



**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 2019**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS**

**1(a) An income statement (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 2019	Year ended 31 March 2018	
<b>CONTINUING OPERATIONS</b>			
Revenue	292,548	386,842	(24.4%)
Cost of sales	(202,297)	(331,186)	(38.9%)
<b>Gross profit</b>	<b>90,251</b>	<b>55,656</b>	62.2%
Other income and other gains and losses	25,606	11,348	125.6%
Selling and distribution expenses	(12,748)	(9,397)	35.7%
Administrative expenses	(14,733)	(18,789)	(21.6%)
Provision for loss allowance on other receivables	(1,497)	-	NM
<b>Operating profit</b>	<b>86,879</b>	<b>38,818</b>	123.8%
Finance costs	(2,004)	(2,475)	(19.0%)
<b>Profit before income tax</b>	<b>84,875</b>	<b>36,343</b>	133.5%
Income tax expense	(30,122)	(12,614)	138.8%
<b>Profit for the year from continuing operations</b>	<b>54,753</b>	<b>23,729</b>	130.7%
<b>DISCONTINUED OPERATIONS</b>			
<b>Profit for the year from discontinued operations</b>	-	<b>17,913</b>	(100.0%)
<b>Profit for the year</b>	<b>54,753</b>	<b>41,642</b>	31.5%
<b>Other comprehensive income, net of tax</b>			
<b>Item that will not be reclassified to profit or loss:</b>			
Changes in fair value of financial assets at fair value through other comprehensive income	3,461	-	NM
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of financial statements of foreign operations	(400)	27,756	(101.4%)
Reclassification adjustments for foreign operations discontinued during the year	-	(16,725)	(100.0%)
<b>Other comprehensive income for the year</b>	<b>3,061</b>	<b>11,031</b>	(72.3%)
<b>Total comprehensive income for the year</b>	<b>57,814</b>	<b>52,673</b>	9.8%
<b>Profit for the year attributable to:</b>			
Owners of the Company			
-from continuing operations	54,753	24,558	123.0%
-from discontinued operations	-	20,292	(100.0%)
	54,753	44,850	22.1%
Non-controlling interests	-	(3,208)	(100.0%)
	<b>54,753</b>	<b>41,642</b>	31.5%
<b>Total comprehensive income attributable to:</b>			
Owners of the Company			
-from continuing operations	57,814	38,802	49.0%
-from discontinued operations	-	13,438	(100.0%)
	57,814	52,240	10.7%
Non-controlling interests	-	433	(100.0%)
	<b>57,814</b>	<b>52,673</b>	9.8%

\*NM: not meaningful



**Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents):**

- Basic and diluted 10.69 8.75

**Earnings per share for profit attributable to the owners of the Company during the year from continuing operations (in RMB cents):**

- Basic and diluted 10.69 4.79

Note:

RMB'000	Group	
	Year ended 31 March 2019	Year ended 31 March 2018
Profit before income tax from continuing operations is arrived at after charging/(crediting):		
Interest charges on financial liabilities stated at amortised cost		
- Bank loans wholly repayable within five years	2,004	3,624
Less: amount capitalised in properties held under development	-	(1,149)
	2,004	2,475
Depreciation of property, plant and equipment	1,372	842
Less: amount capitalised in properties held under development	(282)	(20)
	1,090	822
Cost of properties held for sale recognised as expense	200,571	316,942
Operating lease charge in respect of land and buildings	556	164
Less: amount capitalised in properties held under development	(24)	(39)
	532	125
Outgoings in respect of investment properties that generated rental income during the year	20	98
Employee costs, including directors' remuneration		
- Wages and salaries	9,966	9,746
- Retirement benefit scheme contributions - defined contribution plans	1,606	1,180
Less: amount capitalised in properties held under development	(3,163)	(1,689)
	8,409	9,237
Provision for loss allowance on other receivables	1,497	-
Other receivables written off	999	-
Other taxes	2,211	2,871
and crediting/(charging):		
Exchange gain, net	747	91
Net fair value loss for financial assets at fair value through profit or loss	(1,935)	(3,263)
Net fair value gain of investment properties	186	348
Interest income		
- from bank deposits	1,582	4,227
- from other receivables	10,319	4,609
- from structured bank balances	8,009	4,051
- from others	5,298	-
Rental income	857	975
Gain on disposal of property, plant and equipment	6	-
Sundry income	537	310



