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## CHINA TANGSHANG HOLDINGS LIMITED

### 中國唐商控股有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 674)**

## ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

### FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Tangshang Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) announces the consolidated results of the Group for the year ended 31 March 2025 with comparative figures for the previous year as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2025*

	<i>Notes</i>	<b>2025</b> <b>HK\$</b>	<b>2024</b> <b>HK\$</b>
Revenue	3	<b>580,823,418</b>	877,472,298
Other losses, net		<b>(118,211,211)</b>	(157,676,223)
Cost of completed properties sold		<b>(462,998,003)</b>	(750,044,185)
Depreciation on property, plant and equipment		<b>(1,674,834)</b>	(2,132,587)
Staff costs		<b>(8,412,998)</b>	(10,476,976)
Other operating expenses	4	<b>(71,464,617)</b>	(90,098,554)
Finance costs		<b>(38,080,710)</b>	(43,236,912)
Loss before income tax	5	<b>(120,018,955)</b>	(176,193,139)
Income tax credit	6	<b>47,760,746</b>	62,668,818
<b>Loss for the year</b>		<b>(72,258,209)</b>	(113,524,321)

		2025	2024
	Notes	HK\$	HK\$
<b>Other comprehensive loss</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Exchange differences arising on translating foreign operations		(7,874,573)	(24,365,804)
Release of foreign exchange reserve upon de-registration of subsidiaries		<u>(428,172)</u>	<u>—</u>
<b>Other comprehensive loss for the year, net of tax</b>		<u><u>(8,302,745)</u></u>	<u><u>(24,365,804)</u></u>
<b>Total comprehensive loss for the year</b>		<u><u>(80,560,954)</u></u>	<u><u>(137,890,125)</u></u>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company	8	(89,056,166)	(115,060,979)
Non-controlling interests		<u>16,797,957</u>	<u>1,536,658</u>
Loss for the year		<u><u>(72,258,209)</u></u>	<u><u>(113,524,321)</u></u>
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the Company		(94,883,243)	(136,307,704)
Non-controlling interests		<u>14,322,289</u>	<u>(1,582,421)</u>
<b>Total comprehensive loss for the year</b>		<u><u>(80,560,954)</u></u>	<u><u>(137,890,125)</u></u>
		2025	2024
		HK cent	HK cent
<b>Loss per share attributable to owners of the Company</b>	8		
Basic		(2.598)	(3.356)
Diluted		<u>NA</u>	<u>NA</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$	2024 HK\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		315,920	1,633,641
Investment properties	9	99,738,268	187,634,438
Finance lease receivables	10	113,192,665	208,331,382
Total non-current assets		213,246,853	397,599,461
<b>Current assets</b>			
Completed properties held for sale		1,475,885,592	1,958,703,030
Other receivables	11	544,659,866	553,855,068
Contract costs		7,399,619	11,038,525
Finance lease receivables	10	14,280,795	52,847,517
Amounts due from related parties		1,617	1,656
Prepaid tax		1,057,312	1,916,016
Cash and bank balances		39,077,064	139,113,234
Total current assets		2,082,361,865	2,717,475,046
<b>Total assets</b>		2,295,608,718	3,115,074,507
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	36,763,411	103,544,097
Contract liabilities		773,042,239	1,267,819,758
Amounts due to non-controlling shareholders of subsidiaries		36,895,476	37,556,950
Lease liabilities		34,620,128	69,285,209
Total current liabilities		881,321,254	1,478,206,014
<b>Net current assets</b>		1,201,040,611	1,239,269,032
<b>Total assets less current liabilities</b>		1,414,287,464	1,636,868,493

	<i>Notes</i>	<b>2025</b> <b><i>HK\$</i></b>	<b>2024</b> <b><i>HK\$</i></b>
<b>Non-current liabilities</b>			
Convertible bonds	<i>13</i>	<b>198,643,754</b>	183,937,146
Deferred tax liabilities		<b>127,917,465</b>	183,490,395
Lease liabilities		<b>264,655,658</b>	365,809,411
		<u>591,216,877</u>	<u>733,236,952</u>
Total non-current liabilities		<u>591,216,877</u>	<u>733,236,952</u>
<b>Total liabilities</b>		<u><b>1,472,538,131</b></u>	<u>2,211,442,966</u>
<b>NET ASSETS</b>		<u><b>823,070,587</b></u>	<u>903,631,541</u>
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		<b>171,423,328</b>	171,423,328
Reserves		<b>399,212,999</b>	494,096,242
		<u>570,636,327</u>	<u>665,519,570</u>
<b>Non-controlling interests</b>		<u><b>252,434,260</b></u>	<u>238,111,971</u>
<b>TOTAL EQUITY</b>		<u><b>823,070,587</b></u>	<u>903,631,541</u>

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all HKFRS Accounting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis, except for the investment properties which are measured at fair value.

### (c) Functional and presentation currency

The Company’s functional currency is Renminbi (“**RMB**”). The consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**”) as the directors are of the view that the HK\$ is the appropriate presentation currency for the users of the Group’s financial statements given that the shares of the Company are listed on the Stock Exchange.

