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Century Group International Holdings Limited

世紀集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 02113)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Century Group International Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 March 2023:

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations of the Group for the year ended 31 March 2024 amounted to approximately HK\$47.5 million (2023: approximately HK\$127.2 million).
- Gross loss from continuing operations for the year ended 31 March 2024 amounted to approximately HK\$5.4 million (2023: approximately HK\$22.8 million).
- Loss attributable to owners of the Company for the year ended 31 March 2024 amounted to approximately HK\$12.9 million (2023: approximately HK\$22.5 million)
- Basic and diluted loss per share for the year ended 31 March 2024 amounted to approximately HK cents 2 (2023: approximately HK cents 3).
- The Board does not recommend the declaration of a dividend for the year ended 31 March 2024 (2023: nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Note	2024 HK\$'000	2023 HK\$'000 (Re-presented)
Continuing operations			
Revenue	5	47,543	127,188
Cost of services		(52,918)	(149,951)
		(5,375)	(22,763)
Gross loss			
Impairment losses under expected credit loss model, net of reversal		(176)	(74)
Other income, other gains and losses, net	6	3,336	7,301
Administrative expenses		(4,810)	(6,742)
Finance costs	7	(507)	(284)
		(7,532)	(22,562)
Loss before taxation			
Income tax credit	8	-	-
		(7,532)	(22,562)
Loss for the year from continuing operations			
		(7,532)	(22,562)
Discontinued operations			
(Loss) profit for the year from discontinued operations	9	(5,381)	18
		(5,381)	18
Loss for the year		(12,913)	(22,544)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(87)	(138)
		(87)	(138)
Total comprehensive expense for the year		(13,000)	(22,682)
Loss per share (HK cents)			
From continuing and discontinued operations			
- Basic and diluted	10	(2)	(3)
		(2)	(3)
From continuing operations			
- Basic and diluted	10	(1)	(3)
		(1)	(3)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 March 2024

	Note	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Plant and equipment		176	551
Right-of-use assets		80	240
		<u>256</u>	<u>791</u>
Current assets			
Trade and other receivables, deposits and prepayments	12	1,502	14,176
Contract assets	13	38,004	46,209
Bank balances and cash		2,121	6,867
		<u>41,627</u>	<u>67,252</u>
Current liabilities			
Trade and other payables	14	28,955	46,963
Other short-term borrowing	15	5,120	3,276
Amount due to a director of a subsidiary	16	15,537	12,408
Amount due to a shareholder	16	3,555	3,555
Provisions	17	2,572	2,572
Tax payable		45	45
Lease liabilities		-	125
		<u>55,784</u>	<u>68,944</u>
Net current liabilities		<u>(14,157)</u>	<u>(1,692)</u>
Net liabilities		<u>(13,901)</u>	<u>(901)</u>
Capital and reserves			
Share capital		8,048	8,048
Deficits		(21,949)	(8,949)
Total equity		<u>(13,901)</u>	<u>(901)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). D’Legem Group Limited (“**D’Legem**”), a company with limited liability incorporated in Hong Kong, owns 225,330,000 shares of the Company, representing 28% of the total issued share capital of the Company. D’ Legem is the immediate and ultimate shareholder of the Company. Its ultimate controlling party is Mr. Chow Hon.

The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KYI-1111, Cayman Islands, and the address of the principal place of business of the Company is Office D, 16/F., Kings Wing Plaza 1, No. 3 On Kwan Street, Shek Mun, N.T., Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of construction and site formation services. The Group was also engaged in the trading of liquefied natural gas which was discontinued in current year.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

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 Hong Kong Financial Reporting Standards (“**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 June 2020 and December 2021 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 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the 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 set out in the note to the consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and 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 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.

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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. GOING CONCERN ASSESSMENT

The Group incurred a net loss of approximately HK\$12,913,000 during the year ended 31 March 2024 and, as of 31 March 2024, the Group had net current liabilities and net liabilities of HK\$14,157,000 and HK\$13,901,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- i. As at 31 March 2024, the Group owed approximately HK\$15.5 million to a director of a subsidiary. The director of a subsidiary has agreed not to request for repayment of the amount owed by the Group unless the Group is in a financial affordable position or in the reasonable opinion after due and careful consideration the Group is likely to have a material adverse change on the business, operations, property or condition.
- ii. The loan facility has been renewed with an amount of HK\$15,000,000 and extended for 18 months effective from 31 March 2024.
- iii. A substantial portion of the net loss for the year ended 31 March 2024 is caused by the projects resulting a loss of approximately HK\$8.1 million incurred in the project for the year to the Group. The directors have reviewed the Group's cash flow projections in which the level of the demand of the Group's services have been considered. The projection covers a period of 12 months from 31 March 2024. Taking into account that one of the loss making project has been completed in June 2023, the directors expect the construction operation to generate profit and cash inflow to the Group in 2025.

