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*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 896)

## **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024**

### **SUMMARY OF RESULTS**

For the year ended 31 March 2024, Hanison Construction Holdings Limited (“Company”) and its subsidiaries (collectively “Group”) achieved revenue of HK\$1,612.7 million, representing an increase of approximately 30.8% compared with the previous financial year (2023: HK\$1,232.8 million). This increase was mainly from Construction Division. The consolidated loss attributable to owners of the Company was HK\$216.0 million, while a net loss of HK\$38.4 million was recorded last year. The net loss is mainly due to the revaluation loss of investment properties and write-down of properties under development for sale held by the Group and joint ventures of approximately HK\$187.4 million together with the interest expenses of approximately HK\$65.6 million as a result of increase in interest rate and so the downturn in the property market.

The basic loss per share and the diluted loss per share for the year ended 31 March 2024 were HK19.9 cents and HK19.9 cents respectively. The basic loss per share and the diluted loss per share for the last year were HK3.5 cents and HK3.5 cents respectively.

As at 31 March 2024, the Group’s net asset value amounted to HK\$3,766.5 million (2023: HK\$4,072.7 million). Net asset value per share as at 31 March 2024 was HK\$3.51 (2023: HK\$3.71).

### **DIVIDEND**

The board of directors of the Company (“Board”) has resolved not to declare a second interim dividend for the year ended 31 March 2024 (2023: HK5.0 cents per share). The first interim dividend of HK1.0 cent per share (2023: HK2.5 cents per share) was distributed during the year.

### **CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING**

The register of members of the Company will be closed from 15 August 2024 to 20 August 2024, both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the Company’s forthcoming annual general meeting (“AGM”) scheduled to be held on 20 August 2024. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 14 August 2024.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

|   | <i>NOTES</i> | <b>2024</b><br><b>HK\$'000</b> | 2023<br>HK\$'000       |
|---|--------------|--------------------------------|------------------------|
| Revenue   | 3            | <b>1,612,660</b>               | 1,232,803              |
| Cost of sales   |              | <b>(1,492,805)</b>             | (1,117,977)            |
| Gross profit  |              | <b>119,855</b>                 | 114,826                |
| Other income  |              | <b>30,119</b>                  | 31,220                 |
| Other gains and losses                                  | 5            | <b>(10,325)</b>                | 123,898                |
| Impairment losses under expected credit loss model, net |              | <b>(88,216)</b>                | (27,391)               |
| Marketing and distribution costs                        |              | <b>(735)</b>                   | (953)                  |
| Administrative expenses                                 |              | <b>(116,765)</b>               | (137,241)              |
| Loss on change in fair value of investment properties   |              | <b>(71,078)</b>                | (20,494)               |
| Share of loss of an associate                           |              | <b>(7)</b>                     | (16)                   |
| Share of loss of joint ventures                         |              | <b>(13,077)</b>                | (72,547)               |
| Finance costs   |              | <b>(65,625)</b>                | (47,253)               |
| Loss before taxation                                    | 6            | <b>(215,854)</b>               | (35,951)               |
| Taxation  | 7            | <b>(160)</b>                   | (2,481)                |
| Loss for the year                                       |              | <b><u>(216,014)</u></b>        | <b><u>(38,432)</u></b> |
| <b>Loss per share</b>                                   |              |                                |                        |
| Basic (HK cents)  | 9            | <b><u>(19.9)</u></b>           | <b><u>(3.5)</u></b>    |
| Diluted (HK cents)                                      | 9            | <b><u>(19.9)</u></b>           | <b><u>(3.5)</u></b>    |

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2024**

|   | <b>2024</b>             | 2023                   |
|---|-------------------------|------------------------|
|   | <b>HK\$'000</b>         | HK\$'000               |
| Loss for the year   | <u>(216,014)</u>        | <u>(38,432)</u>        |
| Other comprehensive expense:  |                         |                        |
| <i>Items that may be subsequently reclassified to profit or loss:</i> |                         |                        |
| Exchange differences arising on translation of foreign operations     | (313)                   | (160)                  |
| Share of exchange differences of a joint venture                      | <u>(4,543)</u>          | <u>(7,197)</u>         |
|   | <u>(4,856)</u>          | <u>(7,357)</u>         |
| Total comprehensive expense for the year                              | <u><u>(220,870)</u></u> | <u><u>(45,789)</u></u> |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 MARCH 2024**

|   | <i>NOTES</i> | <b>31.3.2024</b><br><b>HK\$'000</b> | 31.3.2023<br>HK\$'000 |
|---|--------------|-------------------------------------|-----------------------|
| <b>Non-current assets</b>                             |              |                                     |                       |
| Investment properties                                 |              | <b>2,743,080</b>                    | 3,033,980             |
| Property, plant and equipment                         |              | <b>300,638</b>                      | 302,794               |
| Right-of-use assets                                   |              | <b>4,047</b>                        | 1,283                 |
| Interest in an associate                              |              | –                                   | 557                   |
| Interests in joint ventures                           |              | <b>88,648</b>                       | 106,268               |
| Loans to joint ventures                               |              | <b>1,036,628</b>                    | 1,027,814             |
| Deferred tax assets                                   |              | <b>5,340</b>                        | 849                   |
|   |              | <b>4,178,381</b>                    | 4,473,545             |
| <b>Current assets</b>                                 |              |                                     |                       |
| Properties under development for sale                 |              | <b>1,039,000</b>                    | 932,000               |
| Inventories   |              | <b>4,338</b>                        | 3,242                 |
| Contract assets                                       |              | <b>308,982</b>                      | 238,208               |
| Debtors, deposits and prepayments                     | <i>10</i>    | <b>94,620</b>                       | 105,532               |
| Financial assets at fair value through profit or loss |              | <b>263</b>                          | 405                   |
| Taxation recoverable                                  |              | <b>2,001</b>                        | 3,814                 |
| Cash and cash equivalents                             |              | <b>441,485</b>                      | 399,488               |
|   |              | <b>1,890,689</b>                    | 1,682,689             |
| Assets classified as held for sale                    |              | <b>157,050</b>                      | 6,600                 |
|   |              | <b>2,047,739</b>                    | 1,689,289             |
| <b>Current liabilities</b>                            |              |                                     |                       |
| Trade and other payables                              | <i>11</i>    | <b>495,578</b>                      | 492,611               |
| Provisions  |              | <b>16,470</b>                       | 9,008                 |
| Lease liabilities                                     |              | <b>3,026</b>                        | 1,732                 |
| Taxation payable                                      |              | <b>20,225</b>                       | 16,986                |
| Bank loans – amounts due within one year              |              | <b>1,878,072</b>                    | 394,365               |
|   |              | <b>2,413,371</b>                    | 914,702               |
| Net current (liabilities) assets                      |              | <b>(365,632)</b>                    | 774,587               |
| Total assets less current liabilities                 |              | <b>3,812,749</b>                    | 5,248,132             |