## 2. ADOPTION OF NEW OR AMENDED HKFRS ACCOUNTING STANDARDS

### (a) Adoption of amended HKFRS Accounting Standards – effective 1 April 2024

The HKICPA has issued a number of amended HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The amendments to HKFRS Accounting Standards 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 disclosure set out in these consolidated financial statements.

**(b) New or amended HKFRS Accounting Standards that have been issued but are not yet effective**

The following amended HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the new and amendments to HKFRS Accounting Standards not yet effective for the current year will have no material impact on the consolidated financial statements in the foreseeable future.

*HKFRS 18 Presentation and Disclosure in Financial Statements*

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

### 3. SEGMENT REPORTING

Management determines operating segments based on the reports regularly reviewed by the chief operating decision maker (the “**CODM**”), which is the board of directors (the “**Board**”), in assessing performance and allocating resources. The CODM considers the business primarily on the basis of the types of services supplied by the Group.

The Group had the following reportable operating segments during the year:

Property sub-leasing and investment business	–	sub-leasing and leasing of investment properties
Property development business	–	development of real estates
Money lending business	–	provision of loans to customers, including individuals and corporations under the provisions of Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) in Hong Kong

Segment information is presented below:

**(a) Information about reportable segment revenue, profit or loss, assets and liabilities and other information**

	2025			
	Property sub-leasing and investment business <i>HK\$</i>	Property development business <i>HK\$</i>	Money lending business <i>HK\$</i>	Total <i>HK\$</i>
<b>Reportable segment revenue</b>				
External revenue	45,459,654	535,363,764	–	580,823,418
Inter-segment revenue	–	–	–	–
	<u>45,459,654</u>	<u>535,363,764</u>	<u>–</u>	<u>580,823,418</u>
<b>Reportable segment loss before income tax</b>	<u>(89,682,942)</u>	<u>(7,607,848)</u>	<u>(11,576)</u>	<u>(97,302,366)</u>
<b>Other segment information</b>				
Interest income	<u>7,243</u>	<u>90,436</u>	<u>1,764</u>	<u>99,443</u>
Interest expenses	<u>23,359,746</u>	<u>–</u>	<u>–</u>	<u>23,359,746</u>
Depreciation of property, plant and equipment	<u>–</u>	<u>1,306,399</u>	<u>–</u>	<u>1,306,399</u>
Fair value loss of investment properties	<u>34,668,882</u>	<u>–</u>	<u>–</u>	<u>34,668,882</u>

	2025			
	Property sub-leasing and investment business <i>HK\$</i>	Property development business <i>HK\$</i>	Money lending business <i>HK\$</i>	Total <i>HK\$</i>
Loss on termination of lease contracts	<u>1,546,160</u>	<u>–</u>	<u>–</u>	<u>1,546,160</u>
Loss on termination of finance lease receivables	<u>1,265,947</u>	<u>–</u>	<u>–</u>	<u>1,265,947</u>
Loss on modification of subleases in respect of finance lease receivables	<u>60,105,624</u>	<u>–</u>	<u>–</u>	<u>60,105,624</u>
Loss on transfer of investment property	<u>322,366</u>	<u>–</u>	<u>–</u>	<u>322,366</u>
Impairment loss for finance lease receivables	<u>1,623,859</u>	<u>–</u>	<u>–</u>	<u>1,623,859</u>
Provision for impairment loss on other receivables, net	<u>14,139,425</u>	<u>13,048,162</u>	<u>–</u>	<u>27,187,587</u>
Reportable segment assets	<u>253,847,010</u>	<u>2,026,576,782</u>	<u>457,340</u>	<u>2,280,881,132</u>
Reportable segment liabilities	<u>316,345,218</u>	<u>955,321,231</u>	<u>3,546</u>	<u>1,271,669,995</u>



	2024			
	Property sub-leasing and investment business <i>HK\$</i>	Property development business <i>HK\$</i>	Money lending business <i>HK\$</i>	Total <i>HK\$</i>
<b>Reportable segment revenue</b>				
External revenue	53,482,751	823,989,547	—	877,472,298
Inter-segment revenue	—	—	—	—
	<u>53,482,751</u>	<u>823,989,547</u>	<u>—</u>	<u>877,472,298</u>
<b>Reportable segment loss before income tax</b>	<u>(27,894,740)</u>	<u>(124,692,815)</u>	<u>(14,424)</u>	<u>(152,601,979)</u>
<b>Other segment information</b>				
Interest income	<u>22,654</u>	<u>265,474</u>	<u>2,491</u>	<u>290,619</u>
Interest expenses	<u>29,557,566</u>	<u>—</u>	<u>—</u>	<u>29,557,566</u>
Depreciation of property, plant and equipment	<u>—</u>	<u>1,714,636</u>	<u>—</u>	<u>1,714,636</u>
Fair value loss of investment properties	<u>50,205,403</u>	<u>—</u>	<u>—</u>	<u>50,205,403</u>
Loss on termination of lease contracts	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Loss on termination of finance lease receivables	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Loss on modification of subleases in respect of lease receivables	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Loss on transfer of investment property	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