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

	Group		Company	
	31 March 2019 (Unaudited)	31 March 2018 (Audited)	31 March 2019 (Unaudited)	31 March 2018 (Audited)
<b>RMB'000</b>				
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Property, plant and equipment	47,793	37,038	-	-
Investment properties	21,027	20,841	-	-
Investments in subsidiaries	-	-	278,608	278,608
Other financial assets	-	20,000	-	20,000
Financial assets at fair value through other comprehensive income	23,461	-	23,461	-
Deferred tax assets	6,368	6,790	-	-
	<b>98,649</b>	<b>84,669</b>	<b>302,069</b>	<b>298,608</b>
<b>Current assets</b>				
Properties held under development	746,789	788,559	-	-
Properties held for sale	551,532	130,596	-	-
Accounts receivable	-	1,410	-	-
Prepayments and other receivables	310,438	157,168	109	113
Amounts due from subsidiaries	-	-	368,892	328,892
Financial assets at fair value through profit or loss	56,187	8,077	-	-
Held-to-maturity investments	-	90,303	-	-
Tax recoverable	26,432	7,765	-	-
Structured bank balances	33,500	50,000	-	-
Pledged deposits	34,800	109,629	-	-
Cash and bank balances	357,222	202,198	155	161
	<b>2,116,900</b>	<b>1,545,705</b>	<b>369,156</b>	<b>329,166</b>
<b>Current liabilities</b>				
Accounts payable	31,887	7,462	-	-
Accruals, receipts in advance and other payables	365,693	797,951	23	899
Contract liabilities	1,030,931	-	-	-
Current tax liabilities	54,420	58,013	-	-
Amounts due to related parties	11,361	11,352	368,091	326,064
Bank loans	46,608	100,407	-	-
	<b>1,540,900</b>	<b>975,185</b>	<b>368,114</b>	<b>326,963</b>
<b>Net current assets</b>	<b>576,000</b>	<b>570,520</b>	<b>1,042</b>	<b>2,203</b>
<b>Total assets less current liabilities</b>	<b>674,649</b>	<b>655,189</b>	<b>303,111</b>	<b>300,811</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	3,794	3,748	-	-
	<b>3,794</b>	<b>3,748</b>	-	-
<b>Net assets</b>	<b>670,855</b>	<b>651,441</b>	<b>303,111</b>	<b>300,811</b>
<b>EQUITY</b>				
<b>Equity attributable to the Company's owners</b>				
Share capital	52,241	52,241	52,241	52,241
Reserves	612,958	593,544	250,870	248,570
	665,199	645,785	303,111	300,811
<b>Non-controlling interests</b>	5,656	5,656	-	-
<b>Total equity</b>	<b>670,855</b>	<b>651,441</b>	<b>303,111</b>	<b>300,811</b>



**1(b)(ii) Aggregate amount of group's borrowings and debt securities. Amount repayable in one year or less, or on demand**

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

Year ended 31 March 2019		Year ended 31 March 2018	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
46,608	-	100,407	-

**Details of any collateral**

Bank loans of approximately RMB15,303,000 were secured by the Group's property, plant and equipment as at 31 March 2019. Bank loans of approximately RMB31,305,000 were mainly secured by deposits of RMB34,800,000 which were classified as pledged deposits as at 31 March 2019.



**1(c) A statement of cash flow (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 2019	Year ended 31 March 2018
<b>Cash flows from operating activities</b>		
Profit before income tax		
From continuing operations	84,875	36,343
From discontinued operations (including gain on reclassification of exchange reserve from equity to profit or loss in relation to foreign operations discontinued)	-	58,027
	84,875	94,370
Adjustments for:		
Interest income	(25,208)	(22,087)
Interest expense	2,004	7,588
Depreciation of property, plant and equipment	1,090	3,677
Amortisation of an intangible asset	-	600
(Gain)/loss on disposal of property, plant and equipment	(6)	91
Share of results of an associate	-	1,315
Share of results of joint ventures	-	501
Net fair value loss for financial assets at fair value through profit or loss	1,935	2,643
Fair value adjustment on investment properties	(186)	(14,675)
Provision for loss allowance on other receivables	1,497	-
Other receivables written off	999	-
Impairment loss on other financial assets	-	360
Gain on reclassification of exchange reserve from equity to profit or loss in relation to foreign operation discontinued	-	(16,725)
Operating profit before working capital changes	67,000	57,658
Increase in properties held under development and properties held for sale	(351,944)	(44,502)
Increase in accounts and other receivables and prepayments	(190,034)	(250,511)
Increase in restricted bank balances	(101,390)	-
Increase in accounts and other payables, accruals, receipts in advance and contract liabilities	623,098	192,658
Increase in financial assets at fair value through profit or loss	(50,045)	-
Cash used in operations	(3,315)	(44,697)
Interest received	25,208	22,087
Income taxes paid	(51,960)	(34,487)
<i>Net cash used in operating activities</i>	(30,067)	(57,097)
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(2,710)	(15,727)
Proceeds from disposals of property, plant and equipment	31	51
Purchase of other financial assets	-	(21,890)
Proceeds from disposal of other financial assets	-	1,800
Proceeds from disposal of other financial assets at amortised cost	90,303	-
Purchase of held-to-maturity investments	-	(90,303)
Decrease in structured bank balances	16,500	70,100
Decrease in pledged deposits with original maturity over three months	74,829	38,977
<i>Net cash generated from/(used in) investing activities</i>	178,953	(16,992)
<b>Cash flows from financing activities</b>		
Repayment to a related company	-	(21,640)
Proceeds from new borrowings	39,366	732,893
Repayment of borrowings	(94,698)	(403,282)
Advance to a joint venture	-	(2)
Distributions to non-controlling interests by subsidiary	-	(5,887)
Net cash outflow on distribution in specie	-	(222,147)
Dividend paid	(38,400)	(25,202)
Interest paid	(2,004)	(65,679)
<i>Net cash used in financing activities</i>	(95,736)	(10,946)
<b>Net increase/(decrease) in cash and cash equivalents</b>	53,150	(85,035)
<b>Effect of foreign exchange difference</b>	484	(889)
<b>Cash and cash equivalents at beginning of the year</b>	202,198	288,122
<b>Cash and cash equivalents at end of the year</b>	255,832	202,198
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	357,222	202,198
Less: restricted bank balances	(101,390)	-
	255,832	202,198