|   | <i>NOTE</i> | <b>31.3.2024</b><br><b><i>HK\$'000</i></b> | 31.3.2023<br><i>HK\$'000</i> |
|---|-------------|--|------------------------------|
| <b>Non-current liabilities</b>          |             |  |                              |
| Bank loans – amounts due after one year |             | –  | 1,131,069                    |
| Provisions                              |             | <b>34,869</b>                              | 34,560                       |
| Deferred tax liabilities                |             | <b>6,477</b>                               | 6,377                        |
| Lease liabilities                       |             | <b>4,877</b>                               | 3,444                        |
|   |             | <u><b>46,223</b></u>                       | <u>1,175,450</u>             |
|   |             | <u><b>3,766,526</b></u>                    | <u>4,072,682</u>             |
| <b>Capital and reserves</b>             |             |  |                              |
| Share capital                           | <i>12</i>   | <b>107,307</b>                             | 109,629                      |
| Reserves                                |             | <b>3,659,219</b>                           | 3,963,053                    |
|   |             | <u><b>3,766,526</b></u>                    | <u>4,072,682</u>             |

NOTES:

**1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by HK\$365,632,000 as at 31 March 2024 and the Group has bank loans of HK\$1,878,072,000 in aggregate, which were classified as current liabilities on the same date. Subsequent to 31 March 2024, the Group has successfully entered into a supplemental agreement with a bank to extend the maturity date of the Group’s outstanding bank loan of HK\$700,000,000 to 22 June 2026, of which the first instalment of HK\$20,000,000 is due one year after the date of authorising of the consolidated financial statements.

The directors of the Company are of the opinion that, taking into account of the unutilised and available banking facilities, the internally generated funds of the Group and the Group’s ability to renew borrowing facilities as described above, the Group has sufficient working capital for its present requirements for the next twelve months from 31 March 2024. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

**2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS**

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

|  |   |
|--|---|
| HKFRS 17 (including the<br>October 2020 and February 2022<br>Amendments to HKFRS 17) | Insurance Contracts   |
| Amendments to HKAS 8   | Definition of Accounting Estimates  |
| Amendments to HKAS 12  | Deferred Tax related to Assets and Liabilities<br>arising from a Single Transaction |
| Amendments to HKAS 12  | International Tax Reform – Pillar Two Model Rules                                   |
| Amendments to HKAS 1 and<br>HKFRS Practice Statement 2                               | Disclosure of Accounting Policies   |

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

## **Impacts on application of Amendments to HKAS 8 “Definition of Accounting Estimates”**

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year has had no material impact on the consolidated financial statements.

## **Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting policies”**

The Group has applied the amendments for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

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

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

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in the consolidated financial statements.

### 3. REVENUE

Revenue represents the aggregate of the amounts received or receivable from construction contracts, interior and renovation contracts, installation of building materials, sales of health products, provision of property agency and management services, and lease income from property investment during the year, and is analysed as follows:

#### Disaggregation of revenue

|   | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Recognised over time:                           |                         |                         |
| Revenue from construction contract work         | 1,122,883               | 904,847                 |
| Revenue from interior and renovation contracts  | 259,022                 | 190,219                 |
| Revenue from installation of building materials | 140,772                 | 56,967                  |
| Property management services income             | 5,620                   | 11,159                  |
| Recognised at a point in time:                  |                         |                         |
| Sales of health products                        | 11,252                  | 11,220                  |
| Property agency service income                  | 1,844                   | 3,305                   |
| Revenue from contracts with customers           | 1,541,393               | 1,177,717               |
| Fixed-lease income from property investment     | 71,267                  | 55,086                  |
|   | <u>1,612,660</u>        | <u>1,232,803</u>        |
| Geographical market:                            |                         |                         |
| Hong Kong                                       | <u>1,612,660</u>        | <u>1,232,803</u>        |

### 4. SEGMENT INFORMATION

The Group is organised into seven operating divisions: construction, interior and renovation works, design, supply and installation of building materials, sales of health products, property investment, property development and provision of property agency and management services. These divisions are the basis on which the Group reports its financial information internally and are regularly reviewed by the executive directors of the Company, being the chief operating decision makers, for the purpose of allocating resources to segments and assessing their performance.



