



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 2020

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 2020	Year ended 31 March 2019	
Revenue	643,885	292,548	120.1%
Cost of sales	(445,776)	(202,297)	120.4%
Gross profit	198,109	90,251	119.5%
Other income and other gains and losses	15,804	25,606	(38.3%)
Selling and distribution expenses	(20,097)	(12,748)	57.6%
Administrative expenses	(18,317)	(14,733)	24.3%
Loss allowance on other receivables	-	(1,497)	(100.0%)
Operating profit	175,499	86,879	102.0%
Finance costs	(1,514)	(2,004)	(24.5%)
Profit before income tax	173,985	84,875	105.0%
Income tax expense	(60,411)	(30,122)	100.6%
Profit for the year	113,574	54,753	107.4%
Other comprehensive income, net of tax			
Item that will not be reclassified to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income	(3,259)	3,461	(194.2%)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	1,219	(400)	(404.8%)
Other comprehensive income for the year	(2,040)	3,061	(166.6%)
Total comprehensive income for the year	111,534	57,814	92.9%
Profit for the year attributable to:			
Owners of the Company	113,583	54,753	107.4%
Non-controlling interests	(9)	-	NM
	113,574	54,753	107.4%
Total comprehensive income attributable to:			
Owners of the Company	111,543	57,814	92.9%
Non-controlling interests	(9)	-	NM
	111,534	57,814	92.9%
Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents):			
- Basic and diluted	22.17	10.69	

*NM = Not Meaningful



Note:

RMB'000	Group	
	Year ended 31 March 2020	Year ended 31 March 2019
Profit before income tax is arrived at after charging/(crediting):		
Interest charges on financial liabilities stated at amortised cost		
- Bank and other loans wholly repayable within five years	1,514	2,004
Depreciation of property, plant and equipment	2,562	1,372
Less: amount capitalised in properties held under development	(377)	(282)
	2,185	1,090
Cost of properties held for sale recognised as expense	441,809	200,571
Short-term lease expenses/operating lease charge in respect of land and buildings	159	556
Less: amount capitalised in properties held under development	(15)	(24)
	144	532
Outgoings in respect of investment properties that generated rental income during the year	271	20
Employee costs, including directors' remuneration		
- Wages and salaries	12,585	9,966
- Retirement benefit scheme contributions - defined contribution plans	1,905	1,606
Less: amount capitalised in properties held under development	(2,194)	(3,163)
	12,296	8,409
Provision for loss allowance on other receivables	-	1,497
Other receivables written off	-	999
Other taxes	2,125	2,211
and (charging)/crediting:		
Exchange (loss)/gain, net	(2,730)	747
Gain on disposal of financial assets at fair value through profit or loss	216	-
Net fair value gain/(loss) for financial assets at fair value through profit or loss	2,174	(1,935)
Net fair value gain of investment properties	3,740	186
Interest income		
- from bank deposits	1,417	1,582
- from other receivables	4,362	10,319
- from structured bank balances	3,180	8,009
- from other financial assets at amortised cost	1,520	5,298
Rental income	1,194	857
Gain on disposal of property, plant and equipment	5	6
Sundry income	726	537



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 2020 (Unaudited)	31 March 2019 (Audited)	31 March 2020 (Unaudited)	31 March 2019 (Audited)
RMB'000				
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	49,077	47,793	-	-
Investment properties	52,938	21,027	-	-
Investments in subsidiaries	-	-	278,608	278,608
Financial assets at fair value through other comprehensive income	31,550	23,461	19,006	23,461
Deferred tax assets	6,360	6,368	-	-
	139,925	98,649	297,614	302,069
Current assets				
Properties held under development	1,137,777	746,789	-	-
Properties held for sale	119,656	551,532	-	-
Prepayments and other receivables	526,768	310,438	125	109
Contract assets	57,384	-	-	-
Amounts due from subsidiaries	-	-	341,222	368,892
Financial assets at fair value through profit or loss	26,443	56,187	-	-
Tax recoverable	50,014	26,432	-	-
Structured bank balances	-	33,500	-	-
Pledged deposits	-	34,800	-	-
Cash and bank balances	470,328	357,222	155	155
	2,388,370	2,116,900	341,502	369,156
Current liabilities				
Accounts payable	4,953	31,887	-	-
Accruals and other payables	427,434	365,693	244	23
Contract liabilities	1,255,611	1,030,931	-	-
Current tax liabilities	61,786	54,420	-	-
Amounts due to related parties	3,337	11,361	330,683	368,091
Bank and other loans	19,805	46,608	-	-
	1,772,926	1,540,900	330,927	368,114
Net current assets	615,444	576,000	10,575	1,042
Total assets less current liabilities	755,369	674,649	308,189	303,111
Non-current liabilities				
Deferred tax liabilities	4,729	3,794	-	-
	4,729	3,794	-	-
Net assets	750,640	670,855	308,189	303,111
EQUITY				
Equity attributable to the Company's owners				
Share capital	52,241	52,241	52,241	52,241
Reserves	683,435	612,958	255,948	250,870
	735,676	665,199	308,189	303,111
Non-controlling interests	14,964	5,656	-	-
Total equity	750,640	670,855	308,189	303,111