**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 capitalization 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	Share premium	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	RMB'000
At 1 April 2017	313,446	(12,817)	203,250	(2,243)	100,529	3,838	-	87,128	(19,314)	958,841	1,632,658	587,305	2,219,963
<b>Transactions with owners</b>													
Dividend declared	-	-	-	-	-	-	-	-	-	(25,202)	(25,202)	-	(25,202)
Dividend by way of distribution in specie of subsidiaries	-	-	-	-	-	-	-	-	-	(1,013,911)	(1,013,911)	(588,195)	(1,602,106)
Capital reduction	(261,205)	-	(203,250)	-	-	-	-	-	-	464,455	-	-	-
Transfer upon distribution in specie of subsidiaries	-	-	-	-	(70,236)	-	-	-	-	70,236	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(5,887)	(5,887)
Capital contribution to a subsidiary	-	-	-	-	-	-	-	-	-	-	-	12,000	12,000
	(261,205)	-	(203,250)	-	(70,236)	-	-	-	-	(504,422)	(1,039,113)	(582,082)	(1,621,195)
Profit for the year	-	-	-	-	-	-	-	-	-	44,850	44,850	(3,208)	41,642
<b>Other comprehensive income</b>													
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	24,115	-	24,115	3,641	27,756
Reclassification adjustments relating to distribution of subsidiaries during the year	-	-	-	-	-	-	-	-	(16,725)	-	(16,725)	-	(16,725)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	-	7,390	44,850	52,240	433	52,673
Transfer to statutory reserves	-	-	-	-	5,075	-	-	-	-	(5,075)	-	-	-
<b>At 31 March 2018 and 1 April 2018</b>	<b>52,241</b>	<b>(12,817)</b>	<b>-</b>	<b>(2,243)</b>	<b>35,368</b>	<b>3,838</b>	<b>-</b>	<b>87,128</b>	<b>(11,924)</b>	<b>494,194</b>	<b>645,785</b>	<b>5,656</b>	<b>651,441</b>
<b>Transactions with owners</b>													
Dividend declared	-	-	-	-	-	-	-	-	-	(38,400)	(38,400)	-	(38,400)
	-	-	-	-	-	-	-	-	-	(38,400)	(38,400)	-	(38,400)
Profit for the year	-	-	-	-	-	-	-	-	-	54,753	54,753	-	54,753
<b>Other comprehensive income</b>													
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	(400)	-	(400)	-	(400)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	3,461	-	-	-	3,461	-	3,461
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	3,461	-	(400)	54,753	57,814	-	57,814
Transfer to statutory reserves	-	-	-	-	7,380	-	-	-	-	(7,380)	-	-	-
<b>At 31 March 2019</b>	<b>52,241</b>	<b>(12,817)</b>	<b>-</b>	<b>(2,243)</b>	<b>42,748</b>	<b>3,838</b>	<b>3,461</b>	<b>87,128</b>	<b>(12,324)</b>	<b>503,167</b>	<b>665,199</b>	<b>5,656</b>	<b>670,855</b>
<b>Company</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Share premium</b>	<b>Contributed surplus</b>	<b>FVOCI* reserve</b>	<b>Retained earnings</b>	<b>Total</b>						
<b>RMB'000</b>													
<b>At 31 March 2017 and 1 April 2017</b>	313,446	(12,817)	203,250	59,579	-	36,543	600,001						
Dividend declared	-	-	-	-	-	(25,202)	(25,202)						
Capital reduction	(261,205)	-	(203,250)	-	-	464,455	-						
Transfer upon distribution in specie of a subsidiary	-	-	-	-	-	(285,452)	(285,452)						
Profit for the year	-	-	-	-	-	11,464	11,464						
<b>At 31 March 2018 and 1 April 2018</b>	52,241	(12,817)	-	59,579	-	201,808	300,811						
Dividend declared	-	-	-	-	-	(38,400)	(38,400)						
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	3,461	3,461						
Profit for the year	-	-	-	-	-	37,239	37,239						
<b>At 31 March 2019</b>	52,241	(12,817)	-	59,579	3,461	200,647	303,111						

\*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, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares and the number of subsidiary holdings, if any, against the total number of issued shares excluding treasury shares 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.