	2024			
	Property sub-leasing and investment business <i>HK\$</i>	Property development business <i>HK\$</i>	Money lending business <i>HK\$</i>	Total <i>HK\$</i>
Reversal of impairment loss for finance lease receivables	<u>67,715</u>	<u>–</u>	<u>–</u>	<u>67,715</u>
Provision for/(reversal of) impairment loss on other receivables, net	<u>(33,293)</u>	<u>121,580,252</u>	<u>–</u>	<u>121,546,959</u>
Reportable segment assets	<u>522,718,979</u>	<u>2,575,000,458</u>	<u>456,006</u>	<u>3,098,175,443</u>
Reportable segment liabilities	<u>495,511,290</u>	<u>1,526,357,637</u>	<u>3,546</u>	<u>2,021,872,473</u>

**(b) Reconciliation of reportable segment profit or loss, assets and liabilities**

***Loss before income tax***

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Reportable segment loss before income tax	(97,302,366)	(152,601,979)
Unallocated gain on disposal of subsidiaries	–	83,753
Unallocated gain on deregistration of subsidiaries	1,710,123	–
Unallocated interest income and other income	310,960	1,715,900
Unallocated staff costs	(5,536,741)	(6,485,794)
Unallocated finance costs	(14,720,964)	(13,679,346)
Unallocated depreciation of property, plant and equipment	(368,435)	(417,951)
Unallocated head office and corporate expenses ( <i>note</i> )	<u>(4,111,532)</u>	<u>(4,807,722)</u>
Loss before income tax	<u>(120,018,955)</u>	<u>(176,193,139)</u>

***Note:***

Unallocated head office and corporate expenses mainly include professional and consultancy fees, administrative expenses and business development expenses.

## Assets

	2025 HK\$	2024 HK\$
Reportable segment assets	2,280,881,132	3,098,175,443
Property, plant and equipment	282,169	279,165
Other receivables	5,601,617	5,650,124
Cash and cash equivalents	8,842,183	10,968,119
Unallocated head office and corporate assets	1,617	1,656
	<u>2,295,608,718</u>	<u>3,115,074,507</u>
Total assets	<u>2,295,608,718</u>	<u>3,115,074,507</u>

## Liabilities

	2025 HK\$	2024 HK\$
Reportable segment liabilities	1,271,669,995	2,021,872,473
Convertible bonds	198,643,754	183,937,146
Lease liabilities	296,325	286,511
Unallocated head office and corporate liabilities	1,928,057	5,346,836
	<u>1,472,538,131</u>	<u>2,211,442,966</u>
Total liabilities	<u>1,472,538,131</u>	<u>2,211,442,966</u>

## (c) Geographical information

The Group's operations are mainly located in Hong Kong and the PRC.

An analysis of the Group's geographical segments is set out as follows:

	2025		
	Hong Kong HK\$	PRC HK\$	Total HK\$
Revenue	—	580,823,418	580,823,418
Non-current assets other than financial instruments	282,308	99,771,880	100,054,188
	<u>282,308</u>	<u>99,771,880</u>	<u>100,054,188</u>
	2024		
	Hong Kong HK\$	PRC HK\$	Total HK\$
Revenue	—	877,472,298	877,472,298
Non-current assets other than financial instruments	277,295	188,990,784	189,268,079
	<u>277,295</u>	<u>188,990,784</u>	<u>189,268,079</u>

#### 4. OTHER OPERATING EXPENSES

	2025 HK\$	2024 HK\$
Property sub-leasing and investment business expenses	980,715	2,194,318
Property development business expenses	6,314,695	21,275,011
Legal and professional fees	1,000,047	1,446,651
Travelling expenses	42,779	58,071
Auditor's remuneration	830,000	880,000
Written-off on other receivables	60,039,033	61,767,394
Others	2,257,348	2,477,109
	<u>71,464,617</u>	<u>90,098,554</u>

#### 5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	2025 HK\$	2024 HK\$
Cost of completed properties sold	462,998,003	750,044,185
Gain on disposal of subsidiaries <sup>#</sup>	—	(83,753)
Gain on deregistration of subsidiaries <sup>#</sup>	(1,710,123)	—
Loss on termination of lease contracts <sup>#</sup>	1,546,160	—
Loss on termination of finance lease receivables <sup>#</sup>	1,265,947	—
Loss on modification of subleases in respect of finance lease receivables <sup>#</sup>	60,105,624	—
Loss on transfer of investment property <sup>#</sup>	322,366	—
Provision for/(reversal of) impairment losses on finance lease receivable, net <sup>#</sup>	1,623,859	(67,715)
Provision for impairment losses on other receivables, net <sup>#</sup>	27,187,587	121,546,959
Auditor's remuneration	830,000	880,000
Fair value loss on investment properties <sup>#</sup>	34,668,882	50,205,403

<sup>#</sup> The amount is included under the “other losses, net” in the consolidated statement of comprehensive income.

