/(charge)	18,678	(1,611)	-	(2,573)	-	-	14,494
(Loss)/profit for the year	<u>(689,473)</u>	<u>(2,046)</u>	<u>(7,556)</u>	<u>(260,628)</u>	<u>329</u>	<u>(99,777)</u>	<u>(1,059,151)</u>
Segment assets	10,294,132	730,845	146,586	233,990	27,834	1,833,768	13,267,155
Associated companies	121	-	-	-	-	44,412	44,533
Joint ventures	834,290	-	-	-	-	-	834,290
Investment property held for sale	10,780	-	-	-	-	-	10,780
Total assets	<u>11,139,323</u>	<u>730,845</u>	<u>146,586</u>	<u>233,990</u>	<u>27,834</u>	<u>1,878,180</u>	<u>14,156,758</u>
Segment liabilities	4,281,911	178,527	34,977	35,200	101	92,975	4,623,691
Liability held for sale	1,860	-	-	-	-	-	1,860
Total liabilities	<u>4,283,771</u>	<u>178,527</u>	<u>34,977</u>	<u>35,200</u>	<u>101</u>	<u>92,975</u>	<u>4,625,551</u>
Other segment items are as follows:							
Capital expenditure	233,452	11,000	-	-	-	37,815	282,267
Depreciation of property, plant and equipment	2,937	458	1,829	-	-	18,892	24,116
Depreciation of right-of-use assets	1,709	95	3,185	-	-	12,681	17,670
Provision for impairment of properties for/under development	32,475	-	-	-	-	-	32,475
Provision for impairment of properties for sale	254,417	-	-	-	-	-	254,417
Provision for impairment of trade debtors	927	3,940	-	-	-	-	4,867
Provision for impairment of other receivables	7,898	-	-	-	-	-	7,898
Reversal of provision for impairment of trade debtors	367	-	-	-	-	-	367
Fair value loss of investment properties	326,753	-	-	-	-	-	326,753

	Property development, investment and trading HK\$'000	Cemetery HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Money lending business HK\$'000	Others and corporate HK\$'000	2023 Total HK\$'000
Revenues from contracts with customers:							
– Recognized at a point in time	1,350	23,180	13,628	–	–	–	38,158
– Recognized over time	12,187	–	–	–	–	–	12,187
Revenues from other sources	129,014	–	–	63,900	8,417	–	201,331
Revenues	<u>142,551</u>	<u>23,180</u>	<u>13,628</u>	<u>63,900</u>	<u>8,417</u>	<u>–</u>	<u>251,676</u>
Other income and net gain/(loss)	<u>1,429</u>	<u>594</u>	<u>5,793</u>	<u>(251,168)</u>	<u>–</u>	<u>77,514</u>	<u>(165,838)</u>
Loss on disposal of subsidiaries	<u>(13,166)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(13,166)</u>
Operating (loss)/profit	(706,511)	2,886	(1,314)	(188,450)	7,184	(135,900)	(1,022,105)
Finance costs	(123,965)	–	(720)	(7,586)	–	(258)	(132,529)
Share of results of associated companies	109	–	–	–	–	(2,176)	(2,067)
Share of results of joint ventures	(79)	–	–	–	–	–	(79)
(Loss)/profit before taxation	(830,446)	2,886	(2,034)	(196,036)	7,184	(138,334)	(1,156,780)
Taxation credit/(charge)	<u>57,595</u>	<u>(1,759)</u>	<u>–</u>	<u>4,238</u>	<u>–</u>	<u>–</u>	<u>60,074</u>
(Loss)/profit for the year	<u>(772,851)</u>	<u>1,127</u>	<u>(2,034)</u>	<u>(191,798)</u>	<u>7,184</u>	<u>(138,334)</u>	<u>(1,096,706)</u>
Segment assets	10,539,966	779,195	153,489	466,962	30,544	2,941,959	14,912,115
Associated companies	148	–	–	–	–	46,644	46,792
Joint ventures	839,708	–	–	–	–	–	839,708
Investment property held for sale	<u>33,800</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>33,800</u>
Total assets	<u>11,413,622</u>	<u>779,195</u>	<u>153,489</u>	<u>466,962</u>	<u>30,544</u>	<u>2,988,603</u>	<u>15,832,415</u>
Total liabilities	<u>4,693,115</u>	<u>191,261</u>	<u>34,626</u>	<u>86,604</u>	<u>274</u>	<u>77,097</u>	<u>5,082,977</u>
Other segment items are as follows:							
Capital expenditure	138,065	19,138	–	–	–	3,661	160,864
Depreciation of property, plant and equipment	3,504	471	345	–	–	13,910	18,230
Depreciation of right-of-use assets	3,417	96	2,554	–	–	13,529	19,596
Provision for impairment of properties for/under development	52,820	–	–	–	–	–	52,820
Provision for impairment of properties for sale	136,844	–	–	–	–	–	136,844
Provision for impairment of trade debtors	4,870	3,916	–	–	–	–	8,786
Fair value loss of investment properties	<u>532,725</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>532,725</u>

(b) Geographical segment information

The business of the Group operates in different geographical areas. Revenues are presented by the countries where the customers are located. Non-current assets, total assets and capital expenditure are presented by the countries where the assets are located. The segment information by geographical area is as follows:

	Revenues		Capital expenditure	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	269,369	184,765	258,852	138,992
The People's Republic of China (the "PRC")	29,023	36,612	11,000	21,119
France	48,423	–	–	–
Other countries	49,758	30,299	12,415	753
	<u>396,573</u>	<u>251,676</u>	<u>282,267</u>	<u>160,864</u>
	Non-current assets (Note)		Total assets	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	6,720,799	6,982,301	10,670,989	12,034,124
The PRC	1,664,546	1,835,532	2,563,249	2,780,370
Other countries	878,328	928,862	922,520	1,017,921
	<u>9,263,673</u>	<u>9,746,695</u>	<u>14,156,758</u>	<u>15,832,415</u>

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

5A. OTHER INCOME AND NET LOSS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income from bank deposits	101,893	74,884
Dividend income from financial assets at fair value through other comprehensive income	7,366	7,366
Net loss of bonds and other investments of financial assets at fair value through profit or loss (<i>note</i>)	(341,962)	(253,474)
Net loss on disposal of investment properties	(676)	–
Net gain on disposal of property, plant and equipment	89	1,452
Net exchange loss	(13,468)	(11,297)
Forfeited deposit for disposal of property, plant and equipment	–	8,064
Reversal of over-provision for construction costs payable	20,908	–
Others	7,639	7,167
	<u>(218,211)</u>	<u>(165,838)</u>

Note: The amount comprises of net gain on disposal of HK\$226.3 million (2023: HK\$299.4 million) and net fair value loss of HK\$568.3 million (2023: HK\$552.9 million) for financial assets at fair value through profit or loss.

5B. LOSS ON DISPOSAL OF SUBSIDIARIES

On 5 August 2022, a direct wholly-owned subsidiary of Chuang's China Investments Limited ("Chuang's China") (a listed subsidiary of the Group) entered into a sale and purchase agreement with an independent third party to dispose of the property holding subsidiaries which held a property in Changan, Dongguan, the PRC, at a consideration of approximately RMB132.1 million (equivalent to approximately HK\$149.7 million) (the "Changan Disposal"). Details of the Changan Disposal were announced by Chuang's China and the Company on 5 August 2022. The transaction was completed on 5 September 2022, and a loss on disposal of subsidiaries before non-controlling interests of approximately HK\$13.2 million was recorded in the year ended 31 March 2023, taking into account the net assets disposed of approximately HK\$156.5 million, the realization of a negative exchange reserve upon disposal of approximately HK\$6.0 million and the related transaction costs.

6. OPERATING LOSS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Operating loss is stated after crediting:		
Reversal of provision for impairment of trade debtors	<u>367</u>	<u>–</u>
and after charging:		
Cost of properties sold	110,698	678
Cost of cemetery assets sold	4,237	5,170
Cost of inventories sold	9,718	10,847
Depreciation of property, plant and equipment	24,116	18,230
Depreciation of right-of-use assets	17,670	19,596
Provision for impairment of properties for/under development (<i>note a</i>)	32,475	52,820
Provision for impairment of properties for sale (<i>note a</i>)	254,417	136,844
Provision for impairment of trade debtors	4,867	8,786
Provision for impairment of other receivables	7,898	–
Staff costs, including Directors' emoluments		
Wages and salaries (<i>note b</i>)	111,149	108,080
Retirement benefit costs	<u>4,391</u>	<u>4,655</u>

Notes:

(a) *The amounts have been included in cost of sales for the years ended 31 March 2024 and 2023.*

(b) *Government grants amounting HK\$3,543,000 had been recognized and deducted in wages and salaries expenses for the year ended 31 March 2023.*

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses of		
Bank borrowings	230,331	176,819
Bank overdraft	173	78
Lease liabilities	<u>2,760</u>	<u>949</u>
	233,264	177,846
Amounts capitalized into properties under development	<u>(72,789)</u>	<u>(45,317)</u>
	<u>160,475</u>	<u>132,529</u>

The capitalization rates applied to funds borrowed for the development of properties ranged from 5.78% to 6.31% (2023: 3.78% to 5.53%) per annum.

8. SHARE OF RESULTS OF JOINT VENTURES

Share of loss of joint ventures of HK\$8,277,000 (2023: HK\$79,000) in the consolidated income statement included the share of results of joint venture (2023: included the share of fair value loss of the investment properties (net of the related deferred taxation) of HK\$13,711,000), and the rental income recorded by a joint venture from the wholly-owned subsidiary of the joint venture partner for the year ended 31 March 2024 amounted to approximately HK\$17,317,000 (2023: HK\$18,596,000).

9. TAXATION CREDIT

	2024 HK\$'000	2023 HK\$'000
Current taxation		
Hong Kong profits tax	3,132	(31)
PRC corporate income tax	1,812	2,462
PRC withholding corporate income tax (note 5B)	–	3,441
Overseas profit tax	3,782	95
Deferred taxation	(23,220)	(66,041)
	<u>(14,494)</u>	<u>(60,074)</u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year ended 31 March 2024 (2023: No provision for Hong Kong profits tax had been made as the Group had either sufficient tax losses brought forward to set off against the estimated assessable profits for that year or had no estimated assessable profits for that year). PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC withholding corporate income tax includes the relevant tax on disposal of subsidiaries arising from the Changan Disposal as mentioned in note 5B.

Share of taxation charge of associated companies for the year ended 31 March 2024 of HK\$18,000 (2023: HK\$14,000) is included in the consolidated income statement as “Share of results of associated companies”. Share of current taxation charge of the joint ventures of HK\$731,000 (2023: HK\$336,000, and also the share of deferred taxation credit arising from the fair value loss of the investment properties of HK\$4,570,000) is included in the consolidated income statement as “Share of results of joint ventures”.