### **SHARE CAPITAL**

Date	Particulars	Authorised	Number of shares		Treasury share	Amount	
			Issued			Issued share capital RMB'000	Treasury share RMB'000
01 April 2018 and 31 March 2019	Balance at beginning and end of the year	5,100,000,000	518,855,024	(6,544,000)	510,000	52,241	(12,817)

Note:

The Company had obtained Shareholders' approval at a Special General Meeting of the Company held on 8 February 2018 for the reduction of the issued and paid-up share capital of the Company by cancelling the paid-up share capital of the Company to the extent of HK\$0.50 on each of the shares with a par value of HK\$0.60 in the share capital of the Company in issue ("Capital Reduction") with effect from 26 February 2018 or such other date as the Directors of the Company may determine in accordance with the Companies Act 1981 of Bermuda, and each issued share with a par value of HK\$0.60 shall be treated as one (1) fully paid up share with a par value of HK\$0.10. The Capital Reduction took effect from 26 February 2018.

- 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 2019 was 518,855,024 (31 March 2018: 518,855,024), of which 6,544,000 (31 March 2018: 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 qualifications or emphasis of a matter).**

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 financial year as in those of the audited financial statement for the year ended 31 March 2018, except for the adoption of new and revised International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee (the "IFRIC") applicable for the financial year beginning on 1 April 2018 as follows:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
Amendments to IFRS 15	Revenue from Contracts with Customers (Clarifications to IFRS 15)
Amendments to IAS 40	Transfers of Investment Property
IFRIC - Int 22	Foreign Currency Transactions and Advance Consideration

**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 year beginning on 1 April 2018. The adoption of these new and amended IFRSs did not give rise to significant change to the financial statements except for below:

IFRS 9 - Financial Instruments

(i) Classification and measurement of financial instruments

As of 1 April 2018, an unquoted equity investment was reclassified from available-for-sale financial asset measured at cost to FVOCI. The unquoted equity instrument has no quoted price in an active market. The Group intends to hold the unquoted equity investment for long term strategic purposes. In addition, the Group has designated such unquoted equity instrument at the date of initial application as measured at FVOCI.

The following table summarizes the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 April 2018:

Financial assets	Original classification under IAS 39	New classification under IFRS 9	Carrying amount under IAS 39 as at 1 April 2018 RMB'000	Carrying amount under IFRS 9 as at 1 April 2018 RMB'000
Listed equity investments	Held-for-trading	Fair value through profit or loss ("FVTPL")	8,077	8,077
Unlisted equity investments	Available-for-sale	FVOCI	20,000	20,000
Held-to-maturity investments	Held-to-maturity	Amortised cost	90,303	90,303



Accounts and other receivables	Loans and receivables	Amortised cost	76,989	76,989
Pledged deposits	Loans and receivables	Amortised cost	109,629	109,629
Structured bank balances	Loans and receivables	Amortised cost	50,000	50,000
Cash and bank balances	Loans and receivables	Amortised cost	202,198	202,198

(ii) Impairment of financial assets

The adoption of IFRS 9 has changed the Group's impairment model by replacing the IAS 39 "incurred loss model" to the expected credit loss ("ECL") model. IFRS 9 requires the Group to recognise ECL for trade receivables, financial assets at amortised costs and debt investment at FVOCI earlier than IAS 39. Cash and cash equivalents are subject to ECL model but the impairment is immaterial for the current period.

Under IFRS 9, the losses allowances are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applies the IFRS 9 simplified approach to measure ECLs which recognises lifetime ECLs for all accounts receivable. To measure the ECLs, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. Applying the ECL model results in immaterial impairment on 1 April 2018 and for the year ended 31 March 2019.

All of the Group's other debt investments at amortised costs are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months ECLs. Applying the ECL model results in immaterial impairment on 1 April 2018. The loss allowances increased for RMB1,497,000 for other receivables during the year ended 31 March 2019.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. IFRS 15 has established a five-steps model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has adopted IFRS 15 using the cumulative effect method without practical expedients. The Group has recognised the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings at the date of initial application (that is, 1 April 2018). As a result, the financial information presented for 2018 has not been restated.

The transition to IFRS 15 had no impact on the opening balance of retained earnings.

The following table summarised the impact of adopting IFRS 15 on the Group's consolidated statement of financial position as at 31 March 2019. There was no material impact on the Group's consolidated statement of comprehensive income or consolidated statement of cash flows for the year ended 31 March 2019.

