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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 2022

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 2022 with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>Notes</i>	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Continuing operations			
Revenue	3	256,890,302	56,158,591
Other gains or losses, net		(19,862,292)	(28,200,226)
Cost of completed properties sold		(132,690,334)	—
Depreciation on property, plant and equipment		(2,802,375)	(2,275,998)
Staff costs		(10,632,652)	(15,079,230)
Other operating expenses	4	(29,283,337)	(37,019,065)
Finance costs		(36,848,887)	(19,442,477)
Profit/(loss) before income tax	5	24,770,425	(45,858,405)
Income tax expense	6	(9,092,219)	(1,159,720)
Profit/(loss) for the year from continuing operations		15,678,206	(47,018,125)
Discontinued operations			
Loss for the year from discontinued operations	7	—	(612,495)
Profit/(loss) for the year		15,678,206	(47,630,620)

	<i>Notes</i>	2022 HK\$	2021 <i>HK\$</i>
Other comprehensive income/(loss)			
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translating foreign operations		22,583,243	51,156,609
Reclassification of foreign exchange reserve upon disposal of subsidiaries		<u>(1,942)</u>	<u>2,432,762</u>
Other comprehensive income for the year, net of tax		<u>22,581,301</u>	<u>53,589,371</u>
Total comprehensive income for the year		<u>38,259,507</u>	<u>5,958,751</u>
Profit/(loss) for the year attributable to:			
Owners of the Company	9		
— Continuing operations		8,021,068	(12,734,990)
— Discontinued operations		<u>—</u>	<u>(612,495)</u>
Profit/(loss) for the year attributable to owners of the Company		<u>8,021,068</u>	<u>(13,347,485)</u>
Non-controlling interests			
— Continuing operations		7,657,138	(34,283,135)
— Discontinued operations		<u>—</u>	<u>—</u>
Profit/(loss) for the year attributable to non-controlling interests		<u>7,657,138</u>	<u>(34,283,135)</u>
Profit/(loss) for the year		<u>15,678,206</u>	<u>(47,630,620)</u>
Total comprehensive income for the year attributable to:			
Owners of the Company			
— Continuing operations		21,507,533	8,701,393
— Discontinued operations		<u>—</u>	<u>(612,495)</u>
Total comprehensive income for the year attributable to the owners of the Company		<u>21,507,533</u>	<u>8,088,898</u>
Non-controlling interests			
— Continuing operations		16,751,974	(2,130,147)
— Discontinued operations		<u>—</u>	<u>—</u>
Total comprehensive income for the year attributable to non-controlling interests		<u>16,751,974</u>	<u>(2,130,147)</u>
Total comprehensive income for the year		<u>38,259,507</u>	<u>5,958,751</u>
Earnings/(loss) per share from continuing and discontinued operations			
Basic (<i>HK cents</i>)	9	0.35	(0.67)
Diluted (<i>HK cents</i>)		<u>NA</u>	<u>NA</u>
Earnings/(loss) per share from continuing operations			
Basic (<i>HK cents</i>)	9	0.35	(0.64)
Diluted (<i>HK cents</i>)		<u>NA</u>	<u>NA</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	31 March 2022 HK\$	31 March 2021 HK\$
Assets			
Non-current assets			
Property, plant and equipment		5,382,044	7,913,992
Investment properties	10	279,651,299	284,436,451
Finance lease receivables	11	266,635,423	275,396,189
		<u>551,668,766</u>	<u>567,746,632</u>
Total non-current assets			
Current assets			
Completed properties held for sale		837,029,266	—
Properties under development		—	770,392,961
Trade and other receivables	12	297,927,334	337,632,775
Contract costs		13,665,085	3,948,423
Finance lease receivables	11	48,876,419	26,161,513
Amounts due from a director		77,800	77,800
Amounts due from non-controlling shareholders of subsidiaries		—	5,217,644
Amounts due from related parties		1,916	2,366
Prepaid tax		16,216,960	9,558,949
Cash and bank balances		192,855,112	175,939,276
		<u>1,406,649,892</u>	<u>1,328,931,707</u>
Total current assets			
Total assets		<u>1,958,318,658</u>	<u>1,896,678,339</u>
Liabilities			
Current liabilities			
Trade and other payables	13	102,715,169	27,528,453
Contract liabilities		579,969,382	434,758,001
Amounts due to non-controlling shareholders of subsidiaries		35,817,817	32,737,288
Bank borrowings		99,234,953	289,531,436
Lease liabilities		57,328,788	51,532,095
Current tax liabilities		333,034	85,706
		<u>875,399,143</u>	<u>836,172,979</u>
Total current liabilities			
Net current assets		<u>531,250,749</u>	<u>492,758,728</u>
Total assets less current liabilities		<u>1,082,919,515</u>	<u>1,060,505,360</u>