10. DIVIDENDS

On 27 June 2024, the board of Directors had resolved not to recommend the payment of a final dividend for the year ended 31 March 2024 (2023: Nil). No interim dividend had been paid for the year ended 31 March 2024 (2023: Nil).

11. LOSS PER SHARE

The calculation of the loss per share is based on the loss attributable to equity holders of HK\$932,049,000 (2023: HK\$966,292,000) and the weighted average number of 1,672,553,104 (2023: 1,672,553,104) shares in issue during the year.

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

12. DEBTORS AND PREPAYMENTS

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Below 30 days	3,529	3,581
31 to 60 days	1,285	1,051
61 to 90 days	885	418
Over 90 days	1,465	5,407
	<u>7,164</u>	<u>10,457</u>

Debtors and prepayments include net deposits of HK\$7,983,000 (2023: HK\$1,523,000) for acquisition of property projects and right-of-use assets after the accumulated provision for impairment as at 31 March 2024.

13. INVESTMENT PROPERTY AND LIABILITY HELD FOR SALE

- (a) On 30 March 2024, an indirect wholly-owned subsidiary of Chuang's China entered into a sale and purchase agreement with an independent third party to dispose of a residential investment property in Panyu, the PRC, at a consideration of RMB10.0 million (equivalent to approximately HK\$10.8 million). Deposit of RMB500,000 (equivalent to approximately HK\$539,000) had been received before 31 March 2024. The transaction was completed in May 2024. As such, the investment property and its related deferred taxation liability were reclassified as "Investment property held for sale" and "Liability held for sale" respectively as at 31 March 2024.
- (b) In February 2023, the Group entered into a provisional sale and purchase agreement with an independent third party to dispose of a commercial investment property in Hong Kong at a consideration of HK\$33.8 million. The transaction was completed on 8 June 2023. As such, the investment property was reclassified as "Investment property held for sale" as at 31 March 2023.

14. CREDITORS AND ACCRUALS

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Below 30 days	2,870	2,720
31 to 60 days	1,993	553
Over 90 days	5,046	4,931
	<u>9,909</u>	<u>8,204</u>

Creditors and accruals include the construction cost payables and accruals of HK\$162,186,000 (2023: HK\$191,412,000) for the property and cemetery projects of the Group.

15. FINANCIAL GUARANTEES

As at 31 March 2024, the Company had provided guarantees of HK\$237,013,000 (2023: HK\$409,223,000) for the banking facilities granted to the joint ventures, and certain subsidiaries had provided guarantees of HK\$4,396,000 (2023: HK\$6,116,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

16. COMMITMENTS

As at 31 March 2024, the Group had commitments contracted but not provided for in respect of property projects, properties and property, plant and equipment of HK\$161,936,000 (2023: HK\$414,991,000) and financial assets at fair value through profit or loss of HK\$37,091,000 (2023: HK\$43,938,000) respectively.

17. PLEDGE OF ASSETS

As at 31 March 2024, the Group had pledged certain assets including property, plant and equipment, investment properties, right-of-use assets, properties for/under development and properties for sale, with an aggregate carrying value of HK\$7,923,608,000 (2023: HK\$8,068,769,000), to secure banking facilities granted to the subsidiaries.

18. CAPITAL EXPENDITURE

For the year ended 31 March 2024, the Group incurred acquisition and development costs on property, plant and equipment of HK\$240,000 (2023: HK\$4,650,000), right-of-use assets of HK\$37,815,000 (2023: HK\$126,000) and property projects, investment properties and cemetery assets of HK\$244,212,000 (2023: HK\$156,088,000) respectively.

19. EVENT AFTER THE REPORTING PERIOD

On 9 May 2024, an indirect wholly-owned subsidiary of the Company entered into an agreement with an independent third party to dispose of an investment property under development in Mongolia for a consideration of approximately US\$33 million (equivalent to approximately HK\$258 million). Details of the disposal were announced by the Company on 9 May 2024, and published in the circular of the Company on 17 June 2024. The disposal was completed on 19 June 2024, and an estimated gain on disposal of approximately HK\$23.5 million will be recorded by the Group in the financial year ending 31 March 2025.

FINANCIAL REVIEW

For the year ended 31 March 2024, revenues of the Group increased to HK\$396.6 million (2023: HK\$251.7 million) mainly due to the increase in sales of properties. Revenues of the Group comprised of revenues from sales of properties of HK\$141.6 million (2023: HK\$1.4 million), revenues from rental and other income of investment properties of HK\$137.6 million (2023: HK\$141.2 million), revenues from cemetery business of HK\$18.3 million (2023: HK\$23.2 million), revenues from sales of goods and merchandises of HK\$13.3 million (2023: HK\$13.6 million), revenues from money lending business of HK\$1.1 million (2023: HK\$8.4 million), and revenues from securities investment and trading business of HK\$84.7 million (2023: HK\$63.9 million).

During the year under review, gross loss of HK\$63.5 million (2023: HK\$15.2 million) was recorded which was attributable to the impairment provision for properties for development and properties for sale of the Group under the current property market conditions.

Other income and net loss amounted to HK\$218.2 million (2023: HK\$165.8 million) mainly due to the net loss of bond investments recorded during the year under review. A breakdown of other income and net loss is shown in note 5A on page 13 of this report. Loss from change in fair value of investment properties of the Group amounted to HK\$326.8 million (2023: HK\$532.7 million) mainly due to the decrease in fair value of the investment properties of the Group under the current property market.

