



**PAN HONG HOLDINGS GROUP LIMITED**

(Incorporated in Bermuda on 20 December 2005)  
(Co. Reg. No: 37749)

**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

RMB'000	Group		Increase/ (Decrease)
	Year ended 31 March 2021	Year ended 31 March 2020	
Revenue	1,340,865	643,885	108.2%
Cost of sales	(848,572)	(445,776)	90.4%
<b>Gross profit</b>	<b>492,293</b>	<b>198,109</b>	<b>148.5%</b>
Other income and other gains and losses	28,290	15,804	79.0%
Selling and distribution expenses	(68,100)	(20,097)	238.9%
Administrative expenses	(17,297)	(18,317)	(5.6%)
<b>Operating profit</b>	<b>435,186</b>	<b>175,499</b>	<b>148.0%</b>
Finance costs	(361)	(1,514)	(76.2%)
<b>Profit before income tax</b>	<b>434,825</b>	<b>173,985</b>	<b>149.9%</b>
Income tax expense	(158,096)	(60,411)	161.7%
<b>Profit for the year</b>	<b>276,729</b>	<b>113,574</b>	<b>143.7%</b>
<b>Other comprehensive income, net of tax</b>			
<b>Item that will not be reclassified to profit or loss:</b>			
Change in fair value of financial asset at fair value through other comprehensive income	(3,086)	(3,259)	(5.3%)
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of financial statements of foreign operations	362	1,219	(70.3%)
<b>Other comprehensive income for the year</b>	<b>(2,724)</b>	<b>(2,040)</b>	<b>33.5%</b>
<b>Total comprehensive income for the year</b>	<b>274,005</b>	<b>111,534</b>	<b>145.7%</b>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Company	276,816	113,583	143.7%
Non-controlling interests	(87)	(9)	866.7%
	<b>276,729</b>	<b>113,574</b>	<b>143.7%</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	274,092	111,543	145.7%
Non-controlling interests	(87)	(9)	866.7%
	<b>274,005</b>	<b>111,534</b>	<b>145.7%</b>
<b>Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents):</b>			
- Basic and diluted	54.03	22.17	



Note:

RMB'000	Group	
	Year ended 31 March 2021	Year ended 31 March 2020
Profit before income tax is arrived at after charging/(crediting):		
Interest charges on financial liabilities stated at amortised cost		
- Bank and other loans	361	1,514
Depreciation of property, plant and equipment	2,744	2,562
Less: amount capitalised in properties held under development	(38)	(377)
	2,706	2,185
Cost of properties held for sale recognised as expense	842,080	441,809
Short-term lease expenses	144	159
Less: amount capitalised in properties held under development	(26)	(15)
	118	144
Loss on written-off of property, plant and equipment	2	-
Outgoings in respect of investment properties that generated rental income during the year	145	271
Employee costs, including directors' remuneration		
- Wages and salaries	10,217	12,585
- Retirement benefit scheme contributions - defined contribution plans	1,324	1,905
Less: amount capitalised in properties held under development	(3,539)	(2,194)
	8,002	12,296
Other taxes	1,790	2,125
and (charging)/crediting:		
Exchange loss, net	(2,179)	(2,730)
Gain on disposal of financial assets at fair value through profit or loss	23,874	216
Gain on disposal of property, plant and equipment	-	5
Net fair value (loss)/gain on financial assets at fair value through profit or loss	(9,285)	2,174
Net fair value (loss)/gain of investment properties	(388)	3,740
Interest income		
- from bank deposits	1,522	1,417
- from other receivables	6,757	4,362
- from structured bank balances	5,507	3,180
- from other financial assets at amortised cost	604	1,520
Rental income	1,195	1,194
Sundry income	683	726



