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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 2021

### 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 2021 with comparative figures for the previous year as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2021*

	Notes	2021 HK\$	2020 HK\$ (re-presented)
<b>Continuing operations</b>			
Revenue	3	56,158,591	66,081,448
Other gains or losses, net		(28,200,226)	(26,992,254)
Depreciation on property, plant and equipment		(2,275,998)	(1,137,228)
Short term lease payments		—	(286,872)
Staff costs		(15,079,230)	(19,480,527)
Other operating expenses	4	(37,019,065)	(29,996,180)
Finance costs		(19,442,477)	(18,204,535)
Loss before income tax expense	5	(45,858,405)	(30,016,148)
Income tax expense	6	(1,159,720)	(704,047)
<b>Loss for the year from continuing operations</b>		<b>(47,018,125)</b>	<b>(30,720,195)</b>
<b>Discontinued operations</b>			
Loss for the year from discontinued operations	7	(612,495)	(2,943,204)
<b>Loss for the year</b>		<b>(47,630,620)</b>	<b>(33,663,399)</b>

	Notes	2021 HK\$	2020 HK\$ (re-presented)
<b>Other comprehensive income</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Exchange differences arising on translating foreign operations		51,156,609	(5,943,253)
Release of foreign exchange reserve upon disposal of subsidiaries		2,432,762	—
		<u>53,589,371</u>	<u>(5,943,253)</u>
<b>Other comprehensive income for the year, net of tax</b>			
		<u>53,589,371</u>	<u>(5,943,253)</u>
<b>Total comprehensive income for the year</b>		<u>5,958,751</u>	<u>(39,606,652)</u>
<b>Loss for the year attributable to:</b>			
Owners of the Company	9		
— Continuing operations		(12,734,990)	(34,365,673)
— Discontinued operations		(612,495)	(2,943,204)
		<u>(13,347,485)</u>	<u>(37,308,877)</u>
Loss for the year attributable to owners of the Company			
		<u>(13,347,485)</u>	<u>(37,308,877)</u>
Non-controlling interests			
— Continuing operations		(34,283,135)	3,645,478
— Discontinued operations		—	—
		<u>(34,283,135)</u>	<u>3,645,478</u>
(Loss)/profit for the year attributable to non-controlling interests			
		<u>(34,283,135)</u>	<u>3,645,478</u>
		<u>(47,630,620)</u>	<u>(33,663,399)</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company			
— Continuing operations		8,701,393	(37,721,174)
— Discontinued operations		(612,495)	(2,973,922)
		<u>8,088,898</u>	<u>(40,695,096)</u>
Total comprehensive income for the year attributable to the owners of the Company			
		<u>8,088,898</u>	<u>(40,695,096)</u>
Non-controlling interests			
— Continuing operations		(2,130,147)	1,088,444
— Discontinued operations		—	—
		<u>(2,130,147)</u>	<u>1,088,444</u>
Total comprehensive income for the year attributable to non-controlling interests			
		<u>(2,130,147)</u>	<u>1,088,444</u>
		<u>5,958,751</u>	<u>(39,606,652)</u>
<b>Loss per share from continuing and discontinued operations</b>			
Basic (HK cents)	9	(0.67)	(3.46)
Diluted (HK cents)		(0.67)	(3.46)
		<u>(0.67)</u>	<u>(3.46)</u>
<b>Loss per share from continuing operations</b>			
Basic (HK cents)	9	(0.64)	(3.19)
Diluted (HK cents)		(0.64)	(3.19)
		<u>(0.64)</u>	<u>(3.19)</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Notes	31 March 2021 HK\$	31 March 2020 HK\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		7,913,992	2,282,103
Investment properties	10	284,436,451	183,544,593
Goodwill		—	189,554
Intangible assets		—	438,310
Finance lease receivables	11	275,396,189	56,692,467
Total non-current assets		567,746,632	243,147,027
<b>Current assets</b>			
Properties under development		770,392,961	—
Inventories		—	9,795,255
Trade and other receivables	12	337,632,775	149,490,951
Contract costs		3,948,423	—
Finance lease receivables	11	26,161,513	3,146,305
Amounts due from a director		77,800	—
Amounts due from non-controlling shareholders of subsidiaries		5,217,644	4,000
Amounts due from related parties		2,366	3,240,150
Prepaid tax		9,558,949	—
Cash and bank balances		175,939,276	150,430,813
Total current assets		1,328,931,707	316,107,474
<b>Total assets</b>		<b>1,896,678,339</b>	<b>559,254,501</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade, bills and other payables	13	27,528,453	104,883,379
Contract liabilities		434,758,001	1,060,627
Amounts due to non-controlling shareholders of subsidiaries		32,737,288	—
Amounts due to related parties		—	27,040,427
Bank and other borrowings		289,531,436	67,005,712
Convertible bonds	14	—	40,685,853
Lease liabilities		51,532,095	20,147,259
Current tax liabilities		85,706	542,536
Total current liabilities		836,172,979	261,365,793
<b>Net current assets</b>		<b>492,758,728</b>	<b>54,741,681</b>
<b>Total assets less current liabilities</b>		<b>1,060,505,360</b>	<b>297,888,708</b>

		31 March 2021 <i>HK\$</i>	31 March 2020 <i>HK\$</i>
	<i>Notes</i>		
<b>Non-current liabilities</b>			
Bank and other borrowings		—	25,534,090
Convertible bonds	14	—	42,173,321
Lease liabilities		<b>498,392,612</b>	101,419,763
		<hr/>	<hr/>
Total non-current liabilities		<b>498,392,612</b>	169,127,174
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>1,334,565,591</b>	430,492,967
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>562,112,748</b>	128,761,534
		<hr/>	<hr/>
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		115,443,328	53,888,928
Reserves		<b>249,506,992</b>	46,685,132
		<hr/>	<hr/>
		<b>364,950,320</b>	100,574,060
<b>Non-controlling interests</b>		<b>197,162,428</b>	28,187,474
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>562,112,748</b>	128,761,534
		<hr/>	<hr/>

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants 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 consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

## 2. ADOPTION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### (a) Adoption of new or revised HKFRSs — effective 1 April 2020

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform

Other than the amendments to HKFRS 3, none of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period. Impact on the applications of the amendments to HKFRS 3 are summarised below.