	31 March 2022	31 March 2021
<i>Notes</i>	<i>HK\$</i>	<i>HK\$</i>
Non-current liabilities		
Lease liabilities	<u>482,547,260</u>	498,392,612
Total non-current liabilities	<u>482,547,260</u>	498,392,612
Total liabilities	<u>1,357,946,403</u>	1,334,565,591
NET ASSETS	<u>600,372,255</u>	<u>562,112,748</u>
Capital and reserves attributable to owners of the Company		
Share capital	115,443,328	115,443,328
Reserves	<u>271,014,525</u>	<u>249,506,992</u>
	386,457,853	364,950,320
Non-controlling interests	<u>213,914,402</u>	197,162,428
TOTAL EQUITY	<u>600,372,255</u>	<u>562,112,748</u>

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 (“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

In prior years, the Company’s functional currency was Hong Kong dollar (“HK\$”). The Company is an investment holding company. Due to the continuing expansion of the Group’s business operations in Mainland China (“PRC”) which are transacted mainly in Renminbi (“RMB”), the directors have determined that the functional currency of the Company changed from HK\$ to RMB on the prospective basis from 1 April 2021. The consolidated financial statements are presented in 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 REVISED HKFRSs

(a) Adoption of amended HKFRSs – effective 1 April 2021

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

None of these amended HKFRSs has a significant impact on the Group’s results and financial position for the current or prior period.

The Group has not early adopted any amended HKFRSs that are not yet effective for the current accounting period.

(b) New or amended HKFRSs that have been issued but are not yet effective

The following amended HKFRSs, 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.

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRSs	Annual Improvement to HKFRSs 2018-2020 ²

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual period beginning on or after 1 January 2022

³ Effective for annual period beginning on or after a date to be determined

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognizes the option separately as an equity instrument applying *HKAS 32 Financial Instruments: Presentation*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of then Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 March 2022, the application of the amendments will not result in a reclassification of the Group's liabilities.

Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

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

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

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 8, Definition of Accounting Estimates

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty — that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 “Income Taxes” so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. The Group is still in the process of assessing the full impact of the application of the amendments.

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. 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.

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

Continuing operations:

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

Discontinued operations:

Exhibition-related business	—	organising all kinds of exhibition events and meeting events
Food and beverages	—	sale of food and beverages and restaurant operations

Segment information is presented below:

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

	2022						
	Continuing operations				Discontinued operations		Total HK\$
	Property sub-leasing and investment business HK\$	Property development business HK\$	Money lending business HK\$	Subtotal HK\$	Exhibition- related business HK\$	Food and beverages HK\$	
Reportable segment revenue							
External revenue	80,198,009	176,692,293	—	256,890,302	—	—	256,890,302
Inter-segment revenue	—	—	—	—	—	—	—
	<u>80,198,009</u>	<u>176,692,293</u>	<u>—</u>	<u>256,890,302</u>	<u>—</u>	<u>—</u>	<u>256,890,302</u>
Reportable segment profit/(loss) before income tax							
	<u>15,379,479</u>	<u>20,548,327</u>	<u>(193,888)</u>	<u>35,733,918</u>	<u>—</u>	<u>—</u>	<u>35,733,918</u>
Other segment information							
Interest income	<u>17,506</u>	<u>434,668</u>	<u>1,977</u>	<u>454,151</u>	<u>—</u>	<u>—</u>	<u>454,151</u>
Interest expenses	<u>34,675,900</u>	<u>2,147,259</u>	<u>—</u>	<u>36,823,219</u>	<u>—</u>	<u>—</u>	<u>36,823,219</u>
Depreciation of property, plant and equipment	<u>—</u>	<u>1,923,668</u>	<u>—</u>	<u>1,923,668</u>	<u>—</u>	<u>—</u>	<u>1,923,668</u>
Fair value loss of investment properties	<u>11,546,666</u>	<u>—</u>	<u>—</u>	<u>11,546,666</u>	<u>—</u>	<u>—</u>	<u>11,546,666</u>
Gain on disposal of property, plant and equipment	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Gain on disposal of right-of-use assets	<u>1,845,024</u>	<u>—</u>	<u>—</u>	<u>1,845,024</u>	<u>—</u>	<u>—</u>	<u>1,845,024</u>
Gain on termination of lease contracts	<u>4,764,634</u>	<u>—</u>	<u>—</u>	<u>4,764,634</u>	<u>—</u>	<u>—</u>	<u>4,764,634</u>
Loss on transfer of investment properties	<u>2,927,880</u>	<u>—</u>	<u>—</u>	<u>2,927,880</u>	<u>—</u>	<u>—</u>	<u>2,927,880</u>
Loss on modification of finance subleases in respect of finance lease receivable	<u>6,205,268</u>	<u>—</u>	<u>—</u>	<u>6,205,268</u>	<u>—</u>	<u>—</u>	<u>6,205,268</u>

	Continuing operations			Discontinued operations		Total <i>HK\$</i>
	Property sub-leasing and investment business <i>HK\$</i>	Property development business <i>HK\$</i>	Money lending business <i>HK\$</i>	Subtotal <i>HK\$</i>	Exhibition- related business <i>HK\$</i>	
Impairment loss for finance lease receivable	—	—	—	—	—	—
(Reversal of)/provision for impairment loss on trade and other receivables, net	—	—	—	—	—	—
Reportable segment assets	<u>665,707,000</u>	<u>1,261,791,697</u>	<u>533,733</u>	<u>1,928,032,430</u>	—	<u>1,928,032,430</u>
Additions to reportable segment non-current assets	<u>17,854,449</u>	<u>236,996</u>	—	<u>18,091,445</u>	—	<u>18,091,445</u>
Reportable segment liabilities	<u>600,912,588</u>	<u>751,724,687</u>	<u>3,546</u>	<u>1,352,640,821</u>	—	<u>1,352,640,821</u>

	Continuing operations			Discontinued operations			Total HK\$
	Property sub-leasing and investment business HK\$	Property development business HK\$	Money lending business HK\$	Subtotal HK\$	Exhibition- related business HK\$	Food and beverages HK\$	
Reportable segment revenue							
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>56,158,591</u>	<u>529,279</u>	<u>—</u>	<u>56,687,870</u>
Reportable segment (loss)/profit before income tax	<u>(330,609)</u>	<u>(11,018,074)</u>	<u>(239,344)</u>	<u>(11,588,027)</u>	<u>(715,663)</u>	<u>103,168</u>	<u>(12,200,522)</u>
Other segment information							
Interest income	<u>13,540</u>	<u>271,309</u>	<u>13,366</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>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>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>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>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>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>7,495,080</u>	<u>—</u>	<u>—</u>	<u>7,495,080</u>
Impairment loss for finance lease receivable	<u>806,497</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>(160,283)</u>	<u>874,828</u>	<u>—</u>	<u>714,545</u>

	Continuing operations			Discontinued operations			Total
	Property sub-leasing and investment business HK\$	Property development business HK\$	Money lending business HK\$	Subtotal HK\$	Exhibition- related business HK\$	Food and beverages HK\$	
Reportable segment assets	<u>615,539,894</u>	<u>1,211,004,569</u>	<u>12,532,456</u>	<u>1,839,076,919</u>	<u>—</u>	<u>—</u>	<u>1,839,076,919</u>
Additions to reportable segment non-current assets	<u>494,063,338</u>	<u>6,718,444</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>1,331,715,526</u>	<u>—</u>	<u>—</u>	<u>1,331,715,526</u>

Note:

During the second half of the year ended 31 March 2021, the Group ceased the exhibition-related business and food and beverage business.