**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	31 March 2021 (Unaudited)	31 March 2020 (Audited)	31 March 2021 (Unaudited)	31 March 2020 (Audited)
<b>RMB'000</b>				
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Property, plant and equipment	56,815	49,077	-	-
Investment properties	53,475	52,938	-	-
Investments in subsidiaries	-	-	278,608	278,608
Investments in associates	2,000	-	-	-
Financial asset at fair value through other comprehensive income	28,464	31,550	17,147	19,006
Deferred tax assets	5,669	6,360	-	-
	<b>146,423</b>	<b>139,925</b>	<b>295,755</b>	<b>297,614</b>
<b>Current assets</b>				
Properties held under development	434,519	1,137,777	-	-
Properties held for sale	387,476	119,656	-	-
Accounts receivable	15,884	-	-	-
Prepayments and other receivables	263,822	526,768	125	125
Contract cost assets	-	57,384	-	-
Amounts due from subsidiaries	-	-	352,183	341,222
Financial assets at fair value through profit or loss	28,288	26,443	-	-
Tax recoverable	27,348	50,014	-	-
Cash and bank balances	369,638	470,328	154	155
	<b>1,526,975</b>	<b>2,388,370</b>	<b>352,462</b>	<b>341,502</b>
<b>Current liabilities</b>				
Accounts payable	3,714	4,953	-	-
Accruals and other payables	216,996	427,434	23	244
Contract liabilities	231,711	1,255,611	-	-
Current tax liabilities	214,511	61,786	-	-
Amounts due to related parties	143	3,337	333,480	330,683
Bank and other loans	10,251	19,805	-	-
	<b>677,326</b>	<b>1,772,926</b>	<b>333,503</b>	<b>330,927</b>
<b>Net current assets</b>	<b>849,649</b>	<b>615,444</b>	<b>18,959</b>	<b>10,575</b>
<b>Total assets less current liabilities</b>	<b>996,072</b>	<b>755,369</b>	<b>314,714</b>	<b>308,189</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	4,632	4,729	-	-
<b>Net assets</b>	<b>991,440</b>	<b>750,640</b>	<b>314,714</b>	<b>308,189</b>
<b>EQUITY</b>				
<b>Equity attributable to the owners of the Company</b>				
Share capital	52,241	52,241	52,241	52,241
Reserves	918,607	683,435	262,473	255,948
	<b>970,848</b>	<b>735,676</b>	<b>314,714</b>	<b>308,189</b>
<b>Non-controlling interests</b>	20,592	14,964	-	-
<b>Total equity</b>	<b>991,440</b>	<b>750,640</b>	<b>314,714</b>	<b>308,189</b>

**1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

**Amount repayable in one year or less, or on demand**

Year ended 31 March 2021		Year ended 31 March 2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
10,251	-	19,805	-

**Amount repayable after one year**

Nil

**Details of any collateral**

Bank loans of approximately RMB10,251,000 were secured by the Group's property, plant and equipment as at 31 March 2021.



**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

RMB'000	Group	
	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flows from operating activities</b>		
Profit before income tax	434,825	173,985
Adjustments for:		
Interest income	(14,390)	(10,479)
Interest expense	361	1,514
Depreciation of property, plant and equipment	2,706	2,185
Gain on disposal of property, plant and equipment	-	(5)
Gain on disposal of financial assets at fair value through profit or loss	(23,874)	(216)
Net fair value loss/(gain) on financial assets at fair value through profit or loss	9,285	(2,174)
Fair value loss/(gain) on investment properties	388	(3,740)
Loss on written-off of property, plant and equipment	2	-
Operating profit before working capital changes	409,303	161,070
Decrease in properties held under development and properties held for sale	709,551	162,592
Increase in accounts and other receivables and prepayments	(27,938)	(365,828)
Decrease/(increase) in restricted bank balances	188,214	(87,706)
Decrease/(increase) in contract cost assets	57,384	(57,384)
(Decrease)/increase in accounts and other payables, accruals and contract liabilities	(1,235,577)	259,487
Decrease in financial assets at fair value through profit or loss	12,744	32,134
Cash generated from operations	113,681	104,365
Interest received	14,390	10,479
Income taxes refund/(paid)	17,986	(75,621)
<b>Net cash generated from operating activities</b>	<b>146,057</b>	<b>39,223</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(11,244)	(3,185)
Proceeds from disposals of property, plant and equipment	-	5
Purchase of financial asset at fair value through other comprehensive income	-	(15,000)
Capital reduction from financial asset at fair value through other comprehensive income	-	3,652
Capital contribution to an associate	(2,000)	-
Decrease in structured bank balances	-	33,500
Decrease in pledged deposits with original maturity over three months	-	34,800
<b>Net cash (used in)/generated from investing activities</b>	<b>(13,244)</b>	<b>53,772</b>
<b>Cash flows from financing activities</b>		
Repayment to a related company	(3,182)	(8,034)
Proceed from new borrowings	-	6,064
Repayments of borrowings	(8,569)	(33,864)
Acquisition of non-controlling interests	-	(5,843)
Capital injection from non-controlling interests	5,834	13,365
Dividend paid	(39,039)	(39,271)
Interest paid	(361)	(1,514)
<b>Net cash used in financing activities</b>	<b>(45,317)</b>	<b>(69,097)</b>
<b>Net increase in cash and cash equivalents</b>	<b>87,496</b>	<b>23,898</b>
<b>Effect of foreign exchange difference</b>	<b>28</b>	<b>1,502</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>281,232</b>	<b>255,832</b>
<b>Cash and cash equivalents at end of the year</b>	<b>368,756</b>	<b>281,232</b>
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	369,638	470,328
Less: restricted bank balances	(82)	(189,096)
	368,756	281,232