## 6. INCOME TAX CREDIT

The income tax credit in the consolidated statement of comprehensive income represents:

	2025 HK\$	2024 HK\$
Current tax for the year:		
– Hong Kong profits tax	–	–
– PRC Enterprise Income Tax	(1,118,642)	(16,443,918)
– PRC Land Appreciation Tax (“LAT”)	(1,541,048)	(4,616,706)
Under-provision in prior years:		
– PRC Enterprise Income Tax	(4,429,658)	(70,386)
– PRC LAT	(722,836)	(103,723)
Deferred tax	<u>55,572,930</u>	<u>83,903,551</u>
	<u><u>47,760,746</u></u>	<u><u>62,668,818</u></u>

For the years ended 31 March 2025 and 2024, no Hong Kong profits tax have been provided as the Group has no estimated assessable profits for the year.

The PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2024: 25%).

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

## 7. DIVIDENDS

No dividend was paid or proposed in respect of the year ended 31 March 2025, nor has any dividend been proposed since the end of reporting period (2024: nil).

## 8. LOSS PER SHARE

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

	2025 HK\$	2024 HK\$
<b>Loss</b>		
Loss for the purpose of basic loss per share and diluted loss per share		
Loss for the year attributable to owners of the Company	<u>(89,056,166)</u>	<u>(115,060,979)</u>
	No. of share	No. of share
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue		
for the purpose of basic loss per share and diluted loss per share	<u>3,428,466,570</u>	<u>3,428,466,570</u>

The computation of diluted loss per share for the year ended 31 March 2025 and 2024 does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share for the year.

The computation of diluted loss per share for the year ended 31 March 2024 does not assume the exercise of the Company's share options granted because the exercise price of these share options was higher than the average market price for shares for the year.

## 9. INVESTMENT PROPERTIES

	2025 HK\$	2024 HK\$
At 1 April	187,634,438	246,398,830
Termination of lease contracts	(26,668,247)	—
Modification of lease liabilities in respect of lease contracts	(35,606,270)	—
Transfer from finance lease receivables	13,556,975	—
Transfer to finance lease receivables	(1,561,015)	—
Loss on change in fair value recognised in consolidated statement of comprehensive income	(34,668,882)	(50,205,403)
Exchange realignment	<u>(2,948,731)</u>	<u>(8,558,989)</u>
At 31 March	<u>99,738,268</u>	<u>187,634,438</u>

Investment properties were revalued at 31 March 2025 and 2024 on market value basis by APAC Appraisal and Consulting Limited ("APAC"), an independent valuer, has appropriated qualification and relevant experience in the location and category of the investment property being valued.

## 10. FINANCE LEASE RECEIVABLES

	2025 HK\$	2024 HK\$
Gross finance lease receivables	220,686,419	410,302,336
Less: unearned finance income	(90,728,199)	(148,234,969)
Net finance lease receivables	129,958,220	262,067,367
Less: loss allowance	(2,484,760)	(888,468)
Finance lease receivables	<u>127,473,760</u>	<u>261,178,899</u>
Finance lease receivables analysed as:		
Receivable within one year	14,280,795	52,847,517
Receivable after one year	<u>113,192,665</u>	<u>208,331,382</u>
	<u>127,473,760</u>	<u>261,178,899</u>

The finance lease receivables are arising from the property sub-leasing business. For finance lease receivables, the customers are obligated to settle the amounts according to the terms set out in the relevant lease contracts.

## 11. OTHER RECEIVABLES

	2025 HK\$	2024 HK\$
Deposits (note (a))	13,273,251	13,544,541
Prepayments and other receivables (note (a))	<u>531,386,615</u>	<u>540,310,527</u>
	<u>544,659,866</u>	<u>553,855,068</u>

Notes:

- (a) Deposits mainly represent deposits paid for the lease of properties. An analysis of the prepayments and other receivables are as follows:

	2025 HK\$	2024 HK\$
<b>Prepayment</b>		
Prepayment to contractors	820,161	1,070,211
Prepayment of property management fee	—	347,442
Others	6,006	21,610
	<u>826,167</u>	<u>1,439,263</u>
<b>Value-added tax receivables</b>	<u>21,932,007</u>	<u>24,053,735</u>
<b>Other receivables</b>		
Refundable payment for a potential urban renewal project	318,813,577	341,639,203
Refundable payment for cooperation of potential property development projects	92,107,972	119,132,977
Other receivables from landlord	89,357,065	46,353,067
Other receivables from projects promotion	1,705,623	1,736,253
Others	6,644,204	5,956,029
	<u>508,628,441</u>	<u>514,817,529</u>
<b>Total prepayments and other receivables</b>	<u>531,386,615</u>	<u>540,310,527</u>

#### Refundable payment for a potential urban renewal project

During the prior year ended 31 March 2024, Puning Huachuangwen Industrial Development Co., Ltd. (“**Puning Huachuangwen**”), a non-wholly owned subsidiary of the Company, entered into a letter of intent with an independent third party for the potential cooperation of an urban renewal project in the PRC. As at 31 March 2025, the refundable payment was paid by Puning Huachuangwen for a potential urban renewal project amounted to HK\$318,813,577 (2024: HK\$341,639,203).