(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For the year ended 31 March 2024

|                      | Construction     | Interior and renovation | Building materials | Health products | Property investment | Property development | Property agency and management | Segment total    | Eliminations    | Consolidated     |
|----------------------|------------------|-------------------------|--------------------|-----------------|---------------------|----------------------|--------------------------------|------------------|-----------------|------------------|
|                      | HK\$'000         | HK\$'000                | HK\$'000           | HK\$'000        | HK\$'000            | HK\$'000             | HK\$'000                       | HK\$'000         | HK\$'000        | HK\$'000         |
| REVENUE              |                  |                         |                    |                 |                     |                      |                                |                  |                 |                  |
| External sales       | 1,122,883        | 259,022                 | 140,772            | 11,252          | 71,267              | -                    | 7,464                          | 1,612,660        | -               | 1,612,660        |
| Inter-segment sales  | 1,138            | 34,316                  | 2,610              | 26              | 8,971               | -                    | 10,500                         | 57,561           | (57,561)        | -                |
| Total                | <u>1,124,021</u> | <u>293,338</u>          | <u>143,382</u>     | <u>11,278</u>   | <u>80,238</u>       | <u>-</u>             | <u>17,964</u>                  | <u>1,670,221</u> | <u>(57,561)</u> | <u>1,612,660</u> |
| RESULTS              |                  |                         |                    |                 |                     |                      |                                |                  |                 |                  |
| Segment result       | <u>19,540</u>    | <u>(18,115)</u>         | <u>26</u>          | <u>291</u>      | <u>(100,965)</u>    | <u>(84,750)</u>      | <u>16</u>                      | <u>(183,957)</u> | <u>-</u>        | <u>(183,957)</u> |
| Unallocated expenses |                  |                         |                    |                 |                     |                      |                                |                  |                 | <u>(32,057)</u>  |
| Loss for the year    |                  |                         |                    |                 |                     |                      |                                |                  |                 | <u>(216,014)</u> |

For the year ended 31 March 2023

|                      | Construction   | Interior and renovation | Building materials | Health products | Property investment | Property development | Property agency and management | Segment total    | Eliminations    | Consolidated     |
|----------------------|----------------|-------------------------|--------------------|-----------------|---------------------|----------------------|--------------------------------|------------------|-----------------|------------------|
|                      | HK\$'000       | HK\$'000                | HK\$'000           | HK\$'000        | HK\$'000            | HK\$'000             | HK\$'000                       | HK\$'000         | HK\$'000        | HK\$'000         |
| REVENUE              |                |                         |                    |                 |                     |                      |                                |                  |                 |                  |
| External sales       | 904,847        | 190,219                 | 56,967             | 11,220          | 55,086              | -                    | 14,464                         | 1,232,803        | -               | 1,232,803        |
| Inter-segment sales  | 1,510          | 39,702                  | 2,579              | 97              | 8,971               | -                    | 57                             | 52,916           | (52,916)        | -                |
| Total                | <u>906,357</u> | <u>229,921</u>          | <u>59,546</u>      | <u>11,317</u>   | <u>64,057</u>       | <u>-</u>             | <u>14,521</u>                  | <u>1,285,719</u> | <u>(52,916)</u> | <u>1,232,803</u> |
| RESULTS              |                |                         |                    |                 |                     |                      |                                |                  |                 |                  |
| Segment result       | <u>10,330</u>  | <u>(1,470)</u>          | <u>33</u>          | <u>(1,218)</u>  | <u>71,752</u>       | <u>(86,232)</u>      | <u>21</u>                      | <u>(6,784)</u>   | <u>-</u>        | <u>(6,784)</u>   |
| Unallocated expenses |                |                         |                    |                 |                     |                      |                                |                  |                 | <u>(31,648)</u>  |
| Loss for the year    |                |                         |                    |                 |                     |                      |                                |                  |                 | <u>(38,432)</u>  |

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of interest income earned and administration costs incurred by head office and the inactive subsidiaries. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged by reference to market prices.

**(b) Other Information**Year ended 31 March 2024

|   | Construction | Interior and renovation | Building materials | Health products | Property investment | Property development | Property agency and management | Unallocated | Consolidated |
|---|--------------|-------------------------|--------------------|-----------------|---------------------|----------------------|--------------------------------|-------------|--------------|
|   | HK\$'000     | HK\$'000                | HK\$'000           | HK\$'000        | HK\$'000            | HK\$'000             | HK\$'000                       | HK\$'000    | HK\$'000     |
| Amounts included in the measure of segment results or segment assets:                           |              |                         |                    |                 |                     |                      |                                |             |              |
| Depreciation of property, plant and equipment   | 3,716        | 1,575                   | 1,212              | 124             | 1,008               | -                    | 1,615                          | 6,459       | 15,709       |
| Depreciation of right-of-use assets   | 855          | -                       | -                  | 897             | -                   | -                    | -                              | -           | 1,752        |
| Write-down of properties under development for sale   | -            | -                       | -                  | -               | -                   | 21,740               | -                              | -           | 21,740       |
| Loss on change in fair value of investment properties   | -            | -                       | -                  | -               | 71,078              | -                    | -                              | -           | 71,078       |
| Loss on change in fair value of financial assets at fair value through profit or loss ("FVTPL") | 142          | -                       | -                  | -               | -                   | -                    | -                              | -           | 142          |
| Reversal of write-down of inventories   | -            | -                       | -                  | (17)            | -                   | -                    | -                              | -           | (17)         |
| (Gain) loss on disposal of property, plant and equipment  | (74)         | -                       | -                  | -               | 68                  | -                    | -                              | -           | (6)          |
| Impairment losses (reversal of impairment losses) under expected credit loss ("ECL") model, net | 100          | (224)                   | 130                | -               | -                   | 88,210               | -                              | -           | 88,216       |
| Interest income   | (1,500)      | (162)                   | (111)              | (15)            | (405)               | (19,674)             | (13)                           | (11)        | (21,891)     |
| Share of loss of an associate   | -            | -                       | -                  | -               | 7                   | -                    | -                              | -           | 7            |
| Share of loss of joint ventures   | -            | -                       | -                  | -               | -                   | 13,077               | -                              | -           | 13,077       |
| Finance costs   | 51           | -                       | -                  | 52              | 65,522              | -                    | -                              | -           | 65,625       |
| Income tax expenses (credit)  | 3,060        | (4,013)                 | (22)               | -               | 1,003               | -                    | 132                            | -           | 160          |
| Additions to non-current assets (note)  | 5,068        | -                       | -                  | 1,909           | 823                 | -                    | 358                            | 10,707      | 18,865       |
| Interests in joint ventures   | -            | -                       | -                  | -               | -                   | 88,648               | -                              | -           | 88,648       |
| Loans to joint ventures   | -            | -                       | -                  | -               | 235,502             | 801,126              | -                              | -           | 1,036,628    |

Note: Non-current assets exclude deferred tax assets, interest in an associate, interests in joint ventures and loans to joint ventures.