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

The Group	Equity attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Treasury shares	Merger reserve	Statutory reserve	Capital reserve	FVOCI* reserve	Other reserve	Exchange reserve	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2019	52,241	(12,817)	(2,243)	42,748	3,838	3,461	87,128	(12,324)	503,167	665,199	5,656	670,855
<b>Transactions with owners</b>												
Dividend declared	-	-	-	-	-	-	-	-	(39,271)	(39,271)	-	(39,271)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	13,365	13,365
Acquisition of non-controlling interests	-	-	-	-	-	-	(1,795)	-	-	(1,795)	(4,048)	(5,843)
	-	-	-	-	-	-	(1,795)	-	(39,271)	(41,066)	9,317	(31,749)
Profit/(loss) for the year	-	-	-	-	-	-	-	-	113,583	113,583	(9)	113,574
<b>Other comprehensive income</b>												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	1,219	-	1,219	-	1,219
Changes in fair value of financial asset at FVOCI*	-	-	-	-	-	(3,259)	-	-	-	(3,259)	-	(3,259)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(3,259)	-	1,219	113,583	111,543	(9)	111,534
Transfer to statutory reserves	-	-	-	14,402	-	-	-	-	(14,402)	-	-	-
<b>At 31 March 2020 and 1 April 2020</b>	<b>52,241</b>	<b>(12,817)</b>	<b>(2,243)</b>	<b>57,150</b>	<b>3,838</b>	<b>202</b>	<b>85,333</b>	<b>(11,105)</b>	<b>563,077</b>	<b>735,676</b>	<b>14,964</b>	<b>750,640</b>
<b>Transactions with owners</b>												
Dividend declared	-	-	-	-	-	-	-	-	(39,039)	(39,039)	-	(39,039)
Capital injection from non-controlling interests	-	-	-	-	-	-	119	-	-	119	5,715	5,834
	-	-	-	-	-	-	119	-	(39,039)	(38,920)	5,715	(33,205)
Profit/(loss) for the year	-	-	-	-	-	-	-	-	276,816	276,816	(87)	276,729
<b>Other comprehensive income</b>												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	362	-	362	-	362
Changes in fair value of financial asset at FVOCI*	-	-	-	-	-	(3,086)	-	-	-	(3,086)	-	(3,086)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(3,086)	-	362	276,816	274,092	(87)	274,005
Transfer to statutory reserves	-	-	-	30,280	-	-	-	-	-	(30,280)	-	-
<b>At 31 March 2021</b>	<b>52,241</b>	<b>(12,817)</b>	<b>(2,243)</b>	<b>87,430</b>	<b>3,838</b>	<b>(2,884)</b>	<b>85,452</b>	<b>(10,743)</b>	<b>770,574</b>	<b>970,848</b>	<b>20,592</b>	<b>991,440</b>
<b>Company</b>												
<b>RMB'000</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Contributed surplus</b>	<b>FVOCI* reserve</b>	<b>Retained earnings</b>	<b>Total</b>						
<b>At 1 April 2019</b>	52,241	(12,817)	59,579	3,461	200,647	303,111						
Dividend declared	-	-	-	-	(39,271)	(39,271)						
Changes in fair value of financial asset at FVOCI*	-	-	-	(2,255)	-	(2,255)						
Profit for the year	-	-	-	-	46,604	46,604						
<b>At 31 March 2020 and 1 April 2020</b>	<b>52,241</b>	<b>(12,817)</b>	<b>59,579</b>	<b>1,206</b>	<b>207,980</b>	<b>308,189</b>						
Dividend declared	-	-	-	-	(39,039)	(39,039)						
Changes in fair value of financial asset at FVOCI*	-	-	-	(1,859)	-	(1,859)						
Profit for the year	-	-	-	-	47,423	47,423						
<b>At 31 March 2021</b>	<b>52,241</b>	<b>(12,817)</b>	<b>59,579</b>	<b>(653)</b>	<b>216,364</b>	<b>314,714</b>						