#### Refundable payment for cooperation of potential property development projects

Puning Huachuangwen was acquired by the Company in the prior year ended 31 March 2023. As disclosed in the Company’s circular dated 20 January 2023, Puning Huachuangwen is principally engaged in the property development in the PRC and had the other receivables amounted to RMB371,916,000 as at 30 September 2022, which mainly represented the refundable payment for cooperation of potential property development projects.



As at 31 March 2025, certain other receivables were settled due to the termination of cooperation of potential property development projects. The carrying amount of other receivables relating to the cooperation of potential property development projects as at 31 March 2025 amounted to HK\$92,107,972 (2024: HK\$119,132,977) was remained outstanding.

#### Other receivables from landlord

The balance mainly represents as the rental receivable from the Group's landlord, which received the rental payment of the Company's lessees from the Company on behalf.

#### Other receivables from projects promotion

The balance mainly represents as the receivable relating to the promotion of potential projects in property development and urban renewal.

## 12. TRADE AND OTHER PAYABLES

	2025 HK\$	2024 HK\$
Trade payables ( <i>note (a)</i> )	15,477,727	34,445,473
Accruals	1,234,884	2,999,511
Other payables	2,892,136	38,568,354
Other deposits received	17,158,664	27,530,759
	<u>36,763,411</u>	<u>103,544,097</u>

Notes:

- (a) Included in trade and other payables are trade payables with the following ageing analysis based on invoice date as of the end of reporting period:

	2025 HK\$	2024 HK\$
Current or within 30 days	—	—
31 to 60 days	—	1,544,316
61 to 90 days	—	625,416
Over 90 days	15,477,727	32,275,741
	<u>15,477,727</u>	<u>34,445,473</u>

### 13. CONVERTIBLE BONDS

	2025 HK\$	2024 HK\$
Convertible bonds:		
– Liability component	<u>198,643,754</u>	<u>183,937,146</u>
Classified under non-current liabilities:		
– Convertible bonds	<u>198,643,754</u>	<u>183,937,146</u>

#### Notes

#### (i) Convertible Bonds March 2023

On 10 March 2023, the Company issued convertible bonds with the aggregate principal amount of HK\$249,150,000 (the “**Convertible Bonds March 2023**”) as part of the consideration for acquisition of the 100% equity interest in Reach Glory Holdings Limited (“**Reach Glory**”) and its subsidiaries (collectively referred to as the “**Reach Glory Group**”). The convertible bonds bear zero interest and carry a right for convertible bondholder to convert the principal amount into share of HK\$0.05 each in the share capital of the Company at an initial conversion price of HK\$0.2 per share during the period commencing from 10 March 2023 (the “**Bond Issue Date**”) to 10 March 2028 (the “**Bond Maturity Date**”). The conversion price is subject to adjustment on the occurrence of dilutive or concentration event. The Company may at anytime from the Bond Issue Date to the Bond Maturity Date redeem the convertible bonds at par.

The convertible bonds contain two components: liability and equity components. The equity component is presented in the equity heading “convertible bonds reserve”. The effective interest rate of the debt component on initial recognition is 8% per annum.

The fair value of the liability component of the Convertible Bonds March 2023 was estimated to be HK\$169,495,811 at the issue date as valued by the external valuer based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan.

Details of principal valuation parameters applied in determining the initial fair value of the Convertible Bonds March 2023 liability component is summarized as follows:

	Bond Issue Date
Principal amount:	HK\$249,150,000
Coupon rate:	Nil
Maturity date:	10 March 2028
Conversion price:	HK\$0.20
Risk-free rate:	3.70%
Expected volatility:	79.46%
Expected dividend yield:	0%

No repayment for and conversion of the Convertible Bonds March 2023 took place during the current year and the Convertible Bonds March 2023 remained outstanding as at 31 March 2025.

The movement of the liability component of the Convertible Bonds March 2023 is set out below:

	<i><b>HK\$</b></i>
Carrying amount at 1 April 2023	170,283,454
Effective interest expenses	<u>13,653,692</u>
Carrying amount at 31 March 2024 and 1 April 2024	183,937,146
Effective interest expenses	<u><b>14,706,608</b></u>
Carrying amount at 31 March 2025	<u><b>198,643,754</b></u>

#### 14. CONTINGENT LIABILITIES

At the respective reporting dates, the contingent liabilities of the Group were as follows:

	<b>2025</b>	2024
	<i><b>HK\$</b></i>	<i><b>HK\$</b></i>
Guarantees granted to financial institutions on behalf of purchasers of property units	<u><b>679,861,872</b></u>	<u>735,275,915</u>

The Group arranges with various domestic banks in the PRC to provide loan and mortgage facilities to purchasers of its properties prior to the transfer of building ownership certificate. In line with the consumer banking practices in the PRC, these banks require the Group to provide guarantees in respect of these loans including the principal, interest and other incidental costs. If a purchaser defaults on a loan, the relevant mortgagee bank is entitled to settle the amount repayable from the Group. These guarantees would be released by the banks upon the receipt of the building ownership certificate of the respective properties when the certificate have been issued by the relevant authorities.