On the costs side, selling and marketing expenses increased to HK\$29.7 million (2023: HK\$16.6 million) principally due to the increase in sales activities during the year. Administrative and other operating expenses decreased to HK\$264.5 million (2023: HK\$278.5 million) mainly due to the decrease in business activities and cost saving on general overheads of the Group. Finance costs increased to HK\$160.5 million (2023: HK\$132.5 million) mainly due to the increase in interest rates during the year. Share of loss of associated companies amounted to HK\$2.2 million (2023: HK\$2.1 million). Share of loss of joint ventures amounted to HK\$8.3 million (2023: HK\$0.1 million) mainly due to the share of result of a joint venture upon the recording of sales of properties after hand-over of completed units to end buyers during the year. Taxation credit amounted to HK\$14.5 million (2023: HK\$60.1 million) mainly due to the reversal of deferred taxation arising from the fair value loss of investment properties during the year.

Taking into account the above, loss attributable to equity holders of the Company for the year ended 31 March 2024 amounted to HK\$932.0 million (2023: HK\$966.3 million). Loss per share was 55.73 HK cents (2023: 57.77 HK cents).

DIVIDENDS

After taking into account the need to maintain sufficient financial resources for the working capital of the Group's projects and businesses, in particular under the current uncertain business environment, the Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2024 (2023: Nil). No interim dividend had been paid during the year (2023: Nil).

BUSINESS REVIEW

(A) Investment Properties

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

The property is a commercial/office building and is strategically located at the heart of Central District and close to the exits of both the Central Station of the Mass Transit Railway and the Hong Kong Station of the Airport Express Line. The property has a site area of about 3,692 *sq. ft.* and a total gross floor area (“GFA”) of about 55,367 *sq. ft.*. During the year, rental and other income from this property amounted to about HK\$36.2 million. With the increase in leasing supply from the newly completed properties in the district, the leasing of this property is expected to be more challenging. The Group would be more flexible on tenant selection as well as tenancy period in order to maintain its competitiveness.

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

Strategically located at the heart of shopping centres in Tsim Sha Tsui, Kowloon, and near the exits of the Mass Transit Railway and the Guangzhou-Shenzhen-Hong Kong Express Rail Link Hong Kong Section, the property is a shopping and entertainment complex. The property has a site area of about 9,145 *sq. ft.* and a total GFA of about 103,070 *sq. ft.*. During the year, rental and other income from this property amounted to about HK\$49.4 million. With the gradual increase in the number of visitors to Hong Kong, as well as the various measures implemented by the Hong Kong government to stimulate the local economy, the Group is optimistic about the market in this district. The Group continues to explore more marketing ideas on leasing so as to further enhance the occupancy of the property.

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

The property is a commercial/industrial building located in between the Cheung Sha Wan (approximately 0.4 kilometre) and the Sham Shui Po (approximately 0.5 kilometre) Mass Transit Railway Stations, enjoying the convenience of good transportation network. The property has a site area of about 3,920 *sq. ft.* and a total GFA of about 47,258 *sq. ft.*. During the year, rental and other income from this property amounted to about HK\$10.5 million. Currently, the property is for commercial (G/F to 3/F and 12/F) and industrial (4/F to 11/F) use. Building plans to redevelop the property into a commercial/residential property with a total GFA of about 35,280 *sq. ft.* have been approved by the Buildings Department. Considering the current downward trend of mass residential property market, the Group will evaluate the best timing to carry out such redevelopment (if any).

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

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

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

This property is located next to an exit of Honghu Station of Line 7, Shenzhen Metro, and it is for commercial use with a total gross area of about 5,318 *sq. m.*. The Group leased out the property in March 2022 to an independent third party for 10 years to operate it as a medical centre at current monthly rental of RMB714,000, with a step up by 5% for every 2 years.

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

The project has a site area of about 3,269 *sq. m.* and is located within the central business district. It is planned that a 26-storey retail/office building with GFA of about 40,000 *sq. m.*, comprising office units and carparking spaces with shopping units at the podium levels will be developed. Superstructure works have been topped off. Internal structural works and external cladding works were halted because of Covid-19.

On 9 May 2024, the Group entered into an agreement with an independent third party for the disposal of the subsidiary that holds this property for a consideration of approximately US\$33 million (equivalent to approximately HK\$258 million). The disposal was completed on 19 June 2024. Net cash proceed of approximately HK\$251 million was received and has strengthened the Group's financial position. An estimated net gain on the disposal of approximately HK\$23.5 million will be recorded in the financial year ending 31 March 2025. Details of the disposal were announced by the Company on 9 May 2024 and published in the circular of the Company on 17 June 2024.

Apart from what has been disclosed in other parts of this report, during the year under review, the Group had completed the disposal of a shop at Wuhu Residence, Kowloon, Hong Kong (recorded as investment property) to an independent third party in June 2023 for a cash consideration of HK\$33.8 million. Such disposal is in-line with the Group's strategy to off-load investments in non-core assets, and the sale proceed has replenished the working capital of the Group.

(B) Hotels and Serviced Apartments

- (i) *Parkes Residence, No. 101 Parkes Street, Kowloon, Hong Kong (100% owned before disposal)*

The property is close to the Jordan Station of the Mass Transit Railway and had been developed by the Group into a 25-storey commercial/residential building comprising 114 fully furnished studio units with clubhouse facilities and shopping units at the podium levels (G/F to 2/F). The Group owns 18 residential units of this property (recorded as properties for sale) and they are operating as serviced apartments to generate income.

On 1 February 2023, the Group entered into a provisional sale and purchase agreement with an independent third party to dispose of the 18 residential units for a cash consideration of HK\$70.3 million. The disposal was completed on 3 May 2023 with the recognition of revenues by the Group in the current year. The disposal is in-line with the Group's strategy to off-load investments in non-core assets, and the sale proceed can further strengthen the Group's financial position.