Impact on the consolidated statement of financial position as of 31 March 2019:

	Amount prepared under		Increase/ (decrease) RMB'000
	IFRS 15 RMB'000	Previous IFRS RMB'000	
<b>Liabilities</b>			
Current liabilities			
Contract liabilities	1,030,931	-	1,030,931
Accruals, receipts in advance and other payables	365,693	1,396,624	(1,030,931)
<b>Total current liabilities</b>	<b>1,540,900</b>	<b>1,540,900</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,544,694</b>	<b>1,544,694</b>	<b>-</b>

#### Contract liability

A contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue.

Prior to the adoption of IFRS 15, the Group recognised its contract liabilities under accruals, receipts in advance and other payables as receipt in advance from customers in the consolidated statement of financial position. Upon the adoption of IFRS 15, reclassifications have been made from accruals, receipts in advance and other payables to contract liabilities.

As of 1 April 2018, an increase in contract liabilities of approximately RMB557,149,000 and a decrease in accruals, receipts in advance and other payables of approximately RMB557,149,000 were recognised.

#### **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 2019	FY 2018
Profit for the year attributable to the owners of the Company (RMB'000)	54,753	44,850
Profit for the year from continuing operations attributable to the owners of the Company (RMB'000)	54,753	24,558
Weighted average number of ordinary share (excluding treasury shares) for the purposes of calculating basic earnings per share ('000 shares)	512,311	512,311
<b>Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents):</b>		
- Basic and diluted	10.69	8.75
<b>Earnings per share for profit attributable to the owners of the Company during the year from continuing operations (in RMB cents):</b>		
- Basic and diluted	10.69	4.79

**Note:**

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB54,753,000 for the year (2018: RMB44,850,000) divided by weighted average of 512,311,024 ordinary shares (excluding treasury shares) (2018: the weighted average of 512,311,024 ordinary shares) during the year.

The calculation of basic earnings per share from continuing operations was based on the profit from continuing operations attributable to equity holders of the Company of approximately RMB54,753,000 for the year (2018: RMB24,558,000) divided by weighted average of 512,311,024 ordinary shares (excluding treasury shares) (2018: 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 (2018: 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	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Net asset value per ordinary share (in RMB cents)	130.95	127.16	59.17	58.72

(1) The number of ordinary shares of the Company as at 31 March 2019 was 512,311,024 (excluding treasury shares) (31 March 2018: 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 2019 was RMB129.84 cents (31 March 2018: RMB126.05 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 2019 ("FY2019") COMPARED TO THE PREVIOUS CORRESPONDING YEAR ENDED 31 MARCH 2018 ("FY2018")**

The Shareholders of the Company had approved a distribution, satisfied by a dividend in specie of 1,800,000,000 fully-paid ordinary shares with a par value of HK\$0.01 each in the share capital of Sino Harbour Holdings Group Limited ("Sino Harbour Shares") held by the Company in proportion to their respective shareholdings in the Company, on the basis of 3.51349 Sino Harbour Shares for each share of the Company held by an entitled shareholder as at the Books Closure Date on 6 March 2018, fractional entitlements to be disregarded ("Distribution"). The Company held approximately 73.05% of the issued capital of Sino Harbour Holdings Group Limited ("Sino Harbour") prior to the completion of the Distribution.

The Distribution by the Company was recognised at the carrying amount of the net assets of Sino Harbour and its subsidiaries (collectively referred to as “Sino Harbour Group”) attributable to the owners of Company as the directors of the Company considered that Sino Harbour was ultimately under the control of the same party before and after the Distribution. Sino Harbour Group is engaged in property development.

Upon the completion of the Distribution on 29 March 2018, the Group ceased to hold any shares in Sino Harbour Group and Sino Harbour Group ceased to be subsidiaries of the Company. Sino Harbour Group’s profit the period from 1 April 2017 to 29 March 2018 (immediately before completion of the Distribution) was presented as (“Discontinued Operation”) in the consolidated financial statements and the comparative figures were restated accordingly.

The review of financial results for FY2019 is presented with comparatives of results of FY2018 sourced from continuing operations.

### Revenue

RMB'000	Year ended 31 March 2019	Year ended 31 March 2018
Revenue		
Residential	287,862	357,112
Commercial and others	4,686	29,730
	292,548	386,842

The Group’s revenue in FY2019 was RMB292.5 million compared to RMB386.8 million in FY2018, there was a decrease of 24.4%. The revenue in FY2019 was primarily derived from the transfer of control of a portion of residential units of Pan Hong Run Yuan (汎港潤園) Phase 2. In comparison, the revenue in FY2018 was mainly attributable to more transfer of control of property units of Pan Hong Run Yuan Phase 1 and Huzhou Hua Cui Ting Yuan (湖州華萃庭院) Phase 2.

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 quarters will appear irregular.