The directors consider that it is not probable for the Group to sustain a loss under these guarantees as during the period of these guarantees, the Group can take over the ownerships of the related properties under default and sell the properties at prices which are well above the amounts paid/payable by the Group to the banks under the guarantees, accordingly no provision for the guarantees has been made in the consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### *Consolidated results*

For the year ended 31 March 2025, the Group recorded revenue of approximately HK\$580.8 million compared to approximately HK\$877.5 million from continuing operations for the last financial year, representing a decrease of about 33.8%, and loss for the year ended 31 March 2025 of approximately HK\$72.3 million compared to approximately a loss of HK\$113.5 million for the last financial year, representing a decrease of loss of about 36.4%. The decrease in loss was primarily resulted from 1) implementation of various measures on cost control and on reduction of expenditures; and 2) decrease in recognition on revenue of property development business and property sub-leasing and investment business during the year.

The Board considers that the fair value loss on investment properties are non-cash items and has no effect on the cash flow of the Group's operations.

### Business Review

#### *Property sub-leasing and investment business*

For the year ended 31 March 2025, this business segment recorded revenue of approximately HK\$45.5 million compared to approximately HK\$53.5 million for the last financial year, representing a decrease of about 15.0%, this business segment recorded loss for the year ended 31 March 2025 of approximately HK\$89.7 million as compared to loss of approximately HK\$27.9 million for the last financial year. The increase in loss was mainly resulted from the decrease in rental income and increase in fair value loss on investment properties.

The completed properties held for investment is located in No. 109 Jinghaisanlu, Beijing Economic Technological Development Area, Beijing. The existing usage is for office, research and development and the properties are held for long term leases which are sub-leasing from landlord.

#### *Property development business*

During the year ended 31 March 2025, the property development business in the PRC contributed revenue of approximately HK\$535.4 million compare to approximately HK\$824.0 million for the last financial year, and segment recorded loss of approximately HK\$7.6 million (2024: loss of approximately HK\$124.7 million) to the Group. The decrease in segment revenue was attributable to two development projects, namely (i) Tangshang Hanlin Mansion\* (唐商翰林居) in Dongguan land situates at Caole Village, Xiegang Town, Dongguan City, the PRC designated for urban residential use and business service use (R2 Class II residential land (R2二類居住用地)) and (ii) Puning Tangshang Zhongyang Garden\* (普寧唐商中央花園) in Beihuan Avenue, Puning, Jieyang, Guangdong Province, the PRC. The construction of the properties was completed in December 2021 and October 2022, respectively. The existing use in the properties held for sale/lease is mainly residential, car parks and commercial shops. The site area of Tangshang Hanlin Mansion is approximately 30,000 sq.m and Puning Tangshang Zhongyang Garden is approximately 45,000 sq.m, and the gross floor area ("GFA") of Tangshang Hanlin Mansion is approximately 88,000 sq.m and Puning Tangshang Zhongyang Garden is approximately 216,000 sq.m. There were approximately 55,000 sq.m. booked GFA delivered and recognised into the revenue during the year.

The Group had indirect acquisition of the 35% equity interest of the Huachuangwen Land by the Company from Mr. Chen Weiwu in accordance with the equity sale and purchase agreement signed on 9 April 2020. It had acquired 55% equity interest of Huachuangwen Land by the Company from Shenzhen Yaoling in accordance with the equity sale and purchase agreement signed on 30 July 2021. At as 31 March 2025, the Group holds 90% of the equity interest in Huachuangwen Land. In 2023, the Group had acquired the total issued share capital of Reach Glory Holdings Limited, a company is indirectly holding 70% equity interest in the project company Puning Huachuangwen Industrial Development Co., Ltd., and completed the very substantial acquisition and connected transaction on 10 March 2023.

As at 31 March 2025, the Group's completed properties held for sale/lease and investment properties amounted to HK\$1,475.9 million (64.3% of the total assets) and HK\$99.7 million (4.3% of total assets) respectively. The completed properties are held for sale/lease and the management expects part of the remaining GFA will recognise in future.

## **Financial Services Business**

### ***Money lending***

During the year ended 31 March 2025, no interest income was recognised (2024: nil). The management would continue to find new opportunity for this segment.

### ***Securities, futures and asset management***

The Group returned its Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) licenses to Securities and Futures Commission in November 2020 as no suitable business opportunities have been identified. The management would like to focus more on the other business segments of the Group.

## **Liquidity and financial resources**

As at 31 March 2025, no bank borrowings were incurred by the Group (31 March 2024: nil).

The carrying amounts of all the Group's bank and other borrowings were denominated in RMB. As at 31 March 2025, the Group's bank borrowings was nil in 2025 and 2024.