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 2020		Year ended 31 March 2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
19,805	-	46,608	-

Details of any collateral

Bank and other loans of approximately RMB13,741,000 and RMB6,064,000 were secured by the Group's property, plant and equipment, and financial assets at fair value through profit or loss respectively as at 31 March 2020.



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 2020	Year ended 31 March 2019
Cash flows from operating activities		
Profit before income tax	173,985	84,875
Adjustments for:		
Interest income	(10,479)	(25,208)
Interest expense	1,514	2,004
Depreciation of property, plant and equipment	2,185	1,090
Gain on disposal of property, plant and equipment	(5)	(6)
Gain on disposal of financial assets at fair value through profit or loss	(216)	-
Net fair value (gain)/loss for financial assets at fair value through profit or loss	(2,174)	1,935
Fair value adjustment on investment properties	(3,740)	(186)
Loss allowance on other receivables	-	1,497
Other receivables written off	-	999
Operating profit before working capital changes	161,070	67,000
Decrease/(increase) in properties held under development and properties held for sale	162,592	(351,944)
Increase in accounts and other receivables and prepayments	(365,828)	(190,034)
Increase in restricted bank balances	(87,706)	(101,390)
Increase in contract assets	(57,384)	-
Increase in accounts and other payables, accruals and contract liabilities	259,487	623,098
Decrease/(increase) in financial assets at fair value through profit or loss	32,134	(50,045)
Cash generated from/(used in) operations	104,365	(3,315)
Interest received	10,479	25,208
Income taxes paid	(75,621)	(51,960)
<i>Net cash generated from/(used in) operating activities</i>	39,223	(30,067)
Cash flows from investing activities		
Purchases of property, plant and equipment	(3,185)	(2,710)
Proceeds from disposals of property, plant and equipment	5	31
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	-
Proceeds from disposal of other financial assets at amortised cost	-	90,303
Decrease in structured bank balances	33,500	16,500
Decrease in pledged deposits with original maturity over three months	34,800	74,829
<i>Net cash generated from investing activities</i>	53,772	178,953
Cash flows from financing activities		
Repayment to a related company	(8,034)	-
Proceeds from new borrowings	6,064	39,366
Repayment of borrowings	(33,864)	(94,698)
Acquisition of non-controlling interests	(5,843)	-
Capital injection from non-controlling interests	13,365	-
Dividend paid	(39,271)	(38,400)
Interest paid	(1,514)	(2,004)
<i>Net cash used in financing activities</i>	(69,097)	(95,736)
Net increase in cash and cash equivalents	23,898	53,150
Effect of foreign exchange difference	1,502	484
Cash and cash equivalents at beginning of the year	255,832	202,198
Cash and cash equivalents at end of the year	281,232	255,832
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	470,328	357,222
Less: restricted bank balances	(189,096)	(101,390)
	281,232	255,832