\*Fair value through other comprehensive income ("FVOCI")

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**SHARE CAPITAL**

Date	Particulars	Number of shares			Amount		
		Authorised	Issued	Treasury share	Authorised share capital RMB'000	Issued share capital RMB'000	Treasury share RMB'000
01 April 2020 and 31 March 2021	Balance at beginning and end of the year	5,100,000,000	518,855,024	(6,544,000)	510,000	52,241	(12,817)

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares as at 31 March 2021 was 518,855,024 (31 March 2020: 518,855,024), of which 6,544,000 (31 March 2020: 6,544,000) were held by the Company as treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

NIL

- 1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

NIL

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.  
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group had applied the same accounting policies and methods of computation in the financial statements for the current reporting year as in those of the audited financial statement for the year ended 31 March 2020, except for the adoption of new and revised International Financial Reporting Standards (“IFRSs”) applicable for the financial year beginning on 1 April 2020. The adoption of these IFRSs has no material impact on the Group’s and the Company’s financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised IFRSs which became effective for financial years beginning on 1 April 2020. The adoption of these new and amended IFRSs did not give rise to significant change to the financial statements.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	FY 2021	FY 2020
Profit for the year attributable to the owners of the Company (RMB'000)	276,816	113,583
Weighted average number of ordinary share (excluding treasury shares) for the purposes of calculating basic earnings per share ('000 shares)	512,311	512,311
Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents):		
- Basic and diluted	54.03	22.17

**Note:**

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB276,816,000 for the year (2020: RMB113,583,000) divided by weighted average of 512,311,024 ordinary shares (excluding treasury shares) (2020: the weighted average of 512,311,024 ordinary shares) during the year.

Diluted earnings per share for the year is the same as the basic earnings per share as there is no dilutive potential share (2020: Nil).



7. **Net asset value (for the issuer and group) per ordinary share based on of the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Net asset value per ordinary share (in RMB cents)	193.52	146.52	61.43	60.16

- (1) The number of ordinary shares of the Company as at 31 March 2021 was 512,311,024 (excluding treasury shares) (31 March 2020: 512,311,024).
- (2) For information purposes, the net asset value per ordinary share attributable to the Company's owners of the Group (excluding non-controlling interests) as at 31 March 2021 was RMB189.50 cents (31 March 2020: RMB143.60 cents).
8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.**

- (a) **REVIEW OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021 ("FY2021") COMPARED TO THE PREVIOUS CORRESPONDING YEAR ENDED 31 MARCH 2020 ("FY2020")**

#### Revenue

RMB'000	Year ended 31 March 2021	Year ended 31 March 2020
Revenue		
Residential	1,258,034	552,293
Commercial and others	82,831	91,592
	1,340,865	643,885

The Group's revenue in FY2021 was RMB1,340.9 million compared to RMB643.9 million in FY2020, an increase of RMB697.0 million.

The revenue in FY2021 was primarily derived from the transfer of control of residential units of Pan Hong Run He (汎港潤合) to buyers. In comparison, the revenue in FY2020 was primarily derived from the transfer of control of residential units of Pan Hong Run Yuan (汎港潤園) Phase 2 to buyers. The increase was mainly due to transfer of control of more units in FY2021 than FY2020.

As the Group is primarily engaged in property development business, revenue recognition is dependent on the launch of new projects and transfer of control of sold properties. Consequently, revenue and profit for the Group looking across years will appear irregular.

### **Cost of Sales and Gross Profit Margin**

In line with the increase in revenue, cost of sales increased from RMB445.8 million in FY2020 to RMB848.6 million in FY2021. Accordingly, gross profit increased from RMB198.1 million in FY2020 to RMB492.3 million in FY2021.

Gross profit margin increased from 30.8% in FY2020 to 36.7% in FY2021 as a result of higher selling prices in respect of the property units for Pan Hong Run He being transferred compared to the property units for Pan Hong Run Yuan Phase 2 being transferred in FY2020.