The gearing ratio of the Group as at 31 March 2025 was 28.0% compared with 6.8% as at 31 March 2024. Such ratio was calculated with reference to the convertible bonds deduction of cash and bank balances over the Company's equity attributable to owners of the Company. As at 31 March 2025, the Group had net current assets of approximately HK\$1,201.0 million as compared with the net current assets as at 31 March 2024 of approximately HK\$1,239.3 million. The current ratio of the Group as at 31 March 2025 was 2.4 compared with 1.8 as at 31 March 2024.

The revenue of the Group, being mostly denominated in Renminbi and Hong Kong dollar, matches the currency requirement of the Group's expenses while other foreign currencies were immaterial. During the year ended 31 March 2025, no financial instrument was entered into by the Group used for hedging purpose. The Group was not exposed to any exchange rate risk or any related hedges.

### Fund raising activities

In previous years, the Group completed the following fund raising exercise to strengthen its financial position:

In 2018, convertible bonds in the aggregate principal amount of approximately HK\$42.0 million were issued, with the net proceeds of approximately HK\$41.8 million after deduction of issuance expenses. Details of which are set out as follows:

Date of announcement	Description of fund raising activities	Intended Use of Proceeds	Amount of Net Proceeds Brought Forward to the year ended 31 March 2024		Amount of Net Proceeds Brought Forward to the year ended 31 March 2025		Amount of unutilized proceeds	Expected timeline/ Intended use of unutilized proceeds
			31 March 2024	Amount utilized up to 31 March 2024	31 March 2025	Amount utilized up to 31 March 2025		
31 August 2018	Issue of convertible bonds in an aggregate principal amount of HK\$42,031,080, which has been converted into ordinary shares of the Company on 30 July 2020	Money lending business of the Group in Hong Kong: approximately HK\$27.2 million (as per the announcement of the Company dated 25 August 2021, the use of proceeds have been reallocated to general working capital)	nil	nil	nil	nil	nil	N/A
		General working capital of the Group: approximately HK\$14.6 million	nil	nil	nil	nil	nil	N/A

In 2017, convertible bonds in the aggregate principal amount of approximately HK\$46.3 million were issued, with the net proceeds of approximately HK\$46.1 million after deduction of issuance expenses. Details of which are set out as follows:

Date of announcement	Description of fund raising activities	Intended Use of Proceeds	Amount of Net Proceeds Brought Forward to the year ended 31 March 2024	Amount utilized up to 31 March 2024	Amount of Net Proceeds Brought Forward to the year ended 31 March 2025	Amount utilized up to 31 March 2025	Amount of unutilized proceeds	Expected timeline/ Intended use of unutilized proceeds
26 July 2017	Issue of convertible bonds in an aggregate principal amount of HK\$46,341,960, which has been converted into ordinary shares of the Company on 30 July 2020	Potential acquisition <i>(Note 1)</i> approximately HK\$32.1 million	nil	nil	nil	nil	nil	N/A
		General working capital of the Group: approximately HK\$14.0 million	nil	nil	nil	nil	nil	N/A

In 2022, convertible bonds in the aggregate principal amount of approximately HK\$27.1 million were issued to Shenzhen Yaoling Investment Company Ltd.\* (深圳市耀領投資有限公司) for part of the consideration of RMB137,300,000 for the acquisition of the 55% of the issued share capital of Dongguan Huachuangwen Land Ltd.\* (東莞市華創文置地有限公司) (“**Huachuangwen Land**”). Shenzhen Yaoling Investment Company Ltd. had converted the convertible bonds to ordinary shares on 21 July 2022.

In 2023, convertible bonds in the aggregate principal amount of approximately HK\$249.2 million were issued to Mr. Chen Weiwu for part of the consideration of RMB315 million for the acquisition of the entire issued share capital of Reach Glory Holdings Limited. For the year ended 31 March 2025, no repayment for and conversion of the convertible bonds took place.

Note 1: The proceeds of approximately HK\$32.1 million was utilized to settle the consideration of an acquisition in July 2020.

## Charges

As at 31 March 2025, no bank borrowings were incurred by the Group and no charges and guarantees were secured.

## Contingent liabilities

Please refer to note 14 of this announcement for material contingent liabilities of the Group as at 31 March 2025.

## **Emolument policy**

As at 31 March 2025, the Group employed a total number of 16 (2024: 30) employees. The remuneration of the employees of the Group is amounted to approximately HK\$8.4 million for the year ended 31 March 2025 (2024: HK\$10.5 million). The Group remunerates its employees based on their performance, experience and prevailing industry practices. The emoluments of the directors and senior management of the Company are decided by the remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics.

The Group periodically reviews its remuneration package in order to attract, motivate and retain its employees. Discretionary bonuses may be rewarded to the directors and employees depending on the Group's operating results and their performance.

Further, the Company has also adopted a share option scheme for the primary purpose of providing incentives or rewards to any the director, employee and other eligible participant who made significant contribution to the Group. The Share Option Scheme had been lapsed in 22 December 2023.