In view of the above, the directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next 12 months from the end of the reporting period. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the directors will be able to achieve its plan and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

5. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Disaggregation of revenue from contracts with customers

	2024 HK\$'000	2023 HK\$'000
Construction and site formation services in Hong Kong - Public sector	47,543	127,188

Timing of revenue recognition

	2024 HK\$'000	2023 HK\$'000
Over time	47,543	127,188

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price of construction work allocated to the remaining performance obligations as at 31 March 2024 amounts to approximately HK\$12,786,000 (2023: HK\$47,612,000). The Directors expect that all the remaining performance obligations will be recognised as revenue over the next year (2023: two years) from the end of the reporting period.

(b) Segment information

Information reported to the directors of the Group, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance is based on the nature of business.

An operating segment regarding the trading of liquefied natural gas was discontinued in the current year. The information for the discontinued operations are described in more detail in note 9. The Group has only one reportable segment which is construction and site formation. All of the Group's revenues are derived from Hong Kong. Therefore, no geographical segments are presented. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures and major customers are presented.

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2024 HK\$'000	2023 HK\$'000
Customer A	17,542	73,837
Customer B	15,482	26,654
Customer C	14,518	25,749

6. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Bank interest income	2	105
Gain on disposal of plant and equipment	136	578
Government grants	-	3,341
Others	3,198	3,277
	3,336	7,301

During the year ended 31 March 2023, the Group recognised government grants of approximately HK\$3,551,000 in respect of COVID-19 related subsidies and HK\$3,341,000 of which relates to Employment Support Scheme and the balance HK\$210,000 is the subsidy from the PRC government received by subsidiary in PRC. No government grant is recognised for the year ended 31 March 2024.

7. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Interest on:		
- lease liabilities	1	24
- other short-term borrowing	506	260
	507	284

8. INCOME TAX CREDIT

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Current tax		
- Hong Kong Profits Tax	-	-
Deferred taxation	-	-
	<hr/>	<hr/>
Income tax credit	-	-
	<hr/> <hr/>	<hr/> <hr/>

Pursuant to the laws and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI as there is no income tax imposed in such jurisdictions.

No provision for Hong Kong Profits Tax has been made for both years as there was no assessable profits generated for the year.

9. DISCONTINUED OPERATIONS

In current year, the directors of the Company resolved to discontinue the Group's trading of liquefied natural gas operation. The loss for the year from the discontinued trading of liquefied natural gas operation is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the trading of liquefied natural gas operation as a discontinued operation.

	2024 HK\$'000	2023 HK\$'000
Revenue	-	5,233
Cost of sales	-	(5,045)
Impairment losses under expected credit loss model, net of reversal	-	(470)
Written off on other receivables	(9,820)	-
Written off on trade payables	3	-
Written off on other payables	4,436	-
Other income	-	210
Administrative expenses	-	(138)
	<hr/>	<hr/>
Loss before taxation	(5,381)	(210)
Income tax credit	-	228
	<hr/>	<hr/>
(Loss) profit for the year	(5,381)	18
	<hr/> <hr/>	<hr/> <hr/>

10. LOSS PER SHARE

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

	2024	2023
	HK\$'000	HK\$'000
Loss		
Loss for the year attributable to the owners of the Company	(12,913)	(22,544)
Less:		
Loss (profit) for the year from discontinued operations	<u>5,381</u>	<u>(18)</u>
Loss for the purpose of basic loss per share from continuing operations	<u><u>(7,532)</u></u>	<u><u>(22,562)</u></u>
	2024	2023
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><u>804,750</u></u>	<u><u>804,750</u></u>

No diluted loss per share were presented as there were no dilutive potential ordinary shares in issue for both years ended 31 March 2024 and 2023.

11. DIVIDENDS

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

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024	2023
	HK\$'000	HK\$'000
Trade receivables from contracts with customers	1,134	4,250
Less: Allowance for credit losses	(15)	(196)
	<u>1,119</u>	<u>4,054</u>
Prepayments, deposits and other receivables	383	10,592
Less: Allowance for credit losses	-	(470)
	<u>383</u>	<u>10,122</u>
	<u><u>1,502</u></u>	<u><u>14,176</u></u>

The Group does not hold any collateral over these balances.