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	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 2018	52,241	(12,817)	(2,243)	35,368	3,838	-	87,128	(11,924)	494,194	645,785	5,656	651,441
Transactions with owners												
Dividend declared	-	-	-	-	-	-	-	-	(38,400)	(38,400)	-	(38,400)
Profit for the year	-	-	-	-	-	-	-	-	54,753	54,753	-	54,753
Other comprehensive income												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(400)	-	(400)	-	(400)
Reclassification adjustments relating to distribution of subsidiaries during the year	-	-	-	-	-	3,461	-	-	-	3,461	-	3,461
Total comprehensive income for the year	-	-	-	-	-	3,461	-	(400)	54,753	57,814	-	57,814
Transfer to statutory reserves	-	-	-	7,380	-	-	-	-	(7,380)	-	-	-
At 31 March 2019 and 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
Transactions with owners												
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)	(5,843)
Profit for the year	-	-	-	-	-	-	-	-	113,583	113,583	(9)	113,574
Other comprehensive income												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	1,219	-	1,219	-	1,219
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	(3,259)	-	-	-	(3,259)	-	(3,259)
Total comprehensive income for the year	-	-	-	-	-	(3,259)	-	1,219	113,583	111,543	(9)	111,534
Transfer to statutory reserves	-	-	-	14,402	-	-	-	-	(14,402)	-	-	-
At 31 March 2020	52,241	(12,817)	(2,243)	57,150	3,838	202	85,333	(11,105)	563,077	735,676	14,964	750,640
Company	Share capital	Treasury shares	Contributed surplus	FVOCI* reserve	Retained earnings	Total						
RMB'000												
At 31 March 2018 and 1 April 2018	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						
At 31 March 2018 and 1 April 2018	52,241	(12,817)	59,579	3,461	200,647	303,111						
Dividend declared	-	-	-	-	(39,271)	(39,271)						
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	(2,255)	-	(2,255)						
Profit for the year	-	-	-	-	46,604	46,604						
At 31 March 2019	52,241	(12,817)	59,579	1,206	207,980	308,189						

*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 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 2019 and 31 March 2020	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 2020 was 518,855,024 (31 March 2019: 518,855,024), of which 6,544,000 (31 March 2019: 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 financial year as in those of the audited financial statement for the year ended 31 March 2019, 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 2019 as follows:

IFRS 16	Leases
IFRIC - Int 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRS 3, IFRS11, IAS 12 and IAS23	Annual Improvements to IFRSs 2015-2017 Cycle

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 periods beginning on 1 April 2019. 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 2020	FY 2019
Profit for the year attributable to the owners of the Company (RMB'000)	113,583	54,753
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	22.17	10.69

Note:

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB113,583,000 for the year (2019: RMB54,753,000) divided by weighted average of 512,311,024 ordinary shares (excluding treasury shares) (2019: 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 (2019: 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 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Net asset value per ordinary share (in RMB cents)	146.52	130.95	60.16	59.17

- (1) The number of ordinary shares of the Company as at 31 March 2020 was 512,311,024 (excluding treasury shares) (31 March 2019: 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 2020 was RMB143.60 cents (31 March 2019: RMB129.84 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 2020 ("FY2020") COMPARED TO THE PREVIOUS CORRESPONDING YEAR ENDED 31 MARCH 2019 ("FY2019")**

Revenue

RMB'000	Year ended 31 March 2020	Year ended 31 March 2019
Revenue		
Residential	552,293	287,862
Commercial and others	91,592	4,686
	643,885	292,548

The Group's revenue in FY2020 was RMB643.9 million compared to RMB292.5 million in FY2019, an increase of 120.1%. The higher revenue in FY2020 was due to the transfer of control of more residential units of Pan Hong Run Yuan (汎港潤園) Phase 2 compared to FY2019.

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 increase in revenue, cost of sales increased from RMB202.3 million in FY2019 to RMB445.8 million in FY2020 due to transfer of control of more residential units.

Gross profit margin remained unchanged at 30.8% in FY2019 and in FY2020 as the gross profit margin for residential units sold for Pan Hong Run Yuan Phase 2 in FY2020 compared to those units sold in FY2019 remained the same.

Other Income and Other Gains and Losses

Other income and other gains and losses decreased by 38.3% from RMB25.6 million in FY2019 to RMB15.8 million in FY2020. The decrease was mainly due to the net effect of decrease in interest income and the net fair value gain on financial assets at fair value through profit or loss.

Selling and Distribution Expenses

Selling and distribution expenses increased by 57.6% from RMB12.7 million in FY2019 to RMB20.1 million in FY2020. The higher selling expenses in FY2020 was mainly due to an increase in advertising and marketing expenses incurred for Pan Hong Run He (汎港潤合).

Administrative Expenses

Administrative expenses increased by 24.3% from RMB14.7 million in FY2019 to RMB18.3 million in FY2020, mainly due to an increase in staff costs, office renovation and relocation expenses, and design expenses.

Finance Costs

Finance costs decreased by 24.5% from RMB2.0 million in FY2019 to RMB1.5 million in FY2020 mainly due to a decrease in bank and other loans balances.

Income Tax Expense

Income tax expense increased from RMB30.1 million in FY2019 to RMB60.4 million in FY2020. The increase was mainly attributable to an increase in corporate income tax provision in line with an increase in profit in FY2020.

Profit for the Year

As a cumulative effect of the foregoing factors, the Group recorded a profit after tax of RMB113.6 million in FY2020, an increase of 107.4% from RMB54.8 million in FY2019.