#### **Amendments to HKFRS 3, Definition of a Business**

The amendments clarify the definition of a business and introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election to apply the concentration test is made for each transaction. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business. If the concentration test is failed, the acquired set of activities and assets is further assessed based on the elements of a business.

The Group elected to apply the amendments prospectively to acquisitions for which the acquisition date is on or after 1 April 2020. The Group acquired a set of activities and assets in July 2020 and elected to apply the concentration test to that transaction. Based on the assessment of elements in the acquisition, the Group concluded that the acquired set of activities and assets is an acquisition of assets.

**(b) New/revised HKFRSs that have been issued but are not yet effective**

The following new/revised HKFRSs, potentially relevant to the Group's consolidated financial statements have been issued, but are not yet effective for the financial year beginning on 1 April 2020 and have not yet been early adopted by the Group.

Amendments to HKAS 1 Hong Kong Interpretation 5 (2020)	Classification of Liabilities as Current or Non-current <sup>5</sup> Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>5</sup>
Amendments to HKAS 16	Proceeds before Intended Use <sup>3</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>3</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>4</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>6</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions <sup>1</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>7</sup>
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>5</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>5</sup>
Annual Improvements to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 June 2021.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>4</sup> Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>6</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

<sup>7</sup> Effective for annual periods beginning on or after 1 April 2021.

### 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. During the year ended 31 March 2021, the Group has re-organised its internal reporting structure so as to enhance the operational efficiency. The segments of property sub-leasing, development and investment business have been separated into two business as property sub-leasing and investment business and property development business. The Group is currently re-organised into five operating divisions — property sub-leasing and investment business, property development business, money lending business, exhibition-related business and food and beverage business, and two operating divisions including the exhibition-related business and the food and beverages business were classified as discontinued operations. Accordingly, the comparative segment information has been re-presented to conform to current year’s presentation.

Principal activities of the Group are as follows:

Exhibition-related business	—	organising all kinds of exhibition events and meeting events
Property sub-leasing and investment business	—	sub-leasing and leasing of investment properties
Property development business	—	development of real estates
Food and beverages	—	sale of food and beverages and restaurant operations
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

Upon completion of disposal of the entire interests of a number of subsidiaries during the year ended 31 March 2021, the management considers that the key operating divisions of the Group are property sub-leasing and investment business, property development business and money lending business.

Segment information is presented below:

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

	2021							
	Continuing operations					Discontinued operations		Total
	Property sub-leasing and investment business HK\$	Property development business HK\$	Money lending business HK\$	Inter- segment elimination HK\$	Subtotal HK\$	Exhibition- related business HK\$	Food and beverages HK\$	
<b>Reportable segment revenue</b>								
External revenue	56,158,591	—	—	—	56,158,591	529,279	—	56,687,870
Inter-segment revenue	—	—	—	—	—	—	—	—
	<u>56,158,591</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>56,158,591</u>	<u>529,279</u>	<u>—</u>	<u>56,687,870</u>
<b>Reportable segment (loss)/profit before income tax expense</b>	<u>(330,609)</u>	<u>(11,018,074)</u>	<u>(239,344)</u>	<u>—</u>	<u>(11,588,027)</u>	<u>(715,663)</u>	<u>103,168</u>	<u>(12,200,522)</u>
<b>Other segment information</b>								
Interest income	<u>13,540</u>	<u>271,309</u>	<u>13,366</u>	<u>—</u>	<u>298,215</u>	<u>627</u>	<u>—</u>	<u>298,842</u>
Interest expenses	<u>17,377,607</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>17,377,607</u>	<u>21,437</u>	<u>—</u>	<u>17,399,044</u>
Depreciation of property, plant and equipment	<u>475,940</u>	<u>1,060,729</u>	<u>—</u>	<u>—</u>	<u>1,536,669</u>	<u>1,239</u>	<u>—</u>	<u>1,537,908</u>
Fair value loss of investment properties	<u>55,993,773</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>55,993,773</u>	<u>—</u>	<u>—</u>	<u>55,993,773</u>
Gain on disposal of property, plant and equipment	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>85,704</u>	<u>—</u>	<u>85,704</u>
Gain on disposal of right-of-use assets	<u>27,781,563</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>27,781,563</u>	<u>—</u>	<u>—</u>	<u>27,781,563</u>
Gain on termination of lease contracts	<u>7,495,080</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,495,080</u>	<u>—</u>	<u>—</u>	<u>7,495,080</u>



	Continuing operations					Discontinued operations		
	Property sub-leasing and investment business HK\$	Property development business HK\$	Money lending business HK\$	Inter- segment elimination HK\$	Subtotal HK\$	Exhibition- related business HK\$	Food and beverages HK\$	Total HK\$
Impairment loss for finance lease receivables	<u>806,497</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>806,497</u>	<u>—</u>	<u>—</u>	<u>806,497</u>
(Reversal of)/provision for impairment loss on trade and other receivables, net	<u>(161,051)</u>	<u>768</u>	<u>—</u>	<u>—</u>	<u>(160,283)</u>	<u>874,828</u>	<u>—</u>	<u>714,545</u>
Reportable segment assets	<u>615,539,894</u>	<u>1,211,004,569</u>	<u>12,532,456</u>	<u>—</u>	<u>1,839,076,919</u>	<u>—</u>	<u>—</u>	<u>1,839,076,919</u>
Expenditure for reportable segment non-current assets	<u>494,063,338</u>	<u>6,718,444</u>	<u>—</u>	<u>—</u>	<u>500,781,782</u>	<u>1,800</u>	<u>—</u>	<u>500,783,582</u>
Reportable segment liabilities	<u>567,967,018</u>	<u>763,744,962</u>	<u>3,546</u>	<u>—</u>	<u>1,331,715,526</u>	<u>—</u>	<u>—</u>	<u>1,331,715,526</u>