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

Profit/(loss) before income tax

	2022	2021
	HK\$	HK\$
Reportable segment profit/(loss) before income tax	35,733,918	(11,588,027)
Unallocated gain on disposal of subsidiaries	5,407	7,801,713
Unallocated impairment loss on other receivables	—	(1,890,542)
Unallocated interest income and other income	2,373,909	1,800,507
Unallocated provisions for financial guarantee	—	(22,880,660)
Unallocated amortisation of intangible assets	—	(97,403)
Unallocated staff costs	(6,279,204)	(5,766,845)
Unallocated finance costs	(25,668)	(2,064,870)
Unallocated depreciation of property, plant and equipment	(878,707)	(739,329)
Unallocated head office and corporate expenses (<i>note</i>)	(6,159,230)	(10,432,949)
Profit/(loss) before income tax from continuing operations	<u>24,770,425</u>	<u>(45,858,405)</u>

Note:

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

Assets

	2022 HK\$	2021 HK\$
Reportable segment assets	1,928,032,430	1,839,076,919
Property, plant and equipment	271,851	1,150,238
Trade and other receivables	8,494,327	7,736,724
Cash and cash equivalents	21,440,334	43,496,814
Unallocated head office and corporate assets	79,716	5,217,644
	<u>1,958,318,658</u>	<u>1,896,678,339</u>

Liabilities

	2022 HK\$	2021 HK\$
Reportable segment liabilities	1,352,640,821	1,331,715,526
Lease liabilities	286,583	698,916
Unallocated head office and corporate liabilities	5,018,999	2,151,149
	<u>1,357,946,403</u>	<u>1,334,565,591</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:

	2022					
	Hong Kong		PRC		Total	
	Continuing operations HK\$	Discontinued operations HK\$	Continuing operations HK\$	Discontinued operations HK\$	Continuing operations HK\$	Discontinued operations HK\$
Revenue	—	—	256,890,302	—	256,890,302	—
Non-current assets other than financial instruments	265,264	—	284,768,079	—	285,033,343	—

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

4. OTHER OPERATING EXPENSES

	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Property sub-leasing and investment business expenses	7,107,791	16,287,022	—	—	7,107,791	16,287,022
Property development business expenses	15,820,451	7,962,282	—	—	15,820,451	7,962,282
Exhibition expenses	—	—	—	227,518	—	227,518
Legal and professional fees	3,297,524	2,949,084	—	81,906	3,297,524	3,030,990
Travelling expenses	2,129	374,704	—	3,776	2,129	378,480
Auditor's remuneration	1,000,000	1,550,000	—	—	1,000,000	1,550,000
Others	2,055,442	7,895,973	—	1,675,607	2,055,442	9,571,580
	29,283,337	37,019,065	—	1,988,807	29,283,337	39,007,872

5. PROFIT/(LOSS) BEFORE INCOME TAX

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

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Continuing operations		
Amortisation on intangible assets	—	97,403
Cost of completed properties sold	132,690,334	—
Gain on disposal of subsidiaries [#]	(5,407)	(7,801,713)
Loss on disposal of property, plant and equipment, net [#]	—	102,676
Gain on disposal of right-of-use assets [#]	(1,845,024)	(27,781,563)
Loss on transfer of investment properties [#]	2,927,880	—
Impairment losses on finance lease receivable, net	—	806,497
Impairment losses on trade and other receivables, net	—	1,730,259
Impairment loss on property, plant and equipment	—	469,119
Auditor's remuneration	1,000,000	1,550,000
Fair value loss on investment properties [#]	11,546,666	55,993,773
Loss on modification of finance subleases in respect of finance lease receivable [#]	6,205,268	—
Provision for financial guarantee [#]	—	22,880,660
	-----	-----
Discontinued operations		
Gain on disposal of property, plant and equipment, net [#]	—	(85,704)
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	—	—
	-----	-----

[#] The amount is included under the “other gains or losses, net” in the consolidated statement of comprehensive income.