Exchange Differences on Translation of Financial Statements of Foreign Operations

Exchange differences on translation of financial statements of foreign operations increased from a loss of RMB400,000 in FY2019 to a gain of RMB1.2 million in FY2020. The increase was mainly due to the settlement of bank loan denominated in Hong Kong Dollar by a subsidiary subject to translation during the year.

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 RMB111.5 million in FY2020, compared to a total comprehensive income for the year of RMB57.8 million in FY2019.

(b) REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2020 AND CASH FLOW FOR FY2020

Property, Plant and Equipment

As at 31 March 2020, the Group had property, plant and equipment of RMB49.1 million, compared to RMB47.8 million as at 31 March 2019. The increase was mainly due to the purchase of new office equipment and the expenditure on leasehold improvement.

Investment Properties

As at 31 March 2020, the Group had investment properties of RMB52.9 million, compared to

RMB21.0 million as at 31 March 2019. The increase was mainly due to the properties previously classified as properties held for sale being rented out in FY2020.

Financial Asset at Fair Value Through Other Comprehensive Income

As at 31 March 2020, the balance of approximately RMB31.6 million (31 March 2019: RMB23.5 million) representing the fair value of 16.6% (31 March 2019: 10%) 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, decreased to RMB26.4 million as at 31 March 2020 from RMB56.2 million as at 31 March 2019. The decrease was mainly due to the settlement of the principal-protected unlisted investments issued by a PRC bank during the year.

Properties Held Under Development

The Group's properties held under development increased by RMB391.0 million from RMB746.8 million as at 31 March 2019 to RMB1,137.8 million as at 31 March 2020. The increase was mainly due to the construction progress of Pan Hong Run He during the year.

Properties Held for Sale

Properties held for sale decreased from RMB551.5 million as at 31 March 2019 to RMB119.7 million as at 31 March 2020, mainly due to the transfer of control of completed properties of Pan Hong Run Yuan Phase 2 to the buyers.

Prepayments and Other Receivables

The Group's prepayments and other receivables increased from RMB310.4 million as at 31 March 2019 to RMB526.8 million as at 31 March 2020. Included in the balance was RMB275.0 million consideration paid by the Group in relation to a parcel of land with a successful bid accepted by the Huzhou Bureau of Natural Resources and Planning during the year, which the transfer of land title was in progress as at 31 March 2020. The increase was partially set off by the settlement of an entrusted loan of RMB70.0 million with relevant interest receivables and some other receivables during the year.

Contract Assets

The Group's contract assets of RMB57.4 million as at 31 March 2020 represent capitalised incremental costs for obtaining sales contracts of its property project under pre-sale stage.

Tax Recoverable

Tax recoverable increased from approximately RMB26.4 million as at 31 March 2019 to approximately RMB50.0 million as at 31 March 2020 mainly due to prepayment of income taxes by the Group.

Pledged Deposits

Pledged deposits decreased from RMB34.8 million as at 31 March 2019 to nil balance as at 31 March 2020. The decrease was due to the settlement of the relevant secured bank loan during the year.

Structured Bank Balances

As at 31 March 2019, the structured bank balances, denominated in RMB, were interest-bearing and not quoted in an active market. The principal amount together with the interest would be

returned to the Group anytime upon request or within 60 days. As at 31 March 2020, the balance was nil.

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

Accounts payable decreased to RMB5.0 million as at 31 March 2020 from RMB31.9 million as at 31 March 2019, 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 increased from approximately RMB365.7 million as at 31 March 2019 to approximately RMB427.4 million as at 31 March 2020. The increase was mainly due to the 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 increased from approximately RMB1,030.9 million as at 31 March 2019 to approximately RMB1,255.6 million as at 31 March 2020. The increase was mainly due to the net effect of the receipts during pre-sale stage of Pan Hong Run He and the revenue recognized upon transfer of control of property units of Pan Hong Run Yuan Phase 2.

Current Tax Liabilities

Current tax liabilities increased from RMB54.4 million as at 31 March 2019 to RMB61.8 million as at 31 March 2020. 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 year.

Amounts Due to Related Parties

Amounts due to related parties decreased from RMB11.4 million as at 31 March 2019 to RMB3.3 million as at 31 March 2020 due to repayment of amount payable to non-controlling interests of a subsidiary.

Bank and other loans

As at 31 March 2020, the Group had bank and other loans of RMB19.8 million, a decrease from RMB46.6 million as at 31 March 2019, mainly due to the settlement of bank loan during the financial year.