Year ended 31 March 2023

|   | Construction | Interior and renovation | Building materials | Health products | Property investment | Property development | Property agency and management | Unallocated | Consolidated |
|---|--------------|-------------------------|--------------------|-----------------|---------------------|----------------------|--------------------------------|-------------|--------------|
|   | HK\$'000     | HK\$'000                | HK\$'000           | HK\$'000        | HK\$'000            | HK\$'000             | HK\$'000                       | HK\$'000    | HK\$'000     |
| Amounts included in the measure of segment results or segment assets:   |              |                         |                    |                 |                     |                      |                                |             |              |
| Depreciation of property, plant and equipment   | 3,962        | 1,698                   | 1,319              | 170             | 1,339               | –                    | 1,795                          | 6,646       | 16,929       |
| Depreciation of right-of-use assets   | 2,070        | –                       | –                  | 1,385           | –                   | –                    | –                              | –           | 3,455        |
| Write-down of properties under development for sale   | –            | –                       | –                  | –               | –                   | 10,411               | –                              | –           | 10,411       |
| Loss on change in fair value of investment properties   | –            | –                       | –                  | –               | 20,494              | –                    | –                              | –           | 20,494       |
| Gain on change in fair value of financial assets at FVTPL   | (59)         | –                       | –                  | –               | –                   | –                    | –                              | –           | (59)         |
| Reversal of write-down of inventories   | –            | –                       | –                  | (149)           | –                   | –                    | (546)                          | –           | (695)        |
| Gain on disposal of property, plant and equipment   | (499)        | –                       | –                  | –               | (13,293)            | –                    | (3,920)                        | –           | (17,712)     |
| (Reversal of impairment losses) impairment losses under ECL model, net  | (670)        | (58)                    | 75                 | –               | –                   | 28,044               | –                              | –           | 27,391       |
| Gain on disposal of assets classified as held for sale and liabilities associated with assets classified as held for sale | –            | –                       | –                  | –               | (116,619)           | –                    | –                              | –           | (116,619)    |
| Interest income   | (1,487)      | (194)                   | (106)              | (6)             | (97)                | (19,083)             | (4)                            | (24)        | (21,001)     |
| Share of loss of an associate   | –            | –                       | –                  | –               | 16                  | –                    | –                              | –           | 16           |
| Share of loss of joint ventures   | –            | –                       | –                  | –               | –                   | 72,547               | –                              | –           | 72,547       |
| Finance costs   | 69           | –                       | –                  | 45              | 43,545              | 3,594                | –                              | –           | 47,253       |
| Income tax expenses (credit)  | 1,742        | (659)                   | (13)               | –               | 1,279               | 19                   | 113                            | –           | 2,481        |
| Additions to non-current assets (note)  | 3,680        | –                       | –                  | 504             | 7,241               | –                    | –                              | 25,134      | 36,559       |
| Interest in an associate  | –            | –                       | –                  | –               | 557                 | –                    | –                              | –           | 557          |
| Interests in joint ventures   | –            | –                       | –                  | –               | –                   | 106,268              | –                              | –           | 106,268      |
| Loans to joint ventures   | –            | –                       | –                  | –               | 218,702             | 809,112              | –                              | –           | 1,027,814    |

Note: Non-current assets exclude deferred tax assets, interest in an associate, interests in joint ventures and loans to joint ventures.

## Geographical information

The Group's revenue which is generated from customers located in Hong Kong, the Company's place of domicile, amounted to HK\$1,612,660,000 (2023: HK\$1,232,803,000). Accordingly, no further analysis of the Group's revenue by geographical market based on geographical location of customers has been presented.

The analysis of the Group's non-current assets by geographical location of assets is presented as follows (note):

|                               | <b>31.3.2024</b><br><i>HK\$'000</i> | 31.3.2023<br><i>HK\$'000</i> |
|-------------------------------|-------------------------------------|------------------------------|
| Hong Kong (place of domicile) | <b>3,065,608</b>                    | 3,361,472                    |
| Mainland China                | <b>70,805</b>                       | 83,410                       |
|                               | <b><u>3,136,413</u></b>             | <b><u>3,444,882</u></b>      |

Note: Interest in an associate and interests in joint ventures are analysed by geographical location of their respective operations.

Non-current assets excluded loans to joint ventures and deferred tax assets.

## Information about major customers

Revenue from customers of the corresponding years individually contributing over 10% of the total revenue of the Group is as follows:

|            | <b>2024</b><br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|------------|--------------------------------|-------------------------|
| Customer A | <b>640,417</b>                 | 515,107                 |
| Customer B | <b>221,793</b>                 | N/A*                    |
| Customer C | <b>N/A*</b>                    | 195,011                 |
|            | <b><u>N/A*</u></b>             | <b><u>195,011</u></b>   |

The revenue is income from construction contracts within the construction segment.

\* The corresponding revenue does not contribute over 10% of the total revenue of the Group during the year ended 31 March 2024 or 31 March 2023.

## 5. OTHER GAINS AND LOSSES

|   | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Gain on disposal of assets classified as held for sale and liabilities associated with assets classified as held for sale | –                       | 116,619                 |
| Gain on disposal of property, plant and equipment   | 6                       | 17,712                  |
| (Loss) gain on change in fair value of financial assets at FVTPL  | (142)                   | 59                      |
| Others  | <u>(10,189)</u>         | <u>(10,492)</u>         |
|   | <b><u>(10,325)</u></b>  | <b><u>123,898</u></b>   |