6. INCOME TAX EXPENSE

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

	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Current tax for the year						
— Hong Kong profits tax	—	—	—	—	—	—
— PRC Enterprise Income Tax	(5,358,011)	(1,159,720)	—	—	(5,358,011)	(1,159,720)
— PRC Land Appreciation Tax (“LAT”)	(3,734,208)	—	—	—	(3,734,208)	—
	<u>(9,092,219)</u>	<u>(1,159,720)</u>	<u>—</u>	<u>—</u>	<u>(9,092,219)</u>	<u>(1,159,720)</u>

For the years ended 31 March 2022 and 2021, 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% (2021: 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.

Overseas tax has not been provided as the Group has no income that is subject to tax in the respective jurisdictions.

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 carried 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.

(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) were as follows:

	For the period from 1 April 2020 to 31 January 2021 (date of disposal) <i>HK\$</i>
Revenue	529,279
Other gains or losses, net	317,612
Cost of inventories	(124,524)
Depreciation on property, plant and equipment	(1,239)
Short term lease payments	(372,311)
Staff costs	(1,133,108)
Other operating expenses (<i>note 4</i>)	(1,980,122)
Finance costs	(21,437)
	<hr/>
Loss before income tax	(2,785,850)
Income tax expense (<i>note 6</i>)	—
	<hr/>
Loss for the period	(2,785,850)
Gain on disposal of discontinued operations	2,070,187
	<hr/>
Loss for the period	(715,663)
	<hr/> <hr/>
Operating cash outflows	(1,368,844)
Investing cash outflows	(1,800)
Financing cash outflows	(1,020,916)
	<hr/>
Total cash outflows	(2,391,560)
	<hr/> <hr/>

(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) were as follows:

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

8. DIVIDENDS

No dividend was paid or proposed in respect of the year ended 31 March 2022, nor has any dividend been proposed since the end of reporting period (2021: nil).

9. EARNINGS/(LOSS) PER SHARE

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

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Earnings/(loss) for the purpose of basic earnings/(loss) per share		
Earnings/(loss) for the year attributable to owners of the Company		
— from continuing operations	8,021,068	(12,734,990)
— from discontinued operations	—	(612,495)
	<u>8,021,068</u>	<u>(13,347,485)</u>
— from continuing and discontinued operations	<u>8,021,068</u>	<u>(13,347,485)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<u>2,308,866,570</u>	<u>2,001,937,781</u>

Diluted earnings per share for the year ended 31 March 2022 is not presented as the Group has no potential ordinary shares in issue during the year.

For the year ended 31 March 2021, diluted loss per share was not presented as the effects of the Group's share options granted and convertible bonds outstanding during that year were considered as anti-dilutive.

10. INVESTMENT PROPERTIES

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
At 1 April	284,436,451	183,544,593
Additions	—	282,698,882
Change in fair value	(11,546,666)	(55,993,773)
Derecognition	(4,948,571)	—
Disposal of subsidiaries	—	(132,283,765)
Termination of contracts	—	(15,193,199)
Exchange realignment	11,710,085	21,663,713
	<u>11,710,085</u>	<u>21,663,713</u>
At 31 March	<u>279,651,299</u>	<u>284,436,451</u>

Investment properties were revalued at 31 March 2022 and 2021 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