Bank and other loans of approximately RMB13.7 million and RMB6.1 million were secured by the Group's property, plant and equipment, and financial assets at fair value through profit or loss respectively as at 31 March 2020.

Based on the Group's total equity of RMB750.6 million, the Group recorded a net gearing ratio (total bank and other loans/total equity) of 2.6% as at 31 March 2020, compared to 6.9% as at 31 March 2019.

Deferred Tax Liabilities

Deferred tax liabilities increased from RMB3.8 million as at 31 March 2019 to RMB4.7 million as at 31 March 2020, was mainly due to deferred tax liabilities accrued attributable to revaluation of the Group's investment properties.

Cash Flow Analysis

In FY2020, the Group recorded RMB39.2 million of net cash generated from 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 FY2020 amounted to RMB53.8 million, mainly due to proceeds from withdrawal of structured bank balances and release of pledged deposit.

Net cash used in financing activities in FY2020 amounted to RMB69.1 million, mainly due to settlement of bank loans and dividend paid during the financial year.

Included in bank balances and cash are restricted bank balances of RMB189.1 million (31 March 2019: RMB101.4 million) which can only be applied in the designated property development project(s). As at 31 March 2020, the Group had cash and cash equivalents of RMB281.2 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 2020 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

The coronavirus (COVID-19) outbreak in the PRC adversely affected the country's property market and economic activities in early 2020. The Group's property pre-sales also recorded a slowdown during February to March 2020.

However, although the global COVID-19 pandemic has worsened, it is encouraging to note that the number of newly confirmed cases has been decreasing in the PRC since March 2020, as the country has brought the situation under control.

With the progressive lifting of lockdown measures in most PRC cities, economic activity in the country has started to resume. The PRC's property market has been showing signs of rallying since April 2020, with the Group's property pre-sales also trending upward.

According to official data published by the National Bureau of Statistics of the PRC, 38 out of 70 major cities recorded a month-on-month home price increase in March 2020, while 50 major cities saw home price increases in April 2020. On a year-on-year basis, 63 out of 70 major cities recorded higher home prices in April 2020.

Despite the potential damage caused by the COVID-19 pandemic to the global economy, the Group remains cautiously optimistic regarding the mid-to-long term prospects of the PRC's property market as there have been no changes to the country's fundamental growth factors such as population, monetary policy, and fiscal policy.

Company Update

Property Pre-sales

The cumulative results for the pre-sale and delivery of properties under each project up to 15 May 2020 are summarised as follows:

Residential Units

	Pan Hong Run He
Est. total GFA released for sale (total units)	166,804 sq.m.
	1,562 units
Est. total GFA pre-sold (total units)	141,156 sq.m.
	1,356 units
Percentage of pre-sold	85%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 31 March 2020 ^	141,156 sq.m.
	1,356 units
Pre-sale value not handed over to buyers as at 31 March 2020 ^ (RMB)	1,303.2 million
ASP per sq m*	RMB9,232
Expected completion date	CY2020 Q3

*: 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.

^: 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 2020.

The pre-sale value of RMB1,303.2 million of the project not handed over to buyers as at 31 March 2020 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. 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 2020

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\$0.010 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. 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 and operating profit.

(RMB'000)	Year ended 31 March 2020	Year ended 31 March 2019	% increase/ (decrease)
(a) Sales reported for the first half year	586,348	11,976	4,796.0%
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for the first half year	118,330	(4,893)	(2,518.4%)
(c) Sales reported for the second half year	57,537	280,572	(79.5%)
(d) Operating (loss)/ profit after tax before deducting non-controlling interests reported for the second half year	(4,756)	59,646	(108.0%)

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

	2020 RMB'000	2019 RMB'000
Final dividends paid in respect of prior year	26,062	38,400
Interim dividends paid in respect of current year	13,209	-
	39,271	38,400

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 2019 to 31 March 2020, 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	29	<ul style="list-style-type: none"> Son of Mr. Wong Lam Ping and Ms. Chan Heung Ling, Substantial Shareholder of the Company. 	<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

Mr Wong Lam Ping, age 65, who is the spouse of Ms Chan Heung Ling (a Substantial Shareholder of the Company) and father of Mr Wong Sum (the current Executive Chairman of the Company since 31 March 2020), resigned as the Executive Chairman of the Company and Group Chief Executive Officer on 31 March 2020.

BY ORDER OF THE BOARD

Wong Sum
 Executive Chairman
 28 May 2020