	Continuing operations					Discontinued operations		
	Property sub-leasing and investment business HK\$	Property development business HK\$	Money lending business HK\$	Inter- segment elimination HK\$	Subtotal HK\$ (re-presented)	Exhibition- related business HK\$ (re-presented)	Food and beverages HK\$ (re-presented)	Total HK\$
<b>Reportable segment revenue</b>								
External revenue	65,454,859	—	626,589	—	66,081,448	12,335,610	—	78,417,058
Inter-segment revenue	—	—	—	—	—	—	—	—
	<u>65,454,859</u>	<u>—</u>	<u>626,589</u>	<u>—</u>	<u>66,081,448</u>	<u>12,335,610</u>	<u>—</u>	<u>78,417,058</u>
<b>Reportable segment profit/ (loss) before income tax expense</b>								
	<u>10,996,660</u>	<u>—</u>	<u>126,874</u>	<u>—</u>	<u>11,123,534</u>	<u>(2,858,230)</u>	<u>(84,974)</u>	<u>8,180,330</u>
<b>Other segment information</b>								
Interest income	<u>11,588</u>	<u>—</u>	<u>22,093</u>	<u>—</u>	<u>33,681</u>	<u>6,465</u>	<u>—</u>	<u>40,146</u>
Interest expenses	<u>12,065,980</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,065,980</u>	<u>86,805</u>	<u>—</u>	<u>12,152,785</u>
Depreciation of property, plant and equipment	<u>516,772</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>516,772</u>	<u>43,677</u>	<u>—</u>	<u>560,449</u>
Impairment loss on property, plant and equipment	<u>—</u>	<u>—</u>	<u>20,486</u>	<u>—</u>	<u>20,486</u>	<u>213,930</u>	<u>81,944</u>	<u>316,360</u>
Fair value loss of investment properties	<u>24,254,795</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>24,254,795</u>	<u>—</u>	<u>—</u>	<u>24,254,795</u>
(Gain)/loss on disposal of property, plant and equipment	<u>(1,703)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,703)</u>	<u>17,460</u>	<u>—</u>	<u>15,757</u>
Gain on disposal of right-of-use assets	<u>10,152,574</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,152,574</u>	<u>—</u>	<u>—</u>	<u>10,152,574</u>
Impairment loss for finance lease receivables	<u>281,393</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>281,393</u>	<u>—</u>	<u>—</u>	<u>281,393</u>

	Continuing operations					Discontinued operations		
	Property sub-leasing and investment business HK\$	Property development business HK\$	Money lending business HK\$	Inter- segment elimination HK\$	Subtotal HK\$ (re-presented)	Exhibition- related business HK\$ (re-presented)	Food and beverages HK\$ (re-presented)	Total HK\$
Provision for/(reversal of) impairment loss on trade and other receivables	933,415	—	(65,930)	—	867,485	—	—	867,485
Reportable segment assets	389,220,702	—	61,420,839	—	450,641,541	15,258,794	45,789	465,946,124
Expenditure for reportable segment non-current assets	56,957,919	—	—	—	56,957,919	—	—	56,957,919
Reportable segment liabilities	315,117,228	—	3,546	—	315,120,774	9,628,845	143,655	324,893,274

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

***Loss before income tax expense***

	2021 HK\$	2020 HK\$ (re-presented)
Reportable segment (loss)/profit before income tax expense	(11,588,027)	11,123,534
Unallocated gain on disposal of subsidiaries	7,801,713	—
Unallocated impairment loss on other receivables	(1,890,542)	—
Unallocated interest income and other income	1,800,507	170,144
Unallocated gain on extinguishment of convertible bonds	—	5,937,254
Unallocated provisions for financial guarantee	(22,880,660)	(20,621,019)
Unallocated amortisation of intangible assets	(97,403)	(116,884)
Unallocated finance costs	(2,064,870)	(6,138,555)
Unallocated staff costs	(5,766,845)	(11,006,821)
Unallocated depreciation of property, plant and equipment	(739,329)	(620,456)
Unallocated head office and corporate expenses ( <i>note</i> )	(10,432,949)	(8,743,345)
Loss before income tax expense from continuing operations	(45,858,405)	(30,016,148)

*Note:*

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

## Assets

	2021 HK\$	2020 HK\$
Reportable segment assets	1,839,076,919	465,946,124
Property, plant and equipment	1,150,238	1,072,271
Trade and other receivables	7,736,724	8,664,174
Cash and cash equivalents	43,496,814	82,928,269
Unallocated head office and corporate assets	5,217,644	643,663
Total assets	<u>1,896,678,339</u>	<u>559,254,501</u>

## Liabilities

	2021 HK\$	2020 HK\$
Reportable segment liabilities	1,331,715,526	324,893,274
Convertible bonds	—	82,859,174
Lease liabilities	698,916	126,747
Unallocated head office and corporate liabilities	2,151,149	22,613,772
Total liabilities	<u>1,334,565,591</u>	<u>430,492,967</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:

	2021					
	Hong Kong		PRC		Total	
	Continuing operations HK\$	Discontinued operations HK\$	Continuing operations HK\$	Discontinued operations HK\$	Continuing operations HK\$	Discontinued operations HK\$
Revenue	—	529,279	56,158,591	—	56,158,591	529,279
Non-current assets other than financial instruments and deferred tax assets	<u>1,141,759</u>	<u>—</u>	<u>291,208,684</u>	<u>—</u>	<u>292,350,443</u>	<u>—</u>

	2020					
	Hong Kong		PRC		Total	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	(re-presented)	(re-presented)	(re-presented)	(re-presented)	(re-presented)	(re-presented)
Revenue	626,589	—	65,454,859	12,335,610	66,081,448	12,335,610
Non-current assets other than financial instruments and deferred tax assets	1,500,741	20,378	184,933,441	—	186,434,182	20,378

#### 4. OTHER OPERATING EXPENSES

	Continuing operation		Discontinued operation		Total	
	2021	2020	2021	2020	2021	2020
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	(re-presented)	(re-presented)	(re-presented)	(re-presented)	(re-presented)	(re-presented)
Property sub-leasing and investment business expenses	16,287,022	17,607,561	—	—	16,287,022	17,607,561
Property development business expenses	7,962,282	—	—	—	7,962,282	—
Exhibition expenses	—	—	227,518	10,831,545	227,518	10,831,545
Legal and professional fees	2,949,084	4,778,283	81,906	98,915	3,030,990	4,877,198
Travelling expenses	374,704	1,662,378	3,776	15,434	378,480	1,677,812
Auditor's remuneration	1,550,000	1,400,000	—	—	1,550,000	1,400,000
Others	7,895,973	4,547,958	1,675,607	1,001,788	9,571,580	5,549,746
	37,019,065	29,996,180	1,988,807	11,947,682	39,007,872	41,943,862