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Gross finance lease receivables	540,337,522	552,189,619
<i>Less: unearned finance income</i>	<u>(223,737,790)</u>	<u>(249,544,027)</u>
Net finance lease receivables	316,599,732	302,645,592
<i>Less: loss allowance</i>	<u>(1,087,890)</u>	<u>(1,087,890)</u>
Finance lease receivables	<u><u>315,511,842</u></u>	<u><u>301,557,702</u></u>
Finance lease receivables analysed as:		
Receivable within one year	48,876,419	26,161,513
Receivable after one year	<u>266,635,423</u>	<u>275,396,189</u>
	<u><u>315,511,842</u></u>	<u><u>301,557,702</u></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

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Trade receivables (<i>notes (a), (b)</i>)	1,170,385	1,024,059
Deposits (<i>note (c)</i>)	20,929,601	15,211,271
Prepayments and other receivables (<i>note (c)</i>)	<u>275,827,348</u>	<u>321,397,445</u>
	<u><u>297,927,334</u></u>	<u><u>337,632,775</u></u>

Notes:

- (a) The Group generally grants a credit period of 60-90 days from date of agreement to its customers.
- (b) The ageing analysis of trade receivables based on invoice date after impairment loss at the end of the reporting period is as follows:

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Within 90 days	<u><u>1,170,385</u></u>	<u><u>1,024,059</u></u>

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

13. TRADE AND OTHER PAYABLES

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Trade payables	27,118,695	3,517,100
Accruals	1,612,400	464,938
Other payables	40,569,143	5,264,679
Other deposits received	33,414,931	18,281,736
	<u>102,715,169</u>	<u>27,528,453</u>

- (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:

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Current or within 30 days	3,406,271	3,517,100
31 to 60 days	23,712,424	—
61 to 90 days	—	—
Over 90 days	—	—
	<u>27,118,695</u>	<u>3,517,100</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 ending on 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 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 ending on 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>	Total <i>HK\$</i>
Carrying amount at 1 April 2020	42,173,321	40,685,853	82,859,174
Effective interest expenses	983,274	1,055,991	2,039,265
Derecognition upon conversion of convertible bonds by the bondholders	<u>(43,156,595)</u>	<u>(41,741,844)</u>	<u>(84,898,439)</u>
Carrying amount at 31 March 2021, 1 April 2021 and 31 March 2022	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

15. CAPITAL AND OTHER COMMITMENTS

	2022	2021
	<i>HK\$</i>	<i>HK\$</i>
Contracted for but not provided		
— Commitments for construction contracts	—	134,480,594
	<u> </u>	<u> </u>

16. CONTINGENT LIABILITIES

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

	2022	2021
	<i>HK\$</i>	<i>HK\$</i>
Guarantees granted to financial institutions on behalf of purchasers of property units	415,660,013	136,822,542
	<u> </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 2022, the Group recorded revenue of approximately HK\$256.9 million compared to approximately HK\$56.2 million from continuing operations for the last financial year, representing an increase of about 357.4%, and profit for the year ended 31 March 2022 of approximately HK\$15.7 million compared to approximately a loss of HK\$47.6 million for the last financial year, representing a decrease of loss of about 133.0%. The significant increase in profit was primarily resulted from 1) completion of disposal of loss-making subsidiaries during the year ended 31 March 2021; 2) implementation of various measures on cost control and on reduction expenditures; 3) no provision of financial guarantee was made; 4) decrease in fair value loss on investment properties during the year ended 31 March 2022 and 5) recognition on revenue of property development 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 2022, this business segment recorded revenue of approximately HK\$80.2 million compared to approximately HK\$56.2 million for the last financial year, representing a increase of about 42.8%, this business segment recorded profit for the year ended 31 March 2022 of approximately HK\$15.4 million as compared to loss of approximately HK\$0.3 million for the last financial year. The increase in profit was mainly resulted from the decrease in fair value loss on investment properties.