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

In Taiwan, the Group owns sáv Residence which is located nearby the city centre of Taipei City. The property is a residential complex developed by the Group and comprises of a fully furnished villa and 6 serviced apartments (of which 2 are duplex) with a total GFA of about 20,600 *sq. ft.*. The serviced apartments have been leased out with rental income amounting to approximately HK\$2.2 million for the year under review. Marketing work for leasing the villa is in progress.

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

The project is located in the city centre within the embassy district and is a 19-storey building comprising 142 units and ground floor shops with a total GFA of about 19,000 *sq. m.* and 48 carparking spaces. Occupation permit of the project had been obtained in October 2022, and the immovable property certificate had been obtained in January 2023. Decoration works with furniture and fixtures for some floors have been carried out. During the year, rental and other income from this property amounted to about HK\$2.5 million. Up to the date of this report, 107 units and 25 carparking spaces have been occupied and leased out with an aggregate monthly rental income of about HK\$729,000. The Group will continue to explore more marketing ideas on promotion and leasing of the project.

(C) Development Properties

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

The Group has successfully consolidated this project with a total site area of about 3,600 *sq. ft.*. General building plans of the project to develop a 26-storey residential/commercial building comprising clubhouse facilities and retail units with total GFA of about 34,675 *sq. ft.* have been approved. Foundation works are currently in progress and are expected to be completed in the second half of 2024. The Group targets to achieve BEAM Plus Silver Rating for the property development from the green building perspective. As affected by the fall in property market and rise in interest rate, a provision for impairment of about HK\$99.7 million (2023: HK\$54.8 million) was recorded for this project during the year under review. The Group will closely monitor the development progress of this project.

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

This project is owned as to 50% by the Group and 50% by a wholly-owned subsidiary of K. Wah International Holdings Limited (stock code: 173), and the Group is the project manager of the development. The property, with a site area of about 10,000 *sq. ft.*, is located in a prestigious mid-level area that enjoys a glamorous sea-view. The Group is developing the property into one vertical house with 8 storeys over the podium, and targets to achieve LEED Silver Rating for the property development from the green building perspective. The 8-storey house will include a luxury living and dining area with 6m floor-to-floor height, an entertainment floor and 6 residential suite floors with at least 3.5m floor-to-floor height. The proposed GFA for the house is about 44,422 *sq. ft.*, with an additional area of about 5,400 *sq. ft.* for garden and about 3,477 *sq. ft.* for roof.

Concreting of the remaining superstructure works at podium level and tower portion, outdoor garden and swimming pool portion are completed. Installation works of external façade as well as the mechanical, electrical and plumbing systems are in progress. It is expected that the overall superstructure works will be completed in July 2024, and the occupation permit is expected to be obtained in the third quarter of 2024. In the meantime, both joint venture partners are exploring various options (including disposal) to accelerate return on this investment. Marketing work for the house is in progress.

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

Through the joint venture with a wholly-owned subsidiary of Sino Land Company Limited (stock code: 83), the Group participated in this project tendered by the Urban Renewal Authority in December 2017. The site is well located in the heart of the Mongkok district, neighbouring Langham Place. It is a residential/commercial building comprising 322 residential units, clubhouse facilities, commercial podium and 12 carparking spaces, in which the commercial portion is retained by the Urban Renewal Authority.

Occupation permit and certificate of compliance had been obtained in March 2023 and July 2023 respectively. Pre-sale consent of the 322 residential units of ONE SOHO was obtained in April 2021, in which 183 units had been pre-sold with an aggregate consideration of about HK\$1.3 billion and had been handed-over to the end buyers during the first half of this financial year. The joint venture company has sold a further 138 units with an aggregate consideration of about HK\$0.9 billion up to the date of this report in which 30 units had been handed-over to the end buyers in the second half of this financial year. Besides, there are 12 carparking spaces out of which 9 carparking spaces with aggregate consideration of about HK\$13.8 million had been sold during the year under review. These 9 carparking spaces had been handed-over to end buyers subsequent to this financial year. The joint venture company will continue to sell the remaining 1 unit and 3 carparking spaces of this project.

Apart from what has been disclosed in other parts of this report, during the second half of this financial year, the Group had completed property sales of about MYR12 million (equivalent to approximately HK\$20 million) and they were recognized as revenues in the consolidated income statement of the Group.

(D) Chuang’s China Investments Limited (“Chuang’s China”, stock code: 298) (61.15% owned)

Chuang’s China and its subsidiaries (the “Chuang’s China Group”) are principally engaged in, inter alia, property development, investment and trading. For the year ended 31 March 2024, the Chuang’s China Group recorded loss attributable to equity holders of HK\$320.7 million (2023: HK\$328.7 million) and revenues of HK\$110.5 million (2023: HK\$63.0 million) (which comprised revenues from sales of properties of HK\$49.7 million (2023: HK\$1.4 million), revenues from rental and management fee of HK\$19.6 million (2023: HK\$23.4 million), revenues from cemetery assets of HK\$18.3 million (2023: HK\$23.2 million) and revenues from securities investment and trading of HK\$22.9 million (2023: HK\$15.0 million)).

(i) *Investment Properties*

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

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

The Esplanade has GFA of about 117,089 *sq. ft.* comprising 371 residential flats and 30 residential carparking spaces, of which all the residential flats were sold in prior years. During the year under review, the sale of one carparking space with sales value of about HK\$1.3 million had been completed. The Chuang's China Group will continue to market the remaining 21 unsold carparking spaces.