### **Other Income and Other Gains and Losses**

Other income and other gains and losses mainly consists (i) interest income from bank deposits and other receivables and (ii) gain on disposal of financial assets at fair value through profit or loss. Other income and other gains and losses increased from RMB15.8 million in FY2020 to RMB28.3 million in FY2021. The increase was mainly attributable to an increase in interest income and gain on disposal of financial assets at fair value through profit or loss.

### **Selling and Distribution Expenses**

Selling and distribution expenses increased by 238.9% from RMB20.1 million in FY2020 to RMB68.1 million in FY2021. The higher selling expenses in FY2021 was mainly due to higher sales commission expense for Pan Hong Run He.

### **Administrative Expenses**

Administrative expenses decreased by 5.6% from RMB18.3 million in FY2020 to RMB17.3 million in FY2021, mainly due to tighter expense control in FY2021.

### **Finance Costs**

Finance costs decreased by 76.2% from RMB1.5 million in FY2020 to RMB0.4 million in FY2021, mainly due to the repayment of a portion of the bank and other loans.

### **Income Tax Expense**

Income tax expense increased from RMB60.4 million in FY2020 to RMB158.1 million in FY2021. The increase was mainly attributable to increase in PRC enterprise income tax ("EIT") and land appreciation tax ("LAT") in the People's Republic of China ("PRC") arising from more units sold and more profit before tax generated in FY2021.

### **Profit for the Year**

As a cumulative effect of the foregoing factors, the Group recorded a profit after tax of RMB276.7 million in FY2021, compared to RMB113.6 million in FY2020.

### **Exchange Differences on Translation of Financial Statements of Foreign Operations**

Exchange differences on translation of financial statements of foreign operations decreased from a gain of RMB1.2 million in FY2020 to a gain of RMB0.4 million in FY2021. The gain was mainly due to the appreciation of RMB against Hong Kong Dollar ("HKD") during the financial year that resulted in a translation gain of the Group's subsidiaries with significant bank loan balances which were denominated in HKD.

### **Total Comprehensive Income for the Year**

As a cumulative effect of the above factors, the Group recorded a total comprehensive income with a profit of RMB274.0 million in FY2021, comparing to RMB111.5 million in FY2020.

**(b) REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2021 AND CASH FLOW FOR FY2021**

**Property, Plant and Equipment**

As at 31 March 2021, the Group had property, plant and equipment of RMB56.8 million, compared to RMB49.1 million as at 31 March 2020. The increase was mainly due to the renovation expenditure for the hotel asset.

**Investment Properties**

As at 31 March 2021, the Group had investment properties of RMB53.5 million compared to RMB52.9 million as at 31 March 2020, the increase was mainly due to the transfer of property held for sale to investment properties in FY2021.

**Financial Assets at Fair Value Through Other Comprehensive Income**

As at 31 March 2021, the balance of approximately RMB28.5 million (31 March 2020: RMB31.6 million) representing the fair value of 16.6% (31 March 2020: 16.6%) equity interest in Zhejiang Gene Stem Cell Biotech Company Limited held by the Group.

**Financial Assets at Fair Value Through Profit or Loss**

Financial assets at fair value through profit or loss included listed equity securities in Hong Kong and the PRC, increased to RMB28.3 million as at 31 March 2021 from RMB26.4 million as at 31 March 2020. The increase was mainly due to the net effect of realisation of financial assets at fair value through profit or loss and net fair value loss during the year.

**Properties Held Under Development**

The Group's properties held under development decreased by RMB703.3 million from RMB1,137.8 million as at 31 March 2020 to RMB434.5 million as at 31 March 2021. The decrease was mainly due to the net effect of the completion of Pan Hong Run He's construction and the completion of the transfer of title of a parcel of land subscribed in the last financial year with the prepaid consideration of RMB275.0 million being transferred to properties held under development from prepayments and other receivables in the current financial year.

**Properties Held for Sale**

Properties held for sale increased from RMB119.7 million as at 31 March 2020 to RMB387.5 million as at 31 March 2021, mainly due to the net effect of the completion of Pan Hong Run He's construction and the transfer of control of completed properties of Pan Hong Run He to the buyers.

**Prepayments and Other Receivables**

The Group's prepayments and other receivables decreased from RMB526.8 million as at 31 March 2020 to RMB263.8 million as at 31 March 2021. The decrease was mainly due to the completion of the transfer of title of a parcel of land subscribed in the last financial year with the prepaid consideration of RMB275.0 million being transferred to properties held under development in the current financial year.