### Cost of Sales and Gross Profit Margin

In line with the decrease in revenue, cost of sales decreased from RMB331.2 million in FY2018 to RMB202.3 million in FY2019 due to lesser transfer of control of residential units.

Gross profit margin increased from 14.4% in FY2018 to 30.8% in FY2019 as a result of higher selling prices (with average unit price of around RMB8,500/sq.m. after tax) in respect of the residential units sold for Pan Hong Run Yuan Phase 2 compared to those units sold for Pan Hong Run Yuan Phase 1 and Huzhou Hua Cui Ting Yuan Phase 2 (with average unit price of around RMB6,000/sq.m. after tax) in FY2018.

### Other Income and Other Gains and Losses

Other income and other gains and losses increased by 125.6% from RMB11.3 million in FY2018 to RMB25.6 million in FY2019. The increase was mainly due to an increase in interest income from bank deposits, structured bank balances and entrusted loan provided by the Group in January 2019, and a decrease of net fair value loss on financial assets at fair value through profit or loss.

### Selling and Distribution Expenses

Selling and distribution expenses increased by 35.7% from RMB9.4 million in FY2018 to RMB12.7 million in FY2019. The higher selling expenses in FY2019 was mainly due to an increase in marketing expenses incurred for Pan Hong Run Yuan Phase 2 and Pan Hong Run He (汎港潤合).

### Administrative Expenses

Administrative expenses decreased by 21.6% from RMB18.8 million in FY2018 to RMB14.7 million in FY2019. It was mainly due to strengthened cost control measures and a decrease in pre-operating expenses of Pan Hong Run He project incurred in FY2019. In addition, the higher administrative expenses in FY2018 was due to legal and professional fees and related expenses incurred for the Distribution.

### Finance Costs

Finance costs decreased by 19.0% from RMB2.5 million in FY2018 to RMB2.0 million in FY2019 mainly due to a decrease in bank loans balances.

### Income Tax Expense

Income tax expense increased from RMB12.6 million in FY2018 to RMB30.1 million in FY2019. The increase was mainly attributable to an increase in corporate income tax provision in line with an increase in profit in FY2019.

### Profit for the Period from Continuing Operations

As a cumulative effect of the foregoing factors, the Group recorded a profit after tax from continuing operations of RMB54.8 million in FY2019, an increase of 130.7% from RMB23.7 million in FY2018.

### Profit for the Year from Discontinued Operations

The consolidated profit for the period from 1 April 2017 to 29 March 2018 from the discontinued operations is set out below:

	For the period from 1 April 2017 to 29 March 2018 RMB'000
<b>Discontinued operations</b>	
Revenue	134,082
Cost of sales	(89,321)
<b>Gross profit</b>	44,761
Other income and other gains and losses	62,996
Selling and distribution expenses	(10,776)
Administrative expenses	(48,750)
<b>Operating profit</b>	48,231
Finance costs	(5,113)
Share of results of joint ventures	(501)
Share of results of an associate	(1,315)
<b>Profit before income tax</b>	41,302
Income tax expense	(40,114)
<b>Profit after tax</b>	1,188
Gain on reclassification of foreign currency translation reserve from equity to profit or loss in relation to the Sino Harbour Group	16,725
<b>Profit for the period</b>	17,913

### 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 RMB27.8 million in FY2018 to a loss of RMB400,000 in FY2019. The decrease was mainly due to the depreciation of RMB against Hong Kong Dollar ("HKD") during the financial period that resulted in a translation loss of the Group's subsidiaries with significant bank loan balances which were denominated in HKD.

Reclassification adjustment for foreign operations discontinued during FY2018 was due to the

reclassification of foreign exchange reserve of Sino Harbour Group from equity to profit or loss in relation to the Distribution.

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

As a cumulative effect of the above factors, the Group recorded a total comprehensive income for the year of RMB57.8 million in FY2019, compared to a total comprehensive income for the year of RMB52.7 million in FY2018.

### **(b) REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2019 AND CASH FLOW FOR FY2019**

#### **Property, Plant and Equipment**

As at 31 March 2019, the Group had property, plant and equipment of RMB47.8 million, compared to RMB37.0 million as at 31 March 2018. The increase was mainly due to a transfer of property units from properties held for sale of RMB8.8 million for the Group's self-usage.

#### **Investment Properties**

As at 31 March 2019, the Group had investment properties of RMB21.0 million, compared to RMB20.8 million as at 31 March 2018. The increase was attributable to an upward fair value adjustment.

#### **Other Financial Assets and Financial Asset at Fair Value Through Other Comprehensive Income**

As at 31 March 2019, within other financial assets, balance of approximately RMB23.5 million (31 March 2018: RMB20.0 million) represented carrying amount of 10% equity interest (the "Investment") in Zhejiang Gene Stem Cell Biotech Company Limited ("Zhejiang GSCB") acquired by the Group. Prior to 1 April 2018, the Investment was designated as available-for-sale financial assets and has no fixed maturity date or coupon rate and was stated at cost less impairment.