## 6. LOSS BEFORE TAXATION

|  | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Loss before taxation has been arrived at after charging (crediting): |                         |                         |
| Depreciation of property, plant and equipment                        | 15,709                  | 16,929                  |
| <i>Less:</i> Depreciation expenses included in the cost of sales     | <u>(956)</u>            | <u>(739)</u>            |
|  | <u>14,753</u>           | <u>16,190</u>           |
| Depreciation of right-of-use assets                                  | 1,752                   | 3,455                   |
| <i>Less:</i> Depreciation expenses included in the cost of sales     | <u>(1,082)</u>          | <u>(2,284)</u>          |
|  | <u>670</u>              | <u>1,171</u>            |
| Auditor's remuneration   | 3,670                   | 3,600                   |
| Contract costs recognised as expenses                                | 1,457,043               | 1,087,496               |
| Costs of inventories recognised as expenses                          | 23,548                  | 18,198                  |
| Reversal of write-down of inventories                                | (17)                    | (695)                   |
| Write-down of properties under development for sale                  | 21,740                  | 10,411                  |
| Gross rental income under operating leases on:                       |                         |                         |
| Investment properties  | (71,267)                | (55,086)                |
| <i>Less:</i> Direct operating expenses arising from leasing          | <u>18,531</u>           | <u>9,695</u>            |
|  | <u>(52,736)</u>         | <u>(45,391)</u>         |
| Expenses included in cost of sales:                                  |                         |                         |
| Short-term leases expense in respect of plant and machinery          | <b><u>10,193</u></b>    | <b><u>9,955</u></b>     |

## 7. TAXATION

|                               | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|-------------------------------|-------------------------|-------------------------|
| Hong Kong Profits Tax         |                         |                         |
| Current year                  | 3,741                   | 1,762                   |
| Underprovision in prior years | <u>810</u>              | <u>953</u>              |
|                               | 4,551                   | 2,715                   |
| Deferred taxation             | <u>(4,391)</u>          | <u>(234)</u>            |
|                               | <u><u>160</u></u>       | <u><u>2,481</u></u>     |

Hong Kong Profits Tax for both years is calculated at 16.5% of the estimated assessable profits for the year, except for the group entity which is a qualifying corporation under the two-tiered profits tax rates regime. For this group entity, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

## 8. DIVIDENDS

|  | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Dividends recognised as distribution during the year:  |                         |                         |
| 2024 first interim dividend – HK1.0 cents per share<br>(2023: 2023 first interim dividend – HK2.5 cents per share)   | 10,731                  | 27,692                  |
| 2023 second interim dividend – HK5.0 cents per share<br>(2023: 2022 second interim dividend – HK5.0 cents per share) | <u>54,405</u>           | <u>55,279</u>           |
|  | <u><u>65,136</u></u>    | <u><u>82,971</u></u>    |

No second interim dividend was proposed by the board of directors of the Company for the financial year ended 31 March 2024 (2023: second interim dividend of HK\$5.0 cents per share was proposed).

## 9. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the year attributable to owners of the Company is based on the following data:

|   | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| <b>Loss</b>   |                         |                         |
| Loss for the purpose of basic and diluted loss per share  | <u>(216,014)</u>        | <u>(38,432)</u>         |
|   | 2024<br><i>'000</i>     | 2023<br><i>'000</i>     |
| <b>Number of shares</b>   |                         |                         |
| Weighted average number of ordinary shares<br>for the purpose of calculating basic and diluted loss per share | <u>1,083,897</u>        | <u>1,104,784</u>        |

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the year ended 31 March 2024 and 2023 has taken into account the ordinary shares repurchased from the market during the respective year.

During the years ended 31 March 2024 and 2023, the computation of diluted loss per share does not assume the exercise of all of the Company's outstanding share options as their assumed exercise would result in a decrease in loss per share.

## 10. DEBTORS, DEPOSITS AND PREPAYMENTS

For the business of construction services and others, the Group generally allows a credit period of 30 to 90 days and not more than 90 days (2023: 30 to 90 days and not more than 90 days), respectively, to its customers. Before accepting any new customer, the Group will internally assess the credit quality of the potential customers and define appropriate credit limit. Other receivables are unsecured, interest-free and repayable on demand.

The aged analysis of trade debtors, net of allowance for credit losses, presented based on the invoice date, as appropriate, at the end of the reporting period is as follows:

|                | 31.3.2024<br><i>HK\$'000</i> | 31.3.2023<br><i>HK\$'000</i> |
|----------------|------------------------------|------------------------------|
| Within 30 days | 51,349                       | 66,850                       |
| 31 – 60 days   | 4,705                        | 4,637                        |
| 61 – 90 days   | 3,844                        | 99                           |
| Over 90 days   | <u>3,026</u>                 | <u>1,587</u>                 |
|                | <u>62,924</u>                | <u>73,173</u>                |

## 11. TRADE AND OTHER PAYABLES

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

|                | <b>31.3.2024</b><br><i>HK\$'000</i> | 31.3.2023<br><i>HK\$'000</i> |
|----------------|-------------------------------------|------------------------------|
| Within 30 days | <b>55,260</b>                       | 59,330                       |
| 31 – 60 days   | <b>662</b>                          | –                            |
| 61 – 90 days   | <b>654</b>                          | –                            |
| Over 90 days   | <b>2,595</b>                        | 664                          |
|                | <u><b>59,171</b></u>                | <u>66,000</u>                |

## 12. SHARE CAPITAL

|   | <i>No. of shares</i> | <i>HK\$'000</i> |
|---|----------------------|-----------------|
| Authorised:   |                      |                 |
| Shares of HK\$0.10 each                                     |                      |                 |
| Balance as at 1 April 2022, 31 March 2023 and 31 March 2024 | <u>1,500,000,000</u> | <u>150,000</u>  |
| Issued and fully paid:                                      |                      |                 |
| Shares of HK\$0.10 each                                     |                      |                 |
| Balance as at 1 April 2022                                  | 1,105,585,676        | 110,559         |
| Issue of shares upon exercise of share options (note i)     | 6,097,000            | 610             |
| Repurchased and cancelled (note ii)                         | <u>(15,396,000)</u>  | <u>(1,540)</u>  |
| Balance as at 31 March 2023                                 | 1,096,286,676        | 109,629         |
| Repurchased and cancelled (note ii)                         | <u>(23,212,000)</u>  | <u>(2,322)</u>  |
| Balance as at 31 March 2024                                 | <u>1,073,074,676</u> | <u>107,307</u>  |

Notes:

- (i) The new shares issued rank pari passu in all respects with the existing shares in issue.
- (ii) During the year ended 31 March 2024, the Company repurchased 17,964,000 shares (2023: 20,644,000 shares) on the market for an aggregated consideration paid of approximately HK\$19,999,000 (2023: HK\$23,866,000), in which all shares (2023: 15,396,000 shares) were cancelled during the year ended 31 March 2024 and no shares (2023: 5,248,000 shares) were cancelled after the reporting date.