The Esplanade Place has GFA of about 24,375 *sq. ft.* comprising a two-storey commercial podium with about 16 commercial units and 12 commercial carparking spaces, of which 10 commercial units are leased to independent third parties with an aggregate annual rental income of about HK\$3.6 million. The Chuang's China Group will continue to market the remaining units and carparking spaces in order to generate rental income. As at 31 March 2024, the property was recorded at valuation of about HK\$173.5 million.

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

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

The economy in Anshan is weak, in which the business and leasing activities are progressing slowly. During the year under review, the Chuang's China Group had leased certain residential units to multi tenants with aggregate rental income of about RMB0.6 million (equivalent to approximately HK\$0.7 million). The Chuang's China Group will explore more marketing ideas on promotion and leasing of the commercial podium as well as the residential units of the twin tower. The valuation of the property has dropped to approximately RMB541.7 million (equivalent to approximately HK\$584.0 million) as at 31 March 2024, comprising RMB216.3 million for the commercial podium and RMB325.4 million for the twin tower.

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

This hotel complex is developed by the Chuang's China Group, comprising a 6-storey hotel building with 100 guest-rooms (GFA of 8,838 *sq. m.*) and 30 villas (aggregate GFA of about 9,376 *sq. m.*) in Siming District, Xiamen. As at 31 March 2024, the properties were recorded at valuation of RMB383.2 million (comprising RMB171.2 million for the hotel and RMB212.0 million for the 30 villas). The valuation attributable to the Chuang's China Group was about RMB228.0 million (equivalent to approximately HK\$245.8 million), whereas the total investment costs of the Chuang's China Group were about RMB155.2 million (equivalent to approximately HK\$167.3 million).

During the year under review, the hotel building together with 23 villas were leased to 廈門佰家鷺江酒店 (Xiamen Mega Lujiang Hotel) and is operated as “鷺江•佰家酒店” (Mega Lujiang Hotel). From the last quarter of 2022, the main road (龍虎山路) where the hotel complex is located was closed to facilitate the construction of underground metro train of Siming District. This adversely affected not only accessibility to the hotel complex but also business demands of our tenants. In view of this, the Chuang's China Group has provided certain concession to tenants of the hotel complex for a reasonable period of time until the road access is expected to be resumed. As announced on 26 June 2023, the Chuang's China Group entered into the second amendment agreement with Xiamen Mega Lujiang Hotel for the reduction of rent for the hotel building and 3 villas for the period from December 2023 to the month when the road access is resumed by the relevant authority, which is currently expected to be in February 2025. As at the date of this report, another 3 villas are leased to independent third parties and 4 villas are currently vacant. The aggregate annual rental income of this hotel complex amounted to about RMB18.7 million (equivalent to approximately HK\$20.2 million).

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

The Chuang's China Group holds one villa and 4 car parks in Guangzhou with a GFA of about 318 *sq. m.*. The villa was recorded at valuation of RMB10.0 million (equivalent to approximately HK\$10.8 million) as at 31 March 2024.

On 30 March 2024, the Chuang's China Group entered into a sale and purchase agreement with an independent third party for the disposal of this villa for a consideration of RMB10.0 million (equivalent to approximately HK\$10.8 million). The disposal was completed in May 2024. Net cash proceed of approximately RMB8.8 million (equivalent to approximately HK\$9.5 million) was received by the Chuang's China Group.

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

The Chuang's China Group holds a 4-storey commercial building in Shatian, Dongguan, providing a total GFA of about 4,167 *sq. m.* for commercial, retail and office usage. As at 31 March 2024, valuation of the property was RMB36.3 million (equivalent to approximately HK\$39.1 million). During the year under review, one storey was leased to 中國人壽東莞分公司 (China Life Dongguan branch) ("China Life") for office use, and the ground floor was leased to an independent third party for retail use, and rental income of about RMB0.7 million (equivalent to approximately HK\$0.8 million) was recorded by the Chuang's China Group. Recently, China Life has notified the Chuang's China Group that it will not renew its tenancy upon its expiry on 30 June 2024. The Chuang's China Group will continue to carry out marketing to lease out the vacant units of the property.

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

Wisma Chuang is located within the prime city centre, situated right next to the landmark shopping complex, Pavilion KL, the heart of central business district and prestigious shopping area of Kuala Lumpur. It is built on a freehold land and is a 29-storey high rise office building having retail and office spaces of approximately 254,000 *sq. ft.* (on total net lettable area basis is approximately 195,000 *sq. ft.*) and 298 carparking spaces. As at 31 March 2024, the valuation of this property has dropped to MYR158.8 million (equivalent to approximately HK\$262.5 million), which represents an average value of approximately MYR814 (equivalent to approximately HK\$1,345) per *sq. ft.* of net lettable retail and office area.

Wisma Chuang is leased to multi tenants with an occupancy rate of approximately 53%, and annual rental income was approximately MYR5.2 million (equivalent to approximately HK\$8.6 million). The Chuang's China Group will seek appropriate strategies to accelerate return from this investment.

The Chuang's China Group will identify suitable opportunities to dispose of its investment properties in order to strengthen the Chuang's China Group's financial position.

(ii) Property Development

Apart from what has been disclosed in other parts of this report, in this financial year, the Chuang's China Group has completed property sales of about EUR5.7 million (equivalent to approximately HK\$48.8 million) and they were recognized as revenues of the Chuang's China Group.