The Group does not have a standardised and universal credit period granted to its customers of construction contracts, and the credit period of individual customer of construction contracts is considered on a case-by-case basis and stipulated in the project contract, as appropriate. In respect of sales of liquefied natural gas, payment is required to be settled by 30 days from presentation of sale invoices. The following is an aged analysis of trade receivables, presented based on the date of the certified report and invoice date which approximates revenue recognition date at the end of the reporting period:

	2024	2023
	HK\$'000	HK\$'000
0 to 30 days	1,134	80
31 to 60 days	-	126
61 to 365 days	-	3,578
Over 365 days	-	466
	1,134	4,250
Less: Allowance for credit losses	(15)	(196)
	1,119	4,054

No trade receivables balance is past due over 90 days and considered in default as at 31 March 2024. As at 31 March 2023, included in the Group's trade receivables balance is a debtor with aggregate carrying amount of approximately HK\$4,044,000 which is past due over 90 days as at the reporting date and this past due amount is not considered in default as this amount has been fully settled subsequent to the reporting date.

13. CONTRACT ASSETS

	2024	2023
	HK\$'000	HK\$'000
Unbilled revenue of construction contracts	1,764	8,408
Retention receivables of construction contracts	37,374	38,578
	39,138	46,986
Less: Allowance for credit losses	(1,134)	(777)
	38,004	46,209

The Group typically agrees to one to two years retention period for 5% to 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

The contract assets also include the Group's rights to consideration for work completed but not yet billed at the year end date. The contract assets are transferred to trade receivables when the rights become unconditional.

The amount of contract assets that is expected to be recovered after more than one year is approximately HK\$18,056,000 (2023: HK\$20,266,000) all of which relates to retentions.

During the year ended 31 March 2024, there is approximately HK\$357,000 of provision of ECL on contract assets (2023: HK\$128,000).

14. TRADE AND OTHER PAYABLES

	2024	2023
	HK\$'000	HK\$'000
Trade payables	11,457	25,781
Retention payables (note)	2,267	2,267
Accrued expenses and other payables	15,231	18,915
	28,955	46,963

Note: As at 31 March 2024, the amount of the Group's retention payables expected to be due after more than twelve months was approximately HK\$1,300,000 (2023: HK\$1,610,000).

Trade payables represent payables to suppliers and subcontractors. The credit terms granted to subcontractors are stipulated in the relevant contracts and the payables are usually due for settlement within 60 days. In respect of purchases of liquefied natural gas, the credit period is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time-frame. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2024	2023
	HK\$'000	HK\$'000
0 to 30 days	678	7,679
31 to 60 days	383	3,137
61 to 90 days	153	1,885
91 to 365 days	10,243	13,080
	11,457	25,781

15. OTHER SHORT-TERM BORROWING

	2024 HK\$'000	2023 HK\$'000
Other short-term borrowing	<u>5,120</u>	<u>3,276</u>

As at 31 March 2022, the Group entered into a loan agreement with a third party to borrow an on demand loan facility amounted to HK\$25,000,000 which is interest-bearing. All the interests shall be repaid every quarter and the principal loan amount shall be repaid within twelve months from the date of the first drawdown.

As at 31 March 2023, the loan facility has been renewed with an amount of HK\$18,000,000 and extended for 18 months effective from the reporting date.

As at 31 March 2024, the loan facility has been further renewed with an amount of HK\$15,000,000 and extended for 18 months effective from the reporting date.

16. AMOUNTS DUE TO A DIRECTOR OF A SUBSIDIARY/A SHAREHOLDER

The amount due to a director of a subsidiary is non-trade in nature, unsecured, interest-free. As at 31 March 2024, the Director has agreed not to request for repayment until the Group is in a financial position to do so.

The amount due to a shareholder is non-trade in nature, unsecured, interest-free and is repayable on demand.

17. PROVISIONS

The provision was made for onerous contracts for construction services during the year ended 31 March 2024 and 31 March 2023. Under these contracts, the management of the Group estimates the unavoidable cost of meeting the obligations will exceed the economic benefits expected to be derived from the revenue generated by these contracts. The management of the Group is of opinion that there is no significant variation in unavoidable costs as at 31 March 2024.

These construction contracts have not been completed as at year ended 31 March 2024 due to unexpected postpone. The management of the Company expected that these contracts will be completed in the next twelve months. The provision for onerous contracts was recognised in "Other income, other gain and losses, net".

The provision represents management's best estimate of the Group's liability under these contracts. These amounts have not been discounted for the purposes of measuring the provision for onerous contracts, because the effect is not material.