## 5. LOSS BEFORE INCOME TAX EXPENSE

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

	2021 <i>HK\$</i>	2020 <i>HK\$</i> (re-presented)
<b>Continuing operations</b>		
Amortisation on intangible assets	97,403	116,884
Gain on disposal of subsidiaries <sup>#</sup>	(7,801,713)	—
Loss/(gain) on disposal of property, plant and equipment, net <sup>#</sup>	102,676	(1,703)
Gain on disposal of right-of-use assets <sup>#</sup>	(27,781,563)	(10,152,574)
Impairment losses on finance lease receivables, net	806,497	281,393
Impairment losses on trade and other receivables, net	1,730,259	867,485
Impairment loss on property, plant and equipment	469,119	20,486
Auditor's remuneration	1,550,000	1,400,000
Fair value loss on investment properties <sup>#</sup>	55,993,773	24,254,795
Gain on extinguishment of convertible bonds <sup>#</sup>	—	(5,937,254)
Provision for financial guarantee <sup>#</sup>	22,880,660	20,621,019
	-----	-----
<b>Discontinued operations</b>		
(Gain)/loss on disposal of property, plant and equipment, net <sup>#</sup>	(85,704)	17,460
Gain on disposal of subsidiaries	(2,182,040)	—
Impairment losses on trade and other receivables, net	874,828	—
Impairment loss on property, plant and equipment	—	295,874
	-----	-----

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

## 6. INCOME TAX EXPENSE

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

	Continuing operation		Discontinued operation		Total	
	2021	2020	2021	2020	2021	2020
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	(re-presented)		(re-presented)		(re-presented)	
Current tax for the year						
— Hong Kong profits tax	—	—	—	—	—	—
— PRC Enterprise Income Tax	(1,159,720)	(116,454)	—	—	(1,159,720)	(116,454)
Deferred tax	—	(587,593)	—	—	—	(587,593)
	<u>(1,159,720)</u>	<u>(704,047)</u>	<u>—</u>	<u>—</u>	<u>(1,159,720)</u>	<u>(704,047)</u>

The PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2020: 25%).

Overseas tax is calculated at the rate applicable in the respective jurisdictions.

For the year ended 31 March 2021 and 2020, no Hong Kong profits tax have been provided within the Group as there is no estimated assessable profits for the year.

## 7. DISCONTINUED OPERATIONS

During the year ended 31 March 2021, the Group completed disposal of the entire issued capital of a number of subsidiaries of the Company. These subsidiaries carry out businesses in exhibition-related business and food and beverage business. Upon completion of the disposal, the Group ceased the exhibition-related business and food and beverage business.

The results from discontinued operations up to the date of disposal are disclosed as follows. The comparative figures on the consolidated statement of comprehensive income have been re-presented those operations that have been discontinued in the current year as discontinued operations.

**(a) Exhibition-related business**

The revenue and results of the exhibition-related business for the period from 1 April 2020 to 31 January 2021 (date of disposal) and for the year ended 31 March 2020 are as following:

	<b>For the period from 1 April 2020 to 31 January 2021 (date of disposal) HK\$</b>	<b>2020 HK\$</b>
Revenue	<b>529,279</b>	12,335,610
Other gains or losses, net	<b>317,612</b>	(37,029)
Cost of inventories	<b>(124,524)</b>	(260,900)
Depreciation on property, plant and equipment	<b>(1,239)</b>	(43,677)
Short term lease payments	<b>(372,311)</b>	(582,824)
Staff costs	<b>(1,133,108)</b>	(2,319,897)
Other operating expenses ( <i>note 4</i> )	<b>(1,980,122)</b>	(11,862,708)
Finance costs	<b>(21,437)</b>	(86,805)
	<hr/>	<hr/>
Loss before income tax expense	<b>(2,785,850)</b>	(2,858,230)
Income tax expense ( <i>note 6</i> )	<b>—</b>	—
	<hr/>	<hr/>
Loss for the period/year	<b>(2,785,850)</b>	(2,858,230)
Gain on disposal of the discontinued operation	<b>2,070,187</b>	—
	<hr/>	<hr/>
Loss for the period/year from the discontinued operation	<b><u>(715,663)</u></b>	<b><u>(2,858,230)</u></b>
	<hr/>	<hr/>
Operating cash outflows	<b>(1,368,844)</b>	(901,461)
Investing cash outflows	<b>(1,800)</b>	—
Financing cash outflows	<b>(1,020,916)</b>	(1,302,998)
	<hr/>	<hr/>
Total cash outflows	<b><u>(2,391,560)</u></b>	<b><u>(2,204,459)</u></b>



**(b) Food and beverage business**

The results of the food and beverage business for the period from 1 April 2020 to 31 January 2021 (date of disposal) and for the year ended 31 March 2020 are as following:

	<b>For the period from 1 April 2020 to 31 January 2021 (date of disposal) HK\$</b>	<b>2020 HK\$</b>
Other operating expenses ( <i>note 4</i> )	<u><b>(8,685)</b></u>	<u>(84,974)</u>
Loss before income tax expense	<b>(8,685)</b>	(84,974)
Income tax expense ( <i>note 6</i> )	<u>—</u>	<u>—</u>
Loss for the period/year	<b>(8,685)</b>	(84,974)
Gain on disposal of the discontinued operation	<u><b>111,853</b></u>	<u>—</u>
Profit/(loss) for the period/year from the discontinued operation	<u><b>103,168</b></u>	<u>(84,974)</u>
Operating cash inflows	<u>—</u>	<u>20</u>
Total cash inflows	<u><b>—</b></u>	<u><b>20</b></u>

**8. DIVIDENDS**

No dividend was paid or proposed in respect of the year ended 31 March 2021, nor has any dividend been proposed since the end of reporting period (2020: nil).