1. ARUNA, No. 8 Ping Lan Street, Ap Lei Chau, Hong Kong (100% owned by Chuang's China)

The property has a site area of about 4,320 *sq. ft.* and has a developable GFA of about 40,000 *sq. ft.*. It is developed into a 27-storey residential/commercial building comprising 105 residential units with clubhouse facilities and retail units at the podium levels. Construction works have been completed. Occupation permit had been obtained on 13 June 2024. Pre-sale had commenced in April 2024 and a total of 28 residential units have been launched to the market for sale. Currently, 4 units have been presold at aggregate sale value of about HK\$15.4 million.

As affected by the fall in property market and high interest rate, a further provision for impairment of about HK\$154.8 million (2023: HK\$80.7 million) was recorded for this project during the year under review. The Chuang's China Group will closely monitor the property market in Hong Kong for marketing the residential units.

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

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

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

The Chuang's China Group owns an effective 69% interests in a property development project in Changsha, and the total historical investment cost incurred by the Chuang's China Group in the PRC project company was about HK\$23.3 million. The voluntary liquidation of the PRC project company is currently in progress. Based on the preliminary assessment by the liquidation team regarding the assets and liabilities of the PRC project company and as adversely affected by the weak market condition in Changsha, there may not be much distribution available to shareholders of the PRC project company. However, the actual outcome will still be subject to finalization of the liquidation process. Taking into account the estimated net liabilities position of the PRC project company, its consolidated net value is not material in the consolidated financial statements of the Chuang's China Group.

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

The Chuang's China Group holds a 51% development interest in a project in Wuhou District, Chengdu. The Chuang's China Group's book cost in this project was about RMB126.0 million (equivalent to approximately HK\$135.8 million) after taking into account a portion of judgement payments amounting to about RMB12.9 million (equivalent to approximately HK\$13.9 million) received by the Chuang's China Group in August 2021 through court enforcement. A provision of about HK\$7.9 million (2023: Nil) was recorded during the year in view of the slow progress of judgement payments. The Chuang's China Group will continue to explore ways in order to recover its investment.

5. Others

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

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

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

Development of the remaining 418 mu will be divided into Phase II to Phase V. Based on the revised master layout plan of Phase II to Phase V, about 36,726 grave plots will be constructed covering land area of 268 mu and 150 mu of road access and greenbelts. For Phase II to Phase III, land use rights of approximately 143 mu had been obtained, which will accommodate a total of about 22,212 grave plots. For Phase IV to Phase V, land use rights of approximately 5.2 mu had been obtained and additional land quota of about 119.8 mu shall be required for the construction of a total of about 14,514 grave plots. As for the 150 mu of road access and greenbelts, Fortune Wealth will ascertain the arrangement required by the local authorities. During the year under review, the construction of roads for Phase II and Phase III has commenced. Site formation and construction works are in progress on parts of the land.

As at 31 March 2024, the cemetery assets (including non-controlling interests) were recorded based on the book cost of about RMB640.4 million (equivalent to approximately HK\$690.3 million).

Fortune Wealth has full license for sale not only in the PRC, but also includes overseas Chinese as well as residents of Hong Kong, Macau and Taiwan. As at 31 March 2024, about 2,643 grave plots and 525 niches were available for sale. Fortune Wealth will review its sales and marketing strategy and will take more proactive steps in its brand building and customer services.

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

As at 31 March 2024, the Chuang’s China Group owned about 19.35% interests in CNT and about 0.6% interests in CPM, both of them are listed on the Main Board of the Stock Exchange. CNT and its subsidiaries are principally engaged in the property business, and through its 75% owned subsidiary, CPM, is principally engaged in the manufacture and sale of paint products under its own brand names with focus on the PRC market.

With reference to the respective closing share prices of CNT and CPM as at 31 March 2024 of HK\$0.33 (2023: HK\$0.38) and HK\$0.26 (2023: HK\$0.325), the aggregate book value of the Chuang’s China Group’s investments in CNT and CPM is about HK\$123.2 million (2023: HK\$142.0 million). The change in book value is accounted for as “Reserve” in the financial statements.

(E) Other Businesses

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

Sintex is engaged in the sales of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the year, Sintex recorded revenues of HK\$13.3 million (2023: HK\$13.6 million), and incurred a loss of HK\$6.3 million (2023: HK\$2.2 million). In August 2023, the Group entered into an agreement with an independent third party to dispose of the land and factory building of Sintex for a consideration of S\$18 million (equivalent to approximately HK\$103.7 million). Details of the disposal were announced by the Group on 29 August 2023. However, as announced by the Company on 26 March 2024, a letter from the JTC Corporation was received rejecting the disposal, and thus, the agreement was terminated. The Group is strategically reviewing the development strategy and operation model of the business of Sintex, and is also evaluating various options (including disposal) in dealing with the land and factory building.

(ii) Securities Investment and Trading

During the year, the performance of the bond investments of the Group was continuously adversely affected by unfavourable market condition of the PRC property bond sector, and thus certain listed corporate bonds held by the Group were in default. Most of the listed corporate bond investments of the Group are contemplating debt restructuring exercises. The Group had redeemed/disposed and accepted restructuring exchange of certain listed corporate bond investments during the year. As a result, securities investment and trading business of the Group recorded a net loss before tax and before deducting non-controlling interests of HK\$257.3 million, comprising dividend, interest and other income from investments of HK\$84.8 million, net gain on disposals and redemptions (including the redemption of existing bonds through the exchange of the new bonds and securities of the same issuers) of investments of HK\$226.2 million, and unrealized fair value loss on investments of HK\$568.3 million mainly as a result of mark to market valuations of the investments held as at the balance sheet date. The unrealized fair value loss is accounting loss with no immediate cash flow impact to the Group.