	HK\$'000
At 1 April 2023	<u>2,572</u>
At 31 March 2024	<u><u>2,572</u></u>

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3.1* to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. The Group experienced a loss of HK\$12,913,000 for the year ended 31 March 2024 and had net current liabilities and net liabilities of HK\$14,157,000 and HK\$13,901,000 as at that date respectively. These conditions, along with other matters as set forth in note 3.1* to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The directors, having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

* As reproduced in note 3 of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Construction and site formation services

The Group has over 21 years of experience in providing site formation works as a subcontractor in Hong Kong (“**Construction Segment**”). The site formation works undertaken by the Group generally include (a) general earthworks (including soil and rock excavation, disposal of construction and demolition materials, backfilling and compaction for forming a new site or achieving designed formation level for later development); (b) tunnel excavation works (including rock excavation works for construction of tunnels through drill and break and/or drill and blast methods as well as construction of associated temporary tunnel support structures); (c) foundation works (including excavation and lateral support works (the “**ELS**”) and associated structural works for construction of pile caps for commercial and residential building projects); and (d) road and drainage works.

As at 31 March 2024, there were 2 (2023: 3) projects on hand with total contract sum amounting to approximately HK\$323.6 million (2023: approximately HK\$436.7 million). Both projects were substantially completed. For the year ended 31 March 2024 (the “**Reporting Period**”), there were 2 (2023: 3) projects of total contract sum amounting to approximately HK\$114.1 million (2023: approximately HK\$152.7 million) completed and contributed a turnover of approximately HK\$18.4 million (2023: approximately HK\$25.8 million) to the Group.

During the Reporting Period, the Group was awarded 1 project (2023: 1) relating to blasting and tunnel works project in Kwai Tsing District (2023: Shatin District) with total contract sum of approximately HK\$1.0 million (2023: approximately HK\$13.6 million). The project has been completed during the Reporting Period. As at 31 March 2024, the 2 projects together with related variation orders on hand are in progress and approximately HK\$23.5 million has been recognised as revenue up to 31 March 2024 while approximately HK\$5.6 million of the revenue was generated from previous completed projects.

Set out below is a list of projects completed during the Reporting Period and those projects which are still in progress at 31 March 2024:

Site Location	Type of Work	Status	Contract Sum (HK\$'Million)
Kwun Tong District	Site formation works	In progress	310.0
Sai Kung District	ELS and shoring works	Completed	113.1
Shatin District	Blasting and tunnel works*	In progress	13.6
Kwai Tsing District	Blasting and tunnel works *	Completed	1.0

* Newly awarded in the period under review

Trading of Liquefied Natural Gas

During the Reporting Period, the Group discontinued its trading of Liquefied Natural Gas (“LNG”) business in the People’s Republic of China (“**Trading Segment**”).

Gas consumption growth in coastal areas far away from gas production areas mainly depends on the expansion of imported LNG, the rapid growth of dependence on LNG has led to increased market volatility, and the foundation for obtaining a stable and adequate gas source is still weak. Seasonal gas demand differences in North China have led to great peak shaving demand, leading to continuous expansion of seasonal and regional supply conflicts. For LNG markets, with the rapid growth of the LNG supply and significant increase in market liquidity in recent years, the regional price difference of LNG is relatively small. There have been many peak consumption periods in recent years. The market discount mechanism and the price mechanism have exacerbated market disorder.

Prospects

There are high demand for site formation works in both the public and the private sectors in Hong Kong. In view of this, the Directors remain positive toward the construction industry. However, competition in the construction industry remains intense, and the Group will continue to monitor the market closely and respond to changes in market conditions. The Group will continue to improve its competitiveness in the market by continuing to provide quality work to the customers. The Group will continue to try its best to implement tight cost control measures on the existing projects, improve the efficiency of workflow throughout the construction process, and strengthen the effectiveness of project management to cope with the changing business environment.

Financial Review

Revenue

The Group recorded revenue for the Construction Segment of approximately HK\$47.5 million for the Reporting Period, representing a decrease of approximately HK\$79.7 million or 62.6% compared with approximately HK\$127.2 million for the corresponding period in 2023. Keen competition and high materials price caused the number of projects awarded dropped substantially.

The Group ceased operating the Trading Segment during the Reporting Period. For the Reporting Period, the revenue for the Trading Segment was nil (2023: approximately HK\$5.2 million).

Gross loss

The Group’s total gross loss amounted to approximately HK\$5.4 million for the Reporting Period, a decrease of approximately HK\$17.4 million or 76.4% compared with approximately HK\$22.8 million for the corresponding period in 2023.

Other income, other gain and losses, net

The net other income, other gain and losses of the Group for the Reporting Period amounted to a gain of approximately HK\$3.3 million, representing a decrease of approximately HK\$4.0 million or 54.3% compared with approximately HK\$7.3 million for the corresponding period of 2023. There were government grants of approximately HK\$3.6 million in the corresponding period of 2023, but no government grant is recognised for the Reporting Period.