Property development business

During the year ended 31 March 2022, the property development business in the PRC contributed revenue of approximately HK\$176.7 million (2021: nil) and segment recorded profit of approximately HK\$20.5 million (2021: loss of approximately HK\$11.0 million) to the Group. The increase in segment revenue was attributable to the increase of booked gross floor area (“GFA”) delivered to the property owners during the year, which was contributed from the Group's completed property development projects, namely, Tangshang Hanlin Mansion* (唐商翰林居) in Dongguan land situated 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)). The construction of the property was completed in December 2021, there were approximately 9,672.1 sq.m. booked GFA delivered and recognised into the revenue during the year. The completed properties are held for sale and the management expects part of the remaining GFA will recognise in the next financial year. The Group will remain proactive in reviewing its pace of business expansion to maintain this business and achieve sustainable growth of the Group, the management may adjust its project development plans and schedules in response to changing market conditions, as and when appropriate.

Financial Services Business

Money lending

During the year ended 31 March 2022, no interest income was recognised (2021: 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 2022, the Group had bank borrowings in total of approximately HK\$99.2 million (31 March 2021: bank borrowings of approximately HK\$289.5 million).

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

	2022	2021
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Repayable:		
Within one year	<u>99.2</u>	<u>289.5</u>
Total	<u><u>99.2</u></u>	<u><u>289.5</u></u>

The carrying amounts of all the Group's bank and other borrowings were denominated in RMB. As at 31 March 2022, the Group's bank borrowings balance of approximately HK\$99.2 million was charged at a fixed interest rate. The bank borrowings carry effective interest rates of 7.24% per annum (2021: 7.24% per annum).

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

The gearing ratio of the Group as at 31 March 2022 was not applicable (since the Group maintained net cash position as at 31 March 2022) compared with 31.1% as at 31 March 2021. The Directors consider the Group as in a healthy financial position. Such ratio was calculated with reference to the bank borrowings deduction of cash and bank balances over the Company's equity attributable to owners of the Company. As at 31 March 2022, the Group had net current assets of approximately HK\$531.2 million as compared with the net current assets as at 31 March 2021 of approximately HK\$492.8 million. The current ratio of the Group as at 31 March 2022 was 1.6 compared with 1.6 as at 31 March 2021.

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 2022, 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	Amount of Net Proceeds Brought Forward to		Amount of Net Proceeds Brought Forward to		Amount of unutilized proceeds	Expected timeline/ Intended use of unutilized proceeds
			the year ending 31 March 2021	Amount utilized up to 31 March 2021	the year ended 31 March 2022	Amount utilized up to 31 March 2022		
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)	HK\$27.2 million	nil	HK\$27.2 million	HK\$27.2 million	nil	N/A

Date of announcement	Description of fund raising activities	Intended Use of Proceeds	Amount of Net Proceeds Brought Forward to the year ending 31 March 2021		Amount of Net Proceeds Brought Forward to the year ended 31 March 2022		Amount of unutilized proceeds	Expected timeline/ Intended use of unutilized proceeds
			utilized up to 31 March 2021	Amount	utilized up to 31 March 2022	Amount		
		General working capital of the Group: approximately HK\$14.6 million	HK\$14.6 million	HK\$14.6 million	nil	nil	nil	N/A
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 (Note 1) approximately HK\$32.1 million	HK\$32.1 million	nil	HK\$32.1 million	HK\$32.1 million	nil	N/A
		General working capital of the Group: approximately HK\$14.0 million	nil	nil	nil	nil	nil	N/A

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 2022, certain bank borrowings of the Group in the total amount of approximately HK\$99.2 million 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) completed properties held for sale of the Group with carrying amounts of HK\$837.0 million.

As at 31 March 2021, the Group's bank 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.

Save as disclosed above, the Group did not have any other charges on assets as at 31 March 2022.

Contingent liabilities

Please refer to note 16 of this announcement for material contingent liabilities of the Group as at 31 March 2022.

Emolument policy

As at 31 March 2022, the Group employed a total number of 53 (2021: 44) employees. The remuneration of the employees of the Group is amounted to approximately HK\$10.6 million for the year ended 31 March 2022 (2021: HK\$15.1 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

Reference is made to the Company's announcement dated 30 July 2021 and circular dated 30 September 2021 in relation to, among other things, a very substantial acquisition and connected transaction, respectively. Capitalised terms used under this sub-heading shall have the same meaning as in the said announcement and circular unless otherwise defined in this announcement.