As at 31 March 2024, investments of the Group amounted to HK\$200.1 million (HK\$40.8 million were held by the wholly-owned subsidiaries of the Group and HK\$159.3 million were held by the Chuang's China Group), and comprised as to HK\$57.4 million for investments in listed corporate bonds, HK\$1.4 million for investments in securities listed on the Stock Exchange and the balance of HK\$141.3 million for other investments (of which about HK\$57.3 million are denominated in Renminbi, and about HK\$84.0 million are denominated in United States dollar), comprising FinTech companies, venture capital investment platforms, high technology companies and investment funds which are not listed or just listed in the markets. During the year under review, the Group exercised its rights to redeem one of the investments with principal amount of RMB30 million, and an aggregate amount of RMB6 million had been received from such investment up to 31 March 2024. The Group will continue to monitor the performance of its respective investment portfolios from time to time.

FINANCIAL POSITION

Net asset value

As at 31 March 2024, net assets attributable to equity holders of the Company was HK\$8,239.3 million (2023: HK\$9,272.2 million). Net asset value per share was HK\$4.93 (2023: HK\$5.54).

Financial resources

As at 31 March 2024, the Group's cash, bank balances and bond and securities investments amounted to HK\$2,302.4 million (2023: HK\$3,252.5 million). Bank borrowings as at the same date amounted to HK\$3,814.1 million (2023: HK\$4,227.7 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash, bank balances and bond and securities investments over net assets attributable to equity holders of the Company, was 18.3% (2023: 10.5%).

Approximately 84.3% of the Group's cash, bank balances and bond and securities investments were denominated in Hong Kong dollar and United States dollar, 14.3% were in Renminbi and the balance of 1.4% were in other currencies. Approximately 96.7% of the Group's bank borrowings were denominated in Hong Kong dollar and United States dollar, and the balance of 3.3% were in Malaysian Ringgit and other currencies.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 66.0% of the Group's bank borrowings were repayable within the first year, 22.8% were repayable within the second year, 8.1% were repayable within the third to fifth years and the balance of 3.1% were repayable after the fifth year. As for those bank borrowings with maturity dates fall due within one year, up to the date of this report, the Group either has arranging with banks to refinance these borrowings via long-term borrowings or has made/will make repayments to banks as appropriate.

Foreign exchange risk

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

PROSPECTS

Various new measures including the relaxation of stamp duty implemented by the Hong Kong government have led to an increase in the transactions volume of the residential property market in the first half of the year 2024. Furthermore, with the expectation on reduction of interest rates later this year, various cultural and leisure events to be organized by the Hong Kong government to stimulate the local economy, as well as the additions of various cities to Hong Kong solo traveler scheme by the PRC government which boosts the tourism, the Group remains positive and has confidence in the property market and the overall economy in Hong Kong. We will monitor the situation closely and will take appropriate steps to preserve the Group's competitiveness and grasp opportunities ahead.

In the coming years, the Group will continue to monitor the progress of the construction works of the projects at Gage Street and Po Shan Road in Hong Kong. It will take appropriate strategies to monitor the sale progress of ARUNA at Ap Lei Chau. Moreover, the Group will continue to look for opportunities to realize investments in various investment properties and off-load investments in non-core assets in order to further enhance the financial resources and capability of the Group to replenish its land bank in Hong Kong, especially for the luxury and mass residential market, for future property development and trading. We are confident that, with the implementation of the above strategies, the Group's profitability and financial position will be improved, and further value can be created for our shareholders.

CLOSING OF REGISTER

The forthcoming annual general meeting of the Company (the "AGM") is scheduled on Monday, 9 September 2024. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 4 September 2024 to Monday, 9 September 2024, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 3 September 2024.

STAFF

The Group puts emphasis on training and cultivating elite talent. We are committed to providing a dynamic and enthusiastic working atmosphere and increase hiring talents of all fields. As at 31 March 2024, the Group (excluding the Chuang's China Group) employed 136 staff and the Chuang's China Group employed 89 staff. The Group provides its staff with other benefits including discretionary bonus, double pay, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

DEALING IN THE COMPANY'S SECURITIES

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

CORPORATE GOVERNANCE

Mr. Albert Chuang Ka Pun took up the role as the Chairman and the Chief Executive Officer, being the Chairman and the Managing Director of the Company. The roles of the chairman and the chief executive officer are not separated pursuant to Code C.2.1 of the code provisions set out in the Corporate Governance Code (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). However, the Board considers that this structure has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions efficiently and consistently. Except as mentioned hereof, the Company has complied throughout the year ended 31 March 2024 with the code provisions set out in the CG Code.

An audit committee has been established by the Company to review and supervise the Company's financial reporting process, risk management and internal controls and review the relationship with the auditor. The audit committee has held meetings in accordance with the relevant requirements and reviewed the consolidated results of the Group for the year ended 31 March 2024. The current members of the audit committee are Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong and Mr. Yau Chi Ming, the Independent Non-Executive Directors of the Company.

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 of the Listing Rules. Having made specific enquiries of all Directors of the Company, the Company received confirmations from all Directors that they have complied with the required standard as set out in the Model Code.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in this preliminary announcement of the Group's results for the year ended 31 March 2024 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31 March 2024 containing all applicable information required by paragraph 45 of Appendix D2 of the Listing Rules will be published on the website of the Stock Exchange in due course.

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

Hong Kong, 27 June 2024

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