## **OPERATIONS REVIEW**

### **CONSTRUCTION DIVISION**

The revenue for the Construction Division was HK\$1,124.0 million for the year ended 31 March 2024, as compared with HK\$906.4 million last year.

During the year, the Construction Division continued to work on the projects on hand. The total amount of contracts on hand as at 31 March 2024 for the Construction Division amounted to HK\$4,400.7 million.

#### **Major Projects Completed**

- (1) Design and build contract for transitional housing at Area 1B2, Muk On Street, Kai Tak for Tung Wah Group of Hospitals
- (2) Construction of public housing development at Java Road, North Point, Hong Kong

#### **Major Projects Undertaken**

- (1) Construction of the proposed residential and commercial development at Nos. 33-47 Catchick Street, Kennedy Town, Hong Kong
- (2) Construction of public housing development at Hin Fat Lane, Tuen Mun, New Territories
- (3) Construction of the proposed residential development at No. 57A Nga Tsin Wai Road, Kowloon Tong, Kowloon
- (4) Construction of the proposed industrial redevelopment at No. 22 Yip Shing Street, Kwai Chung, New Territories
- (5) Construction of the proposed industrial redevelopment at No. 18 Lee Chung Street, Chai Wan, Hong Kong
- (6) Construction of the proposed residential development at Lot No. 2143 in D.D. 121, Tong Yan San Tsuen, Yuen Long, New Territories
- (7) Construction of the residential development at Tuen Mun Town Lot No. 496, So Kwun Wat, Tuen Mun, New Territories
- (8) Main works contract for Hong Kong Science Park Expansion Stage 2 (SPX2) Building 12W-A
- (9) Main contract works for proposed commercial development at Nos. 92-103A Connaught Road West and Nos. 91, 99 and 101 Des Voeux Road West, Hong Kong

## **INTERIOR AND RENOVATION DIVISION**

For the year ended 31 March 2024, the Interior and Renovation Division recorded a revenue of HK\$293.3 million, as compared with HK\$229.9 million last year.

The total amount of contracts on hand as at 31 March 2024 for the Interior and Renovation Division amounted to HK\$201.7 million.

### **Major Projects Completed**

- (1) 3-year general building maintenance term contract (2019-2022) for the City University of Hong Kong
- (2) Façade repair works for campus buildings (2019-2022) for the City University of Hong Kong
- (3) Toilet improvement works at shopping centres of Leung King, Kwong Yuen, Sha Kok, Chuk Yuen, Oi Man, Un Chau, Oi Tung and Siu Sai Wan

### **Major Projects Undertaken**

- (1) HKHA district term contract (2021-2024) for the maintenance, improvement and vacant flat refurbishment for Hong Kong Island and Islands (2)
- (2) Building works term contract (2022-2025) for shopping centres, car parks, markets & cooked-food stalls in Tin Shui Wai, Tuen Mun, New Territories North and Ma On Shan (Region 1) for the Link
- (3) 2-year term tenancy works contract (2022-2024) for shopping centres, car parks, markets & cooked-food stalls for Hong Kong Island, Kowloon East, New Territories East and Tseung Kwan O (Region 2) for the Link
- (4) Repair and maintenance term contract (2022-2025) for Hong Kong Baptist University
- (5) AA&I project 2022-2023 renovation works to lavatories in Sir Run Run Shaw Building, Cha Chi-Ming Science Tower and Fong Shu Chuen Library, renovation works to lavatories at Level 5 of Oen Hall Building at Hong Kong Baptist University
- (6) Interior fitting out works nominated sub-contract for redevelopment of North Point Methodist Church at 11 Cheung Hong Street, North Point, Hong Kong
- (7) Toilet improvement works at shopping centres of Tin Shui, Butterfly, Leung King, Chung On, Sha Kok, Tsui Ping and Stanley

## **BUILDING MATERIALS DIVISION**

The Group's Building Materials Division specialises in the supply and installation of different types of suspended ceiling system, metal cladding system, fire rated enclosure system and timber flooring.

For the year ended 31 March 2024, the revenue of the Building Materials Division was HK\$143.4 million compared with that of HK\$59.5 million last year.

The total amount of contracts on hand as at 31 March 2024 for the Building Materials Division amounted to HK\$141.2 million.

### **Major Projects Completed**

- (1) Construction of a swimming pool complex and open space in Area 107, Tin Shui Wai – Design, supply and installation of suspended ceiling system
- (2) Construction of public housing development at Java Road, North Point – Design, supply and installation of suspended ceiling system at podium level

### **Major Projects Undertaken**

- (1) HKIA Contract 3508 Terminal 2 expansion works – Design, supply and installation of main roof baffle ceiling system
- (2) HKIA Contract 3508 Terminal 2 expansion works – Design, supply and installation of lower-level baffle and external ceiling system
- (3) Proposed residential development at TKOTL 70RP, Phase 11, Lohas Park, Tseung Kwan O, New Territories – Supply and installation of baffle ceiling and gypsum board ceiling system
- (4) Proposed residential and commercial development at Nos. 33-47 Catchick Street, Kennedy Town – Supply and installation of suspended ceiling system
- (5) Central Kowloon Route – Building, electrical and mechanical works – Design, supply and installation of suspended ceiling system
- (6) Construction of public housing development at Hin Fat Lane, Tuen Mun, New Territories – Design, supply and installation of suspended ceiling system at G/F

### **Major Projects Awarded**

- (1) Proposed property development at Wong Chuk Hang Station, Package Three, Aberdeen Inland Lot No.467, Site C – Design, supply and installation of suspended ceiling system at 3/F Ball Court
- (2) The Physical Sciences and Technologies Building (New Research Building 1) at The Hong Kong University of Science and Technology – Design, supply and installation of suspended ceiling system
- (3) Centralised General Research Laboratory Complex (Block 2) at Area 39, The Chinese University of Hong Kong – Design, supply and installation of suspended ceiling system

## **PROPERTY DEVELOPMENT DIVISION**

The Property Development Division recorded no revenue during the year ended 31 March 2024 (2023: nil).