## 9. 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:

	2021 <i>HK\$</i>	2020 <i>HK\$</i> (re-presented)
<b>Loss for the purpose of basic and diluted loss per share</b>		
Loss for the year attributable to owners of the Company		
— from continuing operations	(12,734,990)	(34,365,673)
— from discontinued operations	<u>(612,495)</u>	<u>(2,943,204)</u>
— from continuing and discontinued operations	<u><u>(13,347,485)</u></u>	<u><u>(37,308,877)</u></u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><u>2,001,937,781</u></u>	<u><u>1,077,778,570</u></u>

For the year ended 31 March 2021 and 2020, basic loss per share is the same as diluted loss per share. There are no dilutive effects on the share options granted and convertible bonds, as they are anti-dilutive.

## 10. INVESTMENT PROPERTIES

	2021 <i>HK\$</i>	2020 <i>HK\$</i>
At 1 April	183,544,593	216,561,971
Additions	282,698,882	3,949,274
Change in fair value	(55,993,773)	(24,254,795)
Disposal of subsidiaries	(132,283,765)	—
Termination of contracts	(15,193,199)	—
Exchange realignment	<u>21,663,713</u>	<u>(12,711,857)</u>
At 31 March	<u><u>284,436,451</u></u>	<u><u>183,544,593</u></u>

Investment properties were revalued at 31 March 2021 and 2020 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.

## 11. FINANCE LEASE RECEIVABLES

	2021 HK\$	2020 HK\$
Gross finance lease receivables	552,189,619	100,642,975
Less: unearned finance income	(249,544,027)	(40,522,810)
Net finance lease receivables	302,645,592	60,120,165
Less: loss allowance	(1,087,890)	(281,393)
Finance lease receivables	<u>301,557,702</u>	<u>59,838,772</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.

## 12. TRADE AND OTHER RECEIVABLES

	2021 HK\$	2020 HK\$
Trade receivables (note (a), (b))	1,024,059	5,161,515
Deposits (note (c))	15,211,271	3,160,462
Prepayments and other receivables (note (c))	<u>321,397,445</u>	<u>141,168,974</u>
	<u>337,632,775</u>	<u>149,490,951</u>

Notes:

- (a) The Group generally grants no credit period to its customers, except for transactions with customers in exhibition-related business, in which credit period ranging from 30 to 60 days is granted.
- (b) The ageing analysis of trade receivables based on invoice date after impairment loss at the end of the reporting period is as follows:

	2021 HK\$	2020 HK\$
Within 90 days	<u>1,024,059</u>	<u>5,161,515</u>

- (c) The balance mainly represented prepayments to contractors and refundable deposits for various potential business development projects.

### 13. TRADE, BILLS AND OTHER PAYABLES

	2021 HK\$	2020 HK\$
Trade payables	3,517,100	954,742
Bills payables	—	3,283,353
Accruals	464,938	10,601,327
Other payables	5,264,679	78,276,248
Other deposits received	18,281,736	11,767,709
	<u>27,528,453</u>	<u>104,883,379</u>

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

	2021 HK\$	2020 HK\$
Current or within 30 days	3,517,100	68,455
31 to 60 days	—	46,339
61 to 90 days	—	59,294
Over 90 days	—	4,064,007
	<u>3,517,100</u>	<u>4,238,095</u>

### 14. CONVERTIBLE BONDS

#### (a) CB 2017

On 3 July 2017, the Company entered into subscription agreements with certain independent third parties in relation to the issue of convertible bonds in an aggregate principal amount of HK\$46,341,960. The convertible bonds bear zero interest and carry a right 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\$0.215 per share (subject to adjustment) during the period commencing from six months after 25 July 2017 (the “**Bond Issue Date 1**”), and 25 July 2019 (the “**Bond Maturity Date 1**”). The conversion price is subject to adjustment on the occurrence of dilutive or concentration event. The Company may at anytime after six months from the Bond Issue Date 1 and before Bond Maturity Date 1 redeem the convertible bonds at par (“**CB 2017**”).

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 7.25% per annum.

During the year ended 31 March 2020, the Company entered into deed of amendments with those independent third parties in relation to the extension of Bond Maturity Date 1 to 24 July 2021. The details are set out in the Company's announcement dated 9 July 2019, 11 July 2019 and 15 July 2019.

The Group recognised a gain on extinguishment of CB2017 of approximately HK\$5,937,254 at the date of extension of Bond Maturity Date 1 ("**Date of Extinguishment**").

All the other terms and conditions of the CB2017 remain unchanged. As the discounted present value of the cash flows under the new terms, including any fees paid and discounted using the original effective interest rate, was more than 10% different from the discounted present value of the remaining cash flows of the financial liability, the Directors consider the extension of the maturity date as a modification that result in derecognition of the convertible bonds. The effective interest rate of the CB2017 liability component for the remaining period after the modification is revised to 7.38%.

The valuation of the CB2017 was performed by APAC.

	<i>HK\$</i>
Fair value of CB2017 at 25 July 2017	46,341,960
Issuance expenses	(192,157)
Equity component	<u>(5,865,097)</u>
Liability component on initial recognition at 25 July 2017	<u><u>40,284,706</u></u>

The valuation of the convertible bonds on Date of Extinguishment for CB2017 was performed by APAC.

	<i>HK\$</i>
Fair value of CB2017 at Date of Extinguishment	46,341,960
Issuance cost	(86,920)
Equity component	<u>(6,061,380)</u>
Liability component of CB2017 at date of extinguishment	<u><u>40,193,660</u></u>

On 31 July 2020, the bondholders of CB2017 have exercised the conversion right and converted the CB2017 to 215,544,000 shares of the Company.

**(b) CB 2018**

On 15 August 2018, the Company entered into subscription agreements with certain independent third parties in relation to the issue of convertible bonds in an aggregate principal amount of HK\$42,031,080. The convertible bonds bear zero interest and carry a right to convert the principal amount into share of HK\$0.05 each in the share capital of the Company at the initial conversion price of HK\$0.195 per share (subject to adjustment) during the period commencing from six months after 31 August 2018 (the “**Bond Issue Date 2**”) and 31 August 2020 (the “**Bond Maturity Date 2**”). The conversion price was subject to adjustment on the occurrence of dilutive or concentration event. The Company may at anytime after six months from the Bond Issue Date 2 and before Bond Maturity Date 2 redeem the convertible bonds at par (“**CB 2018**”).