Administrative expenses

The administrative expenses of the Group for the Reporting Period amounted to approximately HK\$4.8 million, representing a decrease of approximately HK\$1.9 million or 28.7% compared with approximately HK\$6.7 million for the corresponding period of 2023. The decrease was mainly attributable to a significant reduction of rental charges, legal and professional fees, depreciation charges and staff cost in the Reporting Period.

Discontinued operations

The Group ceased operating the Trading Segment during the Reporting Period. The loss of the Trading Segment for the Reporting Period recorded approximately HK\$5.4 million, as compared to an insignificant profit for the corresponding period in 2023.

Loss for the year

The loss of the Group for the Reporting Period recorded approximately HK\$12.9 million, as compared to approximately HK\$22.5 million for the corresponding period in 2023. The decrease was mainly attributable to the decrease in the loss and expenses as discussed above.

Liquidity, Financial Resources and Capital Resources

As at 31 March 2024, the Group had bank balances of approximately HK\$2.1 million (2023: approximately HK\$6.9 million). As at 31 March 2024, the amount of total interest-bearing borrowing of the Group was approximately HK\$5.1 million (2023: approximately HK\$3.3 million).

The gearing ratio is calculated based on the amount of total interest-bearing debts divided by total equity. As at 31 March 2024, the gearing ratios of the Group were (0.37) (2023: (3.64)).

Pledge of Assets

There was no material charge on the Group's assets as at 31 March 2024 and 2023.

Foreign Exchange Risk

The Group mainly operates in Hong Kong and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. The Directors are of the view that the Group's risk in foreign exchange is insignificant and that the Group should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group currently does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration Policy

As at 31 March 2024, the Group employed 118 staff (2023: 150 staff). Total staff costs not including directors' emoluments for the Reporting Period, amounted to approximately HK\$33.2 million (2023: approximately HK\$69.0 million). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group conducts annual review on salary increase, discretionary bonuses and promotions based on the performance of each employee.

During the Reporting Period, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

Capital Structure

During the Reporting Period, there has been no change in capital structure of the Company. The capital of the Company comprises ordinary shares and capital reserves.

Significant Investments, Material Acquisitions and Disposals

During the Reporting Period, the Group did not hold any significant investments nor have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures.

Capital Commitments

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

Contingent Liabilities

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

Dividend

No dividend was paid or proposed for ordinary shareholders of the Company during the Reporting Period, nor has any dividend been proposed since the end of the Reporting Period (2023: nil).

Compliance with the Corporate Governance Code

The Group recognise the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders, and the Board is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests.

The Group has adopted a corporate governance statement of policy which provides guidance on the application of the corporate governance principles on the Group, with reference to the Code on Corporate Governance Practices (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules.

In the opinion of the Directors, the Company has complied with all code provisions as set out in the CG Code during the Reporting Period and, where appropriate, the applicable recommended best practices of the CG Code, except the CG Code provisions C.2.1 with considered reasons explained below.

Under the CG Code provision C.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. There is no separation between the roles of the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company (“**CEO**”). Although the responsibilities of the Chairman and CEO are vested in one person, all major decisions are made in consultation with the Board members and the senior management of the Company. The Board considers that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company.

Compliance with the Model Code

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) in the Listing Rules. In response to a specific enquiry by the Company, all Directors have confirmed that they complied with the requirements of the Model Code during the Reporting Period.

Purchase, sale and redemption of listed securities of the Company

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Review of Financial Information

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Ms. Lam Yuen Man Maria, Mr. Law, Michael Ka Ming and Mr. Chung Man Lai. The Group's consolidated financial statements and final results for the Reporting Period have been reviewed by the Audit Committee, which takes the view that the applicable accounting standards and requirements have been complied with by the Company and that adequate disclosures have been made, and have been audited by the Group's auditors, CWK CPA Limited.

Publication of Information on the Websites of Hong Kong Exchanges and Clearing Limited and The Company

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.centurygroup.com.hk. The annual report of the Company for the Reporting Period containing all information required by the Listing Rules will be dispatched to shareholders and published on above websites in due course.

By order of the Board
Century Group International Holdings Limited
Man Wai Lun
Executive Director

Hong Kong, 28 June 2024

As at the date of this announcement, the Board comprises Mr. Wang Feng and Mr. Man Wai Lun as executive Directors and Mr. Law, Michael Ka Ming, Mr. Chung Man Lai and Ms. Lam Yuen Man Maria as independent non-executive Directors.