LUXÉAST, the Group's 49% interest in the parcel of land situated at 中華人民共和國浙江省海寧市區文苑路西側、後富亭港南側 (West of Wenyuan Road and South of Houfutinggang, Haining, Zhejiang Province, the People's Republic of China) for the development and construction of office, retail, car parking spaces and other development pertaining to the land. The respective 房屋所有權證 (Building Ownership Certificates) have been issued in March 2015. A total of 222 商品房買賣合同 (Sale and Purchase Agreement for Commodity Flat) have been signed up to the end of the reporting period and all units had been delivered to customers. During the current year, the joint venture entered into a sale and purchase agreement with an independent third party to dispose of the land for Phase 2 and Phase 3 development. The disposal was completed in October 2023.

For the proposed residential development project with Sun Hung Kai Properties Limited at So Kwun Wat, Tuen Mun, the development of the site is in progress.

A piece of land at No. 57A Nga Tsin Wai Road, Kowloon Tong, Kowloon in which the Group has 50% interest with the objective of developing the property into a premium residential project, lease modification is completed and premium has been fully settled. The development of the site is in progress and is expected to be completed in next year.

For the piece of land at Tong Yan San Tsuen in Yuen Long in which the Group has 50% interest with the objective of developing the property into a residential project, a land exchange application for residential use was completed in April 2021. The development of the site is in progress.

As for the joint venture project, Johnson Place, located at Nos. 14-16 Lee Chung Street, Chai Wan, Hong Kong in which the Group has 50% interest, will be redeveloped into a brand new industrial property, the planning application and building plans for bonus plot ratio has been approved. Demolition of the existing building will be commenced soon.

As for the joint venture project, West Castle, located at No. 22 Yip Shing Street, Kwai Chung in which the Group has 50% interest, will be redeveloped into a brand new industrial property with bonus plot ratio. The demolition work was completed in December 2021. The development of the site is in progress.

For the joint venture project at No. 18 Lee Chung Street, Chai Wan, Hong Kong, in which the Group has 50% interest, will be redeveloped into a brand new industrial property. Building plans for the development with bonus plot ratio have been approved and demolition work was completed in April 2022. The development of the site is in progress.

## **PROPERTY INVESTMENT DIVISION**

The Property Investment Division recorded a revenue of HK\$80.2 million for the year ended 31 March 2024, as compared with HK\$64.1 million last year.

In September 2023, the Group has entered into a sale and purchase agreement with an independent third party to dispose of certain shops, loading and unloading bays and signage area in a residential development named "West Park" located in Sham Shui Po, Kowloon. The disposal was completed on 29 December 2023.

Investment properties of the Group including PeakCastle in Cheung Sha Wan, The Mercer in Sheung Wan, Hollywood Hill at No. 222 Hollywood Road, No. 31 Wing Wo Street in Sheung Wan, remaining unit at Shatin Industrial Centre, and The Connaught at No. 138 Connaught Road West in which the Group has 50% interest, all contributed rental incomes to the Group during the financial year.

## **PROPERTY AGENCY AND MANAGEMENT DIVISION**

The revenue of the Property Agency and Management Division for the year ended 31 March 2024 was HK\$18.0 million, as compared with HK\$14.5 million last year.

In Hong Kong, our Property Agency and Management Division acted as the marketing and project manager for Johnson Place and No. 18 Lee Chung Street in Chai Wan, West Castle at No. 22 Yip Shing Street, No. 57A Nga Tsin Wai Road, PeakCastle in Cheung Sha Wan, The Grampian at No. 11 Grampian Road, The Connaught at No. 138 Connaught Road West and The Austine Place at No. 38 Kwun Chung Street. This division also provided property management services to The Austine Place at No. 38 Kwun Chung Street, The Bedford in Tai Kok Tsui, Eight College and One LaSalle in Kowloon Tong, PeakCastle in Cheung Sha Wan, Mount Vienna at Lok Lam Road, The Connaught at No. 138 Connaught Road West, Hollywood Hill at No. 222 Hollywood Road, The Mercer at No. 29 Jervois Street and West Park in Cheung Sha Wan.

Other services of this Division include rental collection and leasing agency services to 8 Hart Avenue and The Cameron in Tsim Sha Tsui.

## **HEALTH PRODUCTS DIVISION**

For the year ended 31 March 2024, the Division recorded revenue of HK\$11.3 million, compared to HK\$11.3 million last year.

The Health Products Division is primarily engaged in the retail and wholesale of Bu Yick Fong – 28 Chinese Herbal Soup and ganoderma spore products under the “Dr. Lingzhi” brand, and Chinese and Western nutritional supplements under the “HealthMate” brand. In addition to the e-commerce business, a brick-and-mortar store has been established in Tsim Sha Tsui to improve brand visibility and build customer relationships.

## **FINANCIAL REVIEW**

### **SUMMARY OF RESULTS**

For the year ended 31 March 2024, the Group achieved revenue of HK\$1,612.7 million, representing an increase of approximately 30.8% compared with the previous financial year (2023: HK\$1,232.8 million). This increase was mainly from Construction Division. The consolidated loss attributable to owners of the Company was HK\$216.0 million, while a net loss of HK\$38.4 million was recorded last year. The net loss is mainly due to the revaluation loss of investment properties and write-down of properties under development for sale held by the Group and joint ventures of approximately HK\$187.4 million together with the interest expenses of approximately HK\$65.6 million as a result of increase in interest rate and so the downturn in the property market. Such revaluation loss of investment properties and write-down of properties under development for sale held by the Group and joint ventures are recognised through loss on change in fair value of investment properties, write-down of properties under development for sale, provision of impairment losses under expected credit loss model on loans to joint ventures and share of losses of joint ventures in the current year.