On 30 July 2021, the Company entered into the equity sale and purchase agreement (the "**Equity Sale and Purchase Agreement**") with Shenzhen Yaoling Investment Company Limited* (深圳市耀領投資有限公司) ("**Shenzhen Yaoling**"), the non-controlling shareholder of an indirect subsidiary of the Company, Dongguan Huachuangwen Land Ltd.* (東莞市華創文置地有限公司) ("**Huachuangwen Land**"), to acquire 55% equity interest of Huachuangwen Land (the "**Acquisition**"). Upon the completion of the Acquisition, the Company will hold 90% of the equity interest in Huachuangwen Land and the financial statements of Huachuangwen Land will continue to be consolidated into the consolidated financial statements of the Group. The consideration shall be settled by way of (i) cash of RMB40,000,000 (equivalent to approximately HK\$48,000,000); (ii) issue and allotment of 450,000,000 shares of the Company at an issue price of HK\$0.2 per share, resulting in a total value of HK\$90,000,000 of shares and (iii) issue of convertible bonds of the Company in the principal amount of HK\$27,120,000 (equivalent to approximately RMB22,600,800). Details of the Acquisition were

disclosed in the Company's announcement dated 30 July 2021 and the Company's circular dated 30 September 2021. Subsequently, the Acquisition was approved at the special general meeting of the Company on 20 October 2021. On 29 October 2021, the Company announced that as additional time is required for the fulfillment of the conditions precedent to the Equity Sale and Purchase Agreement, the Company and Shenzhen Yaoling agreed in writing to extend the long stop date from 31 October 2021 to 31 December 2021 (or such other date as the parties may agree in writing). On 31 December 2021, the Company announced that additional time is required for the fulfillment of the conditions precedent to the Equity Sale and Purchase Agreement the Company and Shenzhen Yaoling agreed in writing to extend the Long Stop Date from 31 December 2021 to 31 January 2022 (or such other date as the parties may agree in writing). On 31 January 2022, the Company announced that as additional time is required for the fulfillment of the conditions precedent to the Equity Sale and Purchase Agreement, the Company and Shenzhen Yaoling agreed in writing to extend the long stop date from 31 January 2022 to 31 March 2022 (or such other date as the parties may agree in writing). On 31 March 2022, the Company announced that as additional time is required for the fulfillment of the conditions precedent to the Equity Sale and Purchase Agreement, the Company and Shenzhen Yaoling agreed in writing to extend the long stop date from 31 March 2022 to 30 June 2022 (or such other date as the parties may agree in writing). As at 31 March 2022, the Acquisition has not yet completed.

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 2022.

Outlook

The Group attained a solid fiscal year in the 2021/22 financial year amid the macroeconomic challenges due to the resurgence of COVID-19 pandemic. The property market cooled down and the financial institutions' risk preference started to shrink. The pandemic has put forward higher requirements for the Group to review and perform in terms of its future strategy planning during the year ended 31 March 2022. Despite tremendous uncertainties, the Directors of the Group have implemented various appropriate measures to lower the cost which improve the performance of the Group. The Board is expecting the businesses to remain cautious, meanwhile, to also maintain open-minded in identifying new property development projects in the PRC in the coming few years 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 2022 (2021: nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders of the Company who are entitled to attend and vote at the 2022 annual general meeting of the Company (“**2022 AGM**”), the register of members of the Company will be closed from Monday, 19 September 2022 to Friday, 23 September 2022, 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 2022 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, 16 September 2022.

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 2022.

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 2022 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 2022, 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 intervals. Although only two regular Board meetings were held during the year ended 31 March 2022 on 29 June 2021 and 29 November 2021 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 10 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 2022.

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 2022 AGM will be held on Friday, 23 September 2022 and the notice of the 2022 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 2022 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 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 2022

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*