The convertible bonds contain two components: liability and equity components. The equity component is presented in the equity heading “convertible bonds reserve” in the consolidated statement of changes in equity. The effective interest rate of the debt component on initial recognition is 8.27% per annum.

The valuation of the CB2018 was performed by APAC.

	<i>HK\$</i>
Fair value of CB2018 at 31 August 2018	42,031,080
Issuance expenses	(174,688)
Equity component	<u>(6,003,801)</u>
Liability component on initial recognition at 31 August 2018	<u><u>35,852,591</u></u>

On 31 July 2020, the bondholders of CB2018 have exercised the conversion right and converted the CB2018 to 215,544,000 shares of the Company.

The movements of the liability components of the convertible bonds are set out below:

	CB 2017 <i>HK\$</i>	CB 2018 <i>HK\$</i>	<b>Total</b> <i>HK\$</i>
Carrying amount at 1 April 2019	45,344,878	37,575,609	<b>82,920,487</b>
Effective interest expenses	2,976,743	3,110,244	<b>6,086,987</b>
Gain on extinguishment of convertible bonds for liability components	<u>(6,148,300)</u>	<u>—</u>	<u><b>(6,148,300)</b></u>
Carrying amount at 31 March 2020 and 1 April 2020	42,173,321	40,685,853	<b>82,859,174</b>
Effective interest expenses	983,274	1,055,991	<b>2,039,265</b>
Derecognition upon conversion of convertible bonds by the bondholders	<u>(43,156,595)</u>	<u>(41,741,844)</u>	<u><b>(84,898,439)</b></u>
Carrying amount at 31 March 2021	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

## 15. CAPITAL COMMITMENTS

	2021 HK\$	2020 HK\$
Contracted for but not provided		
— Commitments for the purchase of leasehold improvements	—	11,986,331
— Commitments for construction contracts	<u>134,480,594</u>	<u>—</u>
	<u>134,480,594</u>	<u>11,986,331</u>

## 16. CONTINGENT LIABILITIES

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

	2021 HK\$	2020 HK\$
Guarantees granted to financial institutions on behalf of purchasers of property units	<u>136,822,542</u>	<u>—</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 land title deeds. 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 deduct the amount repayable from the restricted cash account. These guarantees provided by the Group to the banks would be released by the banks upon the receipt of the building ownership certificate of the respective properties by the banks from the customers when it is issued by the relevant authorities.

The Directors consider that it is not probable of 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 to recover the amounts paid by the Group to the banks. The Group has not recognised these guarantees. The Directors also consider that the market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in event that the purchases default payments to banks for their mortgage loans.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### *Consolidated results*

For the year ended 31 March 2021, the Group recorded revenue of approximately HK\$56.7 million compared to approximately HK\$78.4 million for the last financial year, representing a decrease of about 27.7%, and loss for the year ended 31 March 2021 of approximately HK\$47.6 million compared to approximately HK\$33.7 million for the last financial year, representing an increase of about 41%. The significant increase in loss was primarily resulted from (i) fair value loss on investment properties of approximately HK\$56 million, and (ii) provision for financial guarantee of approximately HK\$22.9 million.

### Business Review

#### *Exhibition-related business*

China Resources Advertising & Exhibition Company Limited, a direct wholly-owned subsidiary of the Company (together with its subsidiaries, the “**CRA Group**”) is principally engaged in exhibition-related business. The CRA Group has acted as an organiser and contractor for exhibitions and meeting events held in Hong Kong. It has developed over 20 years of relationship with the Hong Kong Trade Development Council (“**HKTDC**”) and has become one of the major agents organising trade fairs for PRC groups whilst most of which were co-organised with the HKTDC. The clients of the CRA Group are primarily PRC based including numerous sub-councils of the China Council for the Promotion of International Trade in the PRC. For the year ended 31 March 2021, this business segment recorded revenue of approximately HK\$0.5 million compared to approximately HK\$12.3 million for the last financial year, representing a decrease of about 95.9%. The drop in revenue was mainly due to the impact of the coronavirus disease 2019 (the “**COVID-19**”) pandemic on the exhibition industry. The segment had been disrupted by the business travel restrictions imposed by nations of our own and across the world and the fact that many exhibitions had been canceled or postponed. The segment recorded loss for the year ended 31 March 2021 of approximately HK\$0.7 million compared to loss of approximately HK\$2.9 million for the last financial year, representing a decrease of about 75.9%. The CRA Group has been disposed during the year to mitigate loss as the outlook of this business sector is still uncertain in view of the continuous travel restrictions across the world.

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

For the year ended 31 March 2021, this business segment recorded revenue of approximately HK\$56.2 million compared to approximately HK\$65.5 million for the last financial year, representing a decrease of about 14.2%, this business segment recorded loss for the year ended 31 March 2021 of approximately HK\$0.3 million as compared to profit of approximately HK\$11.0 million for the last financial year. The increase in loss was mainly resulted from the fair value loss on investment properties.



### ***Property development business***

During the year ended 31 March 2021, the Company acquired the entire equity interest in Topper Genius Investment Limited at a total consideration of (i) cash of HK\$36.7 million (equivalent to RMB33.5 million) and (ii) 800 million shares of the Company. During the year, no income was recognised (2020: nil). The segment recorded loss of approximately HK\$11.0 million (2020: nil). The management would develop this business and achieve sustainable growth of the Group. The Group aims to achieve such objectives by pursuing the growth-oriented strategies, including investment in more property sub-leasing business segment and investments projects in property development business segment in the PRC.

### **Financial Services Business**

#### ***Money lending***

During the year ended 31 March 2021, no interest income was recognised (2020: HK\$0.6 million). 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 2021, the Group had bank borrowings in total of approximately HK\$289.5 million (31 March 2020: bank and other borrowings, bills payables and convertible bonds of approximately HK\$178.7 million).