**Contract Cost Assets**

The Group's contract cost assets decreased from RMB57.4 million as at 31 March 2020 to nil balance as at 31 March 2021, as the capitalised incremental costs for obtaining sales contracts of its property project under pre-sale stage was expensed upon transfer of control of completed units in the current financial year.

### **Tax Recoverable**

Tax recoverable decreased from approximately RMB50.0 million as at 31 March 2020 to approximately RMB27.3 million as at 31 March 2021 mainly due to utilisation of prepaid EIT and LAT by the Group.

### **Accounts Payable, Accruals, Other Payables and Contract Liabilities**

Accounts payable decreased to RMB3.7 million as at 31 March 2021 from RMB5.0 million as at 31 March 2020, mainly due to settlement of construction-related invoices.

Accruals and other payables mainly comprised the accrued construction costs and project-related expenses that are based on the progress of project development but are not due for payment.

Accruals and other payables decreased from approximately RMB427.4 million as at 31 March 2020 to approximately RMB217.0 million as at 31 March 2021. The decrease was mainly due to the payment of accrued contract costs to contractors.

Contract liabilities were the advance receipts from customers in respect of the deposits and prepayments for pre-sales of the Group's properties.

Contract liabilities decreased from approximately RMB1,255.6 million as at 31 March 2020 to approximately RMB231.7 million as at 31 March 2021. The decrease was mainly due to the revenue recognised upon transfer of control of property units of Pan Hong Run He.

### **Current Tax Liabilities**

Current tax liabilities increased from RMB61.8 million as at 31 March 2020 to RMB214.5 million as at 31 March 2021. The increase was mainly attributable to net effect of income tax liabilities derived from profit recorded by the Group's subsidiaries and payment of income tax during the financial year.

### **Amounts Due to Related Parties**

Amounts due to related parties decreased from RMB3.3 million as at 31 March 2020 to RMB143,000 as at 31 March 2021 due to repayment of amount due to non-controlling interests of a subsidiary.

### **Bank and Other Loans**

As at 31 March 2021, the Group had bank and other loans of RMB10.3 million, a decrease from RMB19.8 million as at 31 March 2020, mainly due to the settlement of bank and other loans during the financial year.

Bank loans of approximately RMB10.3 million were secured by the Group's property, plant and equipment as at 31 March 2021.

Based on the Group's total equity of RMB991.4 million, the Group recorded a net gearing ratio (total bank and other loans/total equity) of 1.0% as at 31 March 2021, compared to 2.6% as at 31 March 2020.

### **Cash Flow Analysis**

In FY2021, the Group recorded RMB146.1 million of net cash generated from operating activities which was mainly due to the net effect of the receipts from property buyers, the release of restricted bank balances upon completion of property project, the progress payment for the construction and payment of income tax.

Net cash used in investing activities in FY2021 amounted to RMB13.2 million, mainly due to purchase of property, plant and equipment during the year.

Net cash used in financing activities in FY2021 amounted to RMB45.3 million, mainly due to payment of dividend to the owners of the Company and repayment of bank and other loans and interest during the year.

Included in bank balances and cash are restricted bank balances of RMB0.9 million (31 March 2020: RMB189.1 million) which can only be applied to the designated property development project(s). As at 31 March 2021, the Group had cash and cash equivalents of RMB368.8 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The financial results for the year ended 31 March 2021 is in line with the statement made in Paragraph 10 disclosed in its previous results announcement. There was no forecast or prospect statement previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**Industry Outlook**

There are no significant changes to the prospects of the property market in the PRC as evidenced by official data published by the National Bureau of Statistics. Official data indicated that new home prices recorded a month-on-month increase in both March and April 2021 for 62 out of a statistical pool of 70 major PRC cities. On a year-on-year basis, 63 out of 70 major cities recorded a higher price in April 2021.

On the broader economic front, according to the National Bureau of Statistics, on a year-on-year basis, the PRC's gross domestic product (GDP) growth for the second, third, fourth quarter of 2020 and the first quarter of 2021 have rebounded to 3.2%, 4.9%, 6.5% and 18.3% respectively. The national economy has shown signs of overcoming the adverse impact of the pandemic and demonstrated a momentum of restorative growth and recovery.

**Company Update**

**Property Pre-sales**

Subsequent to the completion of the Pan Hong Run He project, the Group currently has no property project which is at pre-sale stage as at the date of this announcement.