## **Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets**

There was no significant investments held, no material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 March 2025.

## **Outlook**

Despite persistent headwinds in the Chinese economy – including a prolonged property sector downturn, subdued domestic consumption, and geopolitical uncertainties, which continue to moderate the pace of recovery and growth – the Group anticipates robust government intervention. The PRC authorities are expected to implement decisive policies, alongside supportive monetary and fiscal measures, aimed at stabilising the property market and steering the economy towards high-quality development. This transition is expected to be significantly driven by capital expenditure in infrastructure, manufacturing, and the burgeoning digital economy. Amid prolonged pandemic disruptions and persistent weakness in the property development and property sub-leasing market, the Group proactively diversified into tourism as a new growth engine.

Within this context, we continue adapting strategies to navigate challenges and capitalise on opportunities. This strategic pivot leveraged underutilized property assets to establish experiential travel offerings, creating an immediate revenue stream while reducing reliance on traditional property cycles. The tourism expansion not only generated new revenue but also revitalized our real estate portfolio: increased visitor traffic enhanced the value of adjacent retail and hospitality properties, while tourism-driven infrastructure development unlocked opportunities for future residential projects—turning market challenges into cross-sector growth catalysts.



Concurrently, we are refining leasing and marketing approaches to attract a more diverse tenant base and expand service offerings, aligning with increasingly varied consumer demands. We maintain a prudent operational stance, focusing on enhancing management efficiency, strengthening internal controls, and intensifying sales initiatives to underpin sustainable growth within the property development sector. The Group remains committed to consolidating and realigning its core businesses, particularly in property development, to improve its financial position and achieve performance objectives. Furthermore, we are actively exploring and evaluating suitable new investment opportunities within the PRC to diversify revenue streams and enhance overall earnings potential.

The Board expects management to remain vigilant while actively seeking new projects within China that can strengthen the Group's financial profitability. We have full confidence in the capability of our highly experienced and professional management team and Board of Directors. Their deep industry expertise, extensive resources, and well-established networks across China constitute a significant competitive advantage. This solid foundation is crucial for leveraging future growth opportunities in property development, sub-leasing, and strategic investments within the PRC market.

The Group's unwavering commitment is to achieve sustainable growth, maximise shareholder value, and solidify its market position for long-term success.

## **PROPOSED FINAL DIVIDEND**

The Directors do not recommend any payment of final dividend for the year ended 31 March 2025 (2024: nil).

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining shareholders of the Company who are entitled to attend and vote at the 2025 annual general meeting of the Company (“**2025 AGM**”), the register of members of the Company will be closed from Monday, 15 September 2025 to Friday, 19 September 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the 2025 AGM, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 September 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor its subsidiaries purchased, sold or redeemed the Company's listed securities during the year ended 31 March 2025.

## SCOPE OF WORK OF CCTH CPA LIMITED

The figures in respect of the consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, CCTH CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by CCTH CPA Limited 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 CCTH CPA Limited on the preliminary announcement.

## CODE OF CORPORATE GOVERNANCE

Throughout the year ended 31 March 2025, the Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules, save for the deviation of code provision A.1.1 of the CG Code below:

Pursuant to code provision C.5.1 of the CG Code, Board meetings should be held at least four times a year at approximately quarterly intervals. Although only two regular Board meetings were held during the year ended 31 March 2025 on 26 June 2024 and 28 November 2024 respectively, the Board considered that sufficient meetings had been held as business operations were under the management and the supervision of the executive Directors. In addition, senior management of the Group provided to the Directors the information in respect of the Group's business development and activities from time to time and, when required, ad hoc Board meetings will be held.

## COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. The Company has made specific enquiry with all the Directors and, all the Directors confirmed that they have fully complied with the required standards set out in the Model Code during the year.

## AUDIT COMMITTEE

The audit committee of the Company (“**Audit Committee**”), comprises three independent non-executive Directors, namely Mr. Chen Youchun, Ms. Lui Mei Ka and Mr. Zhou Xin, has reviewed, together with the participation of the management, the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 March 2025.

## **PUBLIC FLOAT**

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

## **ANNUAL GENERAL MEETING**

The 2025 AGM will be held on Friday, 19 September 2025 and the notice of the 2025 AGM will be published and despatched in the manner as required by the Listing Rules and the Company's memorandum and articles in due course.

## **PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S AND COMPANY'S WEBSITE**

The Company's annual report for the year ended 31 March 2025 will be despatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) under “**Latest Listed Company Information**” and on the website of the Company at <http://www.ts674.com> in due course.

On behalf of the Board  
**China Tangshang Holdings Limited**  
**Chen Weiwu**  
*Chairman*

Hong Kong, 26 June 2025

*As at the date of this announcement, the executive Directors are Mr. Chen Weiwu (Chairman), Mr. Zhou Houjie and Mr. Jiang Ruowenhao; and the independent non-executive Directors are Mr. Chen Youchun, Ms. Lui Mei Ka and Mr. Zhou Xin.*

*\* for identification purpose only*