Upon adoption of IFRS 9 on 1 April 2018, this equity investment in Zhejiang GSCB was irrevocably designated at financial asset at FVOCI as the Group considers these investments to be strategic in nature.

#### **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, and principal-protected unlisted investments issued by a PRC bank, increased to RMB56.2 million as at 31 March 2019 from RMB8.1 million as at 31 March 2018. The increase was due to the net effect of acquisition of the principal-protected unlisted investments and net fair value loss from the listed equity securities during the financial year.

The principal-protected unlisted investments were mature and settled in April 2019.

#### **Properties Held Under Development**

The Group's properties held under development decreased by RMB41.8 million from RMB788.6 million as at 31 March 2018 to RMB746.8 million as at 31 March 2019. The decrease was mainly due to the net effect of transfer of property units of Pan Hong Run Yuan Phase 2 to properties held for sale and construction progress of Pan Hong Run He during the period.

#### **Properties Held for Sale**

Properties held for sale increased from RMB130.6 million as at 31 March 2018 to RMB551.5 million as at 31 March 2019, mainly due to the completion of Pan Hong Run Yuan Phase 2 which was transferred from properties held under development to properties held for sale.

### **Accounts Receivable**

Accounts receivable decreased from RMB1.4 million as at 31 March 2018 to zero balance as at 31 March 2019, mainly due to receipt of the accounts receivable for various parking lots sold.

### **Prepayments and Other Receivables**

The Group's prepayments and other receivables increased from RMB157.2 million as at 31 March 2018 to RMB310.4 million as at 31 March 2019. The increase was mainly due to an increase of prepayments and prepaid other taxes for the developments of Pan Hong Run He and an entrusted loan of RMB70 million provided by the Group during the year.

### **Held-to-maturity Investments**

As at 31 March 2018, the Group had held-to-maturity investments which bore interest rates ranging from 4.3% to 4.6% per annum and had maturity up to one month. As at 31 March 2019, the Group had disposed all held-to-maturity investments and the balance was nil.

### **Tax Recoverable**

Tax recoverable increased from approximately RMB7.8 million as at 31 March 2018 to approximately RMB26.4 million as at 31 March 2019 mainly due to the prepaid income taxes in association to Pan Hong Run He.

### **Pledged Deposits**

Pledged deposits decreased from RMB109.6 million as at 31 March 2018 to RMB34.8 million as at 31 March 2019. The decrease was mainly due to a decrease in deposits pledged and secured against bank loans which were settled during FY2019.

### **Accounts Payable, Accruals, Receipts in Advance, Other Payables and Contract Liabilities**

Accounts payable increased to RMB31.9 million as at 31 March 2019 from RMB7.5 million as at 31 March 2018, which was mainly due to reclassification of accruals upon receipt of 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 increased from approximately RMB240.8 million as at 31 March 2018 to approximately RMB365.7 million as at 31 March 2019. The increase was mainly due to the increment of the provision of the construction costs and project-related expenses.

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 increased from approximately RMB557.2 million as at 1 April 2018 to approximately RMB1,030.9 million as at 31 March 2019. The increase was mainly due to the receipts during pre-sale stage of Pan Hong Run He.

### **Current Tax Liabilities**

Current tax liabilities decreased from RMB58.0 million as at 31 March 2018 to RMB54.4 million as at 31 March 2019. The decrease was mainly attributable to payment of income tax liabilities.

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

Amounts due to related parties remain unchanged at RMB11.4 million as at 31 March 2019.



### Bank Loans

As at 31 March 2019, the Group had bank loans of RMB46.6 million, a decrease from RMB100.4 million as at 31 March 2018, mainly due to the repayment of bank borrowing during the period.

Bank loans of approximately RMB15.3 million were secured by the Group's property, plant and equipment as at 31 March 2019. Bank loans of approximately RMB31.3 million were mainly secured by deposits of RMB34.8 million which were classified as pledged deposits as at 31 March 2019.

Based on the Group's total equity of RMB670.9 million and deposit collateral of RMB34.8 million, the Group recorded a net gearing ratio (total bank and other loans/ total equity) of 6.9% as at 31 March 2019, compared to 15.4% as at 31 March 2018.

### Deferred Tax Liabilities

Deferred tax liabilities remain unchanged at RMB3.8 million as at 31 March 2019.

### Cash Flow Analysis

In FY2019, the Group recorded RMB30.1 million of net cash used in operating activities which was mainly due to the net effect of advance receipts from customers for pre-sale of properties, the progress payment for the construction and payment of income tax.

Net cash generated from investing activities in FY2019 amounted to RMB179.0 million, mainly due to proceeds from disposal of other financial assets at amortised cost and decrease in pledged deposits with original maturity over three months.