The Group expects to launch the pre-sale of Huzhou Delong Project located in Taihu Meidong, Huzhou, Zhejiang Province by the third quarter of 2021. For more details of the project, please refer to the Company's announcement dated 20 January 2020.

In addition, the Group has made a successful bid for the land use right of the land located in Shanwei City, Guangdong Province, with a consideration of RMB717,000,000. The land grant contract was executed on 10 May 2021. The Group is currently working on the early planning and design of the project ("Shanwei Project") and the pre-sale date is not confirmed yet. For more details of the land acquisition, please refer to the Company's announcement dated 30 April 2021.

**Company Strategies**

Based on its sound track record, the Group will continue to work on the sales and construction of its existing projects as well as pursue other suitable investment opportunities under its core

property development business to provide favourable and stable returns to its shareholders on a continuing basis.

With the above-mentioned Shanwei Project, the Group is expanding its business geographically to the Guangdong Province for the first time. Successful execution of the Project will provide a foothold for the Group to further expand its business to other locations in the Guangdong-Hong Kong-Macao Greater Bay Area\*, the largest and the richest economic region in South China.

*\*Also known as the Greater Bay Area (GBA) consisting of eleven cities, namely, Guangzhou, Shenzhen, Zhuhai, Foshan, Dongguan, Huizhou, Zhongshan, Jiangmen, Zhaoqing, Hong Kong and Macao.*

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

Yes.

Name of dividend: Final Dividend for the financial year ended 31 March 2021  
Dividend Type: Cash  
Dividend amount per share: S\$0.015 per ordinary share (tax not applicable)  
Par value per share: HK\$0.10  
Tax rate: Tax not applicable

**(b) (i) Amount per share**

Please refer to 11(a) above.

**(ii) Previous corresponding period**

Name of dividend: Final  
Dividend Type: Cash  
Dividend amount per share: S\$0.015 per ordinary share (tax not applicable)  
Par value per share: HK\$0.10  
Tax rate: Tax not applicable

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Tax not applicable.

**(d) The date the dividend is payable.**

To be announced later.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

To be announced later.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have any general mandate from shareholders for IPTs.

Save for the RMB150,000,000 revolving loan facility to Hangzhou Ganglian Real Estate Company Limited at a fixed interest rate of 9.35% (“**Loan Facility**”) which was approved at a Special General Meeting held on 5 February 2020, it was noted that the values of the IPTs that were transacted for the year ended 31 March 2021 were below the various threshold limits as set out under Chapter 9 of the SGX-ST Listing Manual.

As at 31 March 2021, the total outstanding loan balance under the Loan Facility is RMB142,490,000 and the interest amount charged by the Group for the year ended 31 March 2021 was RMB4,317,000.

- 14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual.**

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

- 15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Based on the assessment by the Groups' management, for the purpose of the Group's segment reporting, the Group currently operates as a single operating segment.

- 16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Section 8.

- 17. A breakdown of sales and operating profit.**

(RMB'000)	Year ended 31 March 2021	Year ended 31 March 2020	% increase/ (decrease)
(a) Sales reported for the first half year	1,162,259	586,348	98.2%
(b) Operating profit after tax before deducting non-controlling interests reported for the first half year	232,645	118,330	96.6%
(c) Sales reported for the second half year	178,606	57,537	210.4%
(d) Operating profit after tax before deducting non-controlling interests reported for the second half year	44,084	(4,756)	(1,026.9)%

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	2021 RMB'000	2020 RMB'000
Final dividends paid in respect of prior year	39,039	26,062
Interim dividends paid in respect of current year	-	13,209
	<b>39,039</b>	<b>39,271</b>

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

During the financial year from 1 April 2020 to 31 March 2021, the person occupying managerial position in its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company is as follows:-

Name	Age	Family Relationship with any director and/or CEO and/or substantial shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Wong Sum	30	<ul style="list-style-type: none"> <li>Son of Mr. Wong Lam Ping and Ms. Chan Heung Ling, Substantial Shareholder of the Company.</li> </ul>	<p>Executive Chairman of the Company since 31 March 2020.</p> <p>Mr. Wong Sum is responsible for the formulation and execution of overall business strategies and policies as well as the overall management of the Group.</p>	Nil

BY ORDER OF THE BOARD

Wong Sum  
 Executive Chairman  
 25 May 2021