The maturity profile of the Group's bank and other borrowings is set out as follows:

	<b>2021</b>	2020
	<b><i>HK\$ Million</i></b>	<i>HK\$ Million</i>
Repayable:		
Within one year	<b>289.5</b>	67.0
More than one year, but not exceeding two years	—	17.3
More than two years, but not exceeding three years	—	8.2
	<hr/>	<hr/>
Total	<b>289.5</b>	92.5
	<hr/>	<hr/>

The carrying amounts of all the Group's bank and other borrowings were denominated in RMB. As at 31 March 2021, the Group's bank and other borrowings balance of approximately HK\$289.5 million was charged at a fixed interest rate. The bank and other borrowings carry effective interest rates 7.24% per annum (2020: from 4.15% to 8.23%).

During the year ended 31 March 2021, all convertible bonds has converted to ordinary shares of the Company. Please refer to the Company's announcement date 30 July 2020 for details.

The gearing ratio of the Group as at 31 March 2021 was 31.1% compared with 28.1% as at 31 March 2020. The Directors consider the Group as in a healthy financial position. Such ratio was calculated with reference to the bank and other borrowings, bills payables and convertible bonds and deduction of cash and cash equivalents over the Company's equity attributable to owners of the Company. As at 31 March 2021, the Group had net current assets of approximately HK\$492.8 million as compared with the net current assets as at 31 March 2020 of approximately HK\$54.7 million. The current ratio of the Group as at 31 March 2021 was 1.6 compared with 1.2 as at 31 March 2020.

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 2021, 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 prior years, the Group completed the following fund raising exercise to strengthen its financial position and raised the gross proceeds of approximately HK\$42.0 million, 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	Actual use of proceeds as at 31 March 2021	Unutilised amount as at 31 March 2021
31 August 2018	Issue of convertible bonds in an aggregate principal amount of HK\$42,031,080	Approximately HK\$27.2 million for money lending business of the Group in Hong Kong	Nil	Approximately HK\$27.2 million was reserved to be used to provide additional resources to expansion and development of the Group's money lending business when such expansion and development plan materializes
		Approximately HK\$14.6 million for general working capital of the Group	Approximately HK\$14.6 million for general working capital of the Group	Nil

Date of announcement	Description of fund raising activities	Intended use of proceeds	Actual use of proceeds as at 31 March 2021	Unutilised amount as at 31 March 2021
26 July 2017	Issue of convertible bonds in an aggregate principal amount of HK\$46,341,960	Approximately HK\$32.1 million for potential acquisition	Approximately HK\$32.1 million for acquisition the entire share capital of the Topper Genius Investments Limited (峰智投資有限公司), which indirectly hold 35% of the equity interest in Dongguan Huachuangwen Land Ltd* (東莞市華創文置地有限公司) through Topper Genius Investments Limited	Nil
		Approximately HK\$14.0 million for general working capital of the Group	Approximately HK\$14.0 million	Nil

## Charges

As at 31 March 2021, the Group's bank and other borrowings were secured by i) corporate guarantees provided by related companies of a non-controlling Shareholder, and a subsidiary of the Group; ii) personal guarantees provided by Mr. Chen Weiwu, the director of the Group and his spouse; iii) entire equity interest of a subsidiary of the Group; and iv) properties under development of the Group with carrying amounts of HK\$770.4 million.

As at 31 March 2020, personal and corporate guarantees were given to banks and financial institutions for certain bank and other borrowings by Mr. Yang Lei, a director of certain subsidiaries of the Company, his spouse, and a related company, which is beneficially owned by Mr. Yang Lei and his spouse, a related party and the independent third party companies. Further, certain assets of Mr. Yang Lei, his spouse and a related party have been pledged to secure the bank and other borrowings.

On 3 September 2019, 南京垠坤投資實業有限公司 (Nanjing Yinkun Investment Corporation Co. Ltd.\*), an indirect non-wholly owned subsidiary of the Company, provided the guarantees in respect of a loan facility for the principal amount of up to RMB100 million to an independent third party from a financial institution in the PRC.

On 29 October 2020, 南京垠坤投資實業有限公司 (Nanjing Yinkun Investment Corporation Co. Ltd.\*) an indirect non-wholly owned subsidiary of the Company, provided the guarantees in respect of a loan facility for the principal amount of up to RMB40 million provided to an independent third party from a financial institution in the PRC.

The financial guarantees mentioned above has been transferred to third party upon disposal of the subsidiary during the year ended 31 March 2021.

Details of which are set out in the paragraph headed “Advance to an entity” in this announcement.

Save as disclosed above, the Group did not have any other charges on assets as at 31 March 2021.

### **Contingent liabilities**

Please refer to note 16 of this announcement for material contingent liabilities of the Group as at 31 March 2021.

### **Advance to an entity**

On 3 September 2019, 南京垠坤投資實業有限公司 (Nanjing Yinkun Investment Corporation Co. Ltd.\*) (the “**Guarantor**”), an indirect non-wholly owned subsidiary of the Company as the guarantor, entered into guarantee agreement (the “**Guarantee Agreement**”), pursuant to which the Guarantor agreed to guarantee the repayment obligations of 南京瑞益祥網絡科技有限公司 (Nanjing Ruiyixiang Network Technology Co., Ltd.\*), a company established in the PRC and a potential business partner of the Guarantor, as the borrower under the loan agreement in respect of the loan facility for the principal amount of up to RMB100 million at a fixed rate of 6.5% per annum, which was secured by a piece of land owned by the borrower itself in Nanjing, PRC. Such facility shall be matured in 36 months, RMB80 million and RMB20 million were drawn down in September 2019 and January 2020 respectively. Pursuant to Rule 13.20 of the Listing Rules, details of Gurantee Agreement were disclosed in the Company announcement dated 8 November 2019 and circular dated 22 January 2020.