Net cash used in financing activities in FY2019 amounted to RMB95.7 million, mainly due to decrease in bank borrowings and dividend paid during the financial year.

Included in bank balances and cash are restricted bank balances of RMB101.4 million (31 March 2018: nil) which can only be applied in the designated property development projects. As at 31 March 2019, the Group had cash and cash equivalents of RMB255.8 million.

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

Although there was no deviation from the information disclosed in paragraph 10 of the previous results announcement, the Company had released a profit guidance announcement to the Singapore Exchange Securities Trading Limited on 9 May 2019 in view of the Group's overall profitable position for the full year results of FY2019 despite the net losses recorded in each of the first three quarters for FY2019 and the nine months ended 31 December 2018.



- 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 People's Republic of China ("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 March and April 2019 of 65 and 67 out of a statistical pool of 70 major PRC cities respectively. On a year-on-year basis, 70 out of 70 PRC cities recorded a higher price in April 2019.

### Company Update

#### Property Pre-sales

The cumulative results for the pre-sale and delivery of properties under each project up to 21 May 2019 are summarized as follows:

#### Residential Units

	Pan Hong Run Yuan Phase 2	Pan Hong Run He
Est. total GFA released for sale (total units)	96,720 sq.m.	107,978 sq.m.
	750 units	978 units
Est. total GFA pre-sold (total units)	95,593 sq.m.	74,558 sq.m.
	742 units	699 units
Percentage of pre-sold	99%	69%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 31 March 2019 <sup>^</sup>	63,311 sq.m.	74,558 sq.m.
	497 units	699 units
Pre-sale value not handed over to buyers as at 31 March 2019 <sup>^</sup> (RMB)	550.9 million	639.4 million
ASP per sq m*	RMB8,659	RMB8,576
Expected completion date	Completed	CY2020 Q2

\*: Average Sales Price ("ASP") of the projects is computed as follows: Pre-sale value not handed over to buyer divided by Pre-sale GFA not handed over to buyer.

<sup>^</sup>: Pre-sale value not handed over to buyer is computed as follows: Beginning period pre-sales plus New pre-sales during the period less those handed over to buyers as at 31 March 2019.

The pre-sale value of RMB1,190.3 million of the 2 projects not handed over to buyers as at 31 March 2019 will only be recognised as revenue upon transfer of control of properties which had been pre-sold to the buyers. As the Group is primarily engaged in property development business, revenue recognition is dependent on the launch of new projects and completion of handover of sold properties (transfer of control of the assets). Consequently, revenue and profit for the Group looking across quarters will appear irregular.

### Company Strategies

The Group will continue to work on the sales and construction of its existing projects. The Group is also exploring suitable business opportunities to diversify its core business as it believes that this will provide opportunities to expand its income sources.

**11. Dividend**

**(a) Current Financial Period Reported On**

Name of proposed dividend: Final  
Proposed dividend Type: Cash  
Proposed dividend amount per share: S\$0.01 per ordinary share (tax not applicable)  
Par value per share: HK\$0.10  
Tax rate: Tax not applicable

**(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

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) Date payable**

To be announced later.

**(d) Books closure date**

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. 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)**

- 14. 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 upon the completion of the Distribution, for the purpose of the Group's segment reporting, the Group currently operates as a single operating segment.

- 15. 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.

- 16. A breakdown of sales from continuing and discontinued operation.**

(RMB'000)	Year ended 31 March 2019	Year ended 31 March 2018	% increase/ (decrease)
(a) Sales reported for the first half year	11,976	447,738	(97.3%)
(b) Operating (loss)/ profit after tax before deducting non-controlling interests reported for the first half year	(4,893)	43,463	(111.3%)
(c) Sales reported for the second half year	280,572	73,186	283.4%
(d) Operating profit /(loss) after tax before deducting non-controlling interests reported for the second half year	59,646	(18,546)	(421.6%)

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

	2019 RMB'000	2018 RMB'000
Final dividends paid in respect of prior year	38,400	25,202
Interim dividends paid in respect of current year	-	-
	<b>38,400</b>	<b>25,202</b>
Distribution by way of dividend in specie of subsidiaries	-	1,602,106
	<b>38,400</b>	<b>1,627,308</b>

**18. If the Group has obtained a general mandate from shareholders for Interested Parties Transactions (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.

**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 2018 to 31 March 2019, 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 Lam Ping	63	<ul style="list-style-type: none"> <li>Spouse of Ms. Chan Heung Ling, a Substantial Shareholder of the Company.</li> </ul>	Executive Chairman and Chief Executive Officer ("CEO") of the Company since 3 January 2006.  Mr. Wong Lam Ping is responsible for the formulation and execution of overall business strategies and policies as well as the overall management of the Group.	Nil

BY ORDER OF THE BOARD

Wong Lam Ping  
 Executive Chairman  
 28 May 2019