On 29 October 2020, 南京垠坤投資實業有限公司 (Nanjing Yinkun Investment Corporation Co. Ltd.\*) , (the “**Guarantor**”), an indirect non-wholly owned subsidiary of the Company, entered into the guarantee agreement (the “**Guarantee Agreement**”) with the Lender, pursuant to which the Guarantor agreed to guarantee the repayment obligations of the 南京垠瑞萬錦智能科技有限公司 (Nanjing Yinrui Wanjin Intelligent Technology Co., Ltd.\*), a company established in the PRC and a potential business partner of the Guarantor, as the borrower under the loan agreement in respect of the loan facility for the principal amount of RMB40 million at a fixed rate of 7%. Such facility shall be matured in 36 months and RMB16 million was drawn under the Loan Facility in October 2020. For further details, please refer to the announcement of the Company dated 29 October 2020.

## Emolument policy

As at 31 March 2021, the Group employed a total number of 44 (2020: 110) employees. The remuneration of the employees of the Group is amounted to approximately HK\$16.2 million for the year ended 31 March 2021 (2020: HK\$21.8 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 Group also provides external training courses to its staff to improve their skills and services on an ongoing basis.

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

During the year ended 31 March 2021, the Company entered into the equity sale and purchase agreement with Mr. Chen Weiwu, director of the Company, to acquire entire share capital of the Topper Genius Investments Limited ("**Topper Genius**") and its subsidiaries (the "**Acquisition**"). Upon the Completion of the Acquisition, the Company indirectly wholly hold 35% of the equity interest in the Dongguan Huachuangwen Land Ltd.\* (東莞市華創文置地有限公司) through Topper Genius, thereby commencing its property development business in the PRC. The Consideration was settled by way of cash payment of approximately HK\$36,723,000 (equivalent to approximately RMB33,544,000) and issue and allotment of 800,000,000 consideration shares of the Company. Details of the Acquisition were disclosed in the Company's announcements dated 9 April 2020 and circular dated 22 June 2020, respectively.

During the year ended 31 March 2021, Boren Cultural Development Limited (the "**Boren Cultural**"), a wholly-owned subsidiary of the Group, entered into the sale and purchase agreement (the "**SP Agreement**") with the Purchaser in relation to the disposal of Elite China Cultural Development Limited and its subsidiaries ("**Elite China**"), pursuant to which Boren Cultural has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the entire shares of Elite China (representing 60% of the issued share capital of Elite China) at the total Consideration of approximately HK\$800,000 in accordance with the terms and conditions of the SP Agreement. Elite

China is a company incorporated in Hong Kong with limited liability and is owned as to 60% by Boren Cultural. It is principally engaged in investment holding. As at the date of the announcement, Elite China indirectly holds 100% of the equity interest in 南京垠坤投資實業有限公司 (Nanjing Yinkun Investment Corporation Co. Ltd.\*) through 南京創意東八區科技有限責任公司 (Nanjing Creative Eastern 8 Zone Technology Co., Ltd.\*) which established in the PRC and is principally engaged in sub-leasing business in Nanjing, the PRC. Completion took place on 21 December 2020 in accordance with the terms and conditions of the SP Agreement. Following the completion, those subsidiaries are no longer be held by the Group. Details of disposal were disclosed in the Company's announcement dated 1 December 2020 and circular dated 22 January 2021, respectively.

During the year ended 31 March 2021, 北京名創商業管理有限公司 (Beijing Mingchuang Business Management Co., Ltd.\*) (the “**Beijing Mingchuang**”), an indirect wholly-owned subsidiary of the Company, entered into the lease contracts with Beijing Tian'an Innovation Technology and Estates Limited (the “**BTIT**”), a related party of the Group, pursuant to which Beijing Mingchuang agreed conditionally to rent the properties, and BTIT agreed conditionally to lease the properties. For further details, please refer to the Company's announcement dated 11 December 2020 and circular dated 25 January 2021, respectively.

Save as disclosed above, there was no significant investments held, no material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 March 2021.

## Outlook

The outbreak of COVID-19 pandemic since early 2020 has resulted in major impact to businesses during the year ended 31 March 2021, especially in exhibition segment and the future is challenging and unpredictable in global business environment. The pandemic has put forward higher requirements for the Group to review and perform in terms of its future strategy planning. Despite the challenges currently facing, the PRC economy has shown stable growth momentum, supported by the sustainable development and continuous improvement in the macro economy. Under the containment policies in the PRC, the pandemic gradually got under control, the Directors of the Group are expecting the businesses to remain cautious and will take appropriate measures as and when it is necessary to minimise the financial impact, meanwhile to also look for potential investment opportunities which could strengthen the financial profitability for the Group.

The management team and the Board of Directors are made up of highly qualified and competent individuals who are experienced in the real estate development industry in PRC. The team possesses significant knowledge, resources and networks in China of which the Company expects to be able to leverage for its future growth in the property development, property sub-leasing and investment projects in the PRC.

The Group has continued its efforts to consolidate and realign its businesses to enable the Group to achieve improvements in its financial position and to meet its performance objectives. The Group is working towards attaining a sustainable growth whilst continuously exploring and diversifying other suitable investment opportunities (if any) to enhance the overall earning potential, and ultimately maximising the shareholder value.

## **PROPOSED FINAL DIVIDEND**

The Directors do not recommend any payment of final dividend for the year ended 31 March 2021 (2020: nil).

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining shareholders who are entitled to attend and vote at the 2021 annual general meeting of the Company (“**2021 AGM**”), the register of members of the Company will be closed from Monday, 20 September 2021 to Friday, 24 September 2021, 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 2021 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 Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 17 September 2021.

## **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 2021.

## **SCOPE OF WORK OF BDO 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 2021 as set out in the preliminary announcement have been agreed by the Group’s auditor, BDO Limited, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by BDO 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 BDO Limited on the preliminary announcement.



## **CODE OF CORPORATE GOVERNANCE**

Throughout the year ended 31 March 2021, the Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules, save for the deviation of code provision A.1.1 of the CG Code below:

Pursuant to code provision A.1.1 of the CG Code, Board meetings should be held at least four times a year at approximately quarterly internals. Although only two regular Board meetings were held during the year ended 31 March 2021, 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.

## **MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS**

The Company follows the Model Code in Appendix 10 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. Having made specific enquiry with Directors, all Directors confirmed that they have fully complied with 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 2021.

## **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 2021 AGM will be held on Friday, 24 September 2021 and the notice of the 2021 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 2021 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, 29 June 2021

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

*\* for identification purpose only*