**Key financial items:***(in HK\$'000 unless otherwise specified)*

|   | <b>2024</b>           | 2023          |
|---|-----------------------|---------------|
|   | <b>HK\$'000</b>       | HK\$'000      |
| Revenue   | <b>1,612,660</b>      | 1,232,803     |
| Profit before finance costs, taxation, depreciation, gain on disposals of properties and revaluation loss of investment properties and write-down of properties under development for sale held by the Group and joint ventures | <b>54,598</b>         | 30,510        |
| Consolidated loss attributable to owners of the Company   | <b>(216,014)</b>      | (38,432)      |
| Net asset value of the Group as at 31 March   | <b>3,766,526</b>      | 4,072,682     |
| Net asset value of the Group per share as at 31 March   | <b>HK\$3.51</b>       | HK\$3.71      |
| Basic loss per share  | <b>(HK19.9 cents)</b> | (HK3.5 cents) |
| Diluted loss per share  | <b>(HK19.9 cents)</b> | (HK3.5 cents) |

**Group Liquidity and Financial Resources**

The Group's liquidity and financing requirements are regularly reviewed.

For day-to-day liquidity management and to maintain flexibility in funding, the Group has access to facilities from banks with an aggregate amount of HK\$3,179.5 million (HK\$1,759.5 million was secured by first charges over certain leasehold land and buildings, investment properties and assets classified as held for sale of the Group), of which HK\$1,878.1 million bank loans have been drawn down and approximately HK\$200.8 million has been utilised mainly for the issuance of performance bonds as at 31 March 2024. The bank loans under these banking facilities bear interests at prevailing market interest rates.

The Group follows a prudent policy in managing its cash balance, and endeavours to maintain its sound cash flow generating capability, its ability to take on investments and acquisition projects, in order to enhance shareholder wealth. The total cash and bank balances of the Group amounted to HK\$441.5 million as at 31 March 2024 (2023: HK\$399.5 million), and accounted for 21.6% of the current assets (2023: 23.6%).

During the year, the Group has a net cash outflow of HK\$204.5 million in its operating activities (mainly due to increase in properties under development for sale, increase in contract assets and payment of interest), a net cash outflow of HK\$18.8 million in its investing activities (mainly due to proceeds from disposal of investment properties, netting off loans to joint ventures), and a net cash inflow of HK\$265.6 million in its financing activities (mainly due to new bank loans raised, netting off dividends paid to shareholders and repayment of bank loans). Net bank borrowings (total bank loans less total bank balances and cash) amounted to HK\$1,436.6 million as at 31 March 2024 (2023: net bank borrowings of HK\$1,125.9 million). Accordingly, the gearing ratio of the Group, calculated on the basis of the Group's net bank borrowings to shareholders' funds, was 38.1% (2023: 27.6%). As at year-end date, the Group was with a net current liabilities of HK\$365.6 million (2023: a net current assets of HK\$774.6 million) and the current ratio (current assets divided by current liabilities) was 0.85 time (2023: 1.85 times).

With its cash holdings and available facilities from banks, the Group's liquidity position will remain healthy in the coming year, with sufficient financial resources to meet its obligations, operation and future development requirements.



## **Treasury Policy**

The aim of the Group's treasury policy is to minimise its exposure to fluctuations in the exchange rate and not to engage in any highly leveraged or speculative derivative products. Treasury transactions unrelated to underlying financial exposure are not undertaken. Foreign currency exposures of the Group arise mainly from the purchase of goods. The Group will determine if any hedging is required, on an individual basis, depending upon the size and nature of the exposure, and the prevailing market circumstances.

In order to enhance the deployment of internal funds with maximum benefit, to achieve better risk control, and to minimise cost of funds, the Group's treasury activities are centralised and scrutinised by the top management.

The surplus cash which is generally placed with reputable financial institutions is mostly denominated in Hong Kong dollar. Most of the income, expenses, assets and liabilities of the Group are denominated in Hong Kong dollars. The Group therefore does not have any significant exposure to gains or losses arising from the movement of foreign currency exchange rate against the Hong Kong dollar.

## **Shareholders' Funds**

At the year-end date, shareholders' funds of the Group were HK\$3,766.5 million including reserves of HK\$3,659.2 million, a decrease of HK\$303.9 million from HK\$3,963.1 million at 31 March 2023. On that basis, the consolidated net asset value of the Group as at 31 March 2024 was HK\$3.51 per share, compared to the consolidated net asset value of HK\$3.71 per share as at 31 March 2023. The decrease in shareholders' funds was mainly attributable to losses for the year, payments of cash dividends and repurchase of shares.

## **Capital Structure**

The Group intends to keep an appropriate mix of equity and debt to ensure an efficient capital structure over time. As at 31 March 2024, the Group borrowed Hong Kong dollar loans amounting to HK\$1,878.1 million from the banks (at 31 March 2023: HK\$1,525.4 million). The borrowings have been used as general working capital for financing the properties for development and investment purposes over the years. All of the loans are repayable one year from the end of the reporting period (at 31 March 2023: HK\$394.4 million within one year from the end of the reporting period, HK\$1,131.1 million over one year from the end of the reporting period). Subsequent to 31 March 2024, the Group has successfully entered into a supplemental agreement with the bank to extend the maturity date of the Group's outstanding bank loan of HK\$700,000,000 to 22 June 2026, of which the first instalment of HK\$20,000,000 is due one year after the date of authorising of the consolidated financial statements. Interest is based on Hong Kong Interbank Offered Rate plus a competitive margin.

## **Major Disposal**

In September 2023, the Group has entered into a sale and purchase agreement with an independent third party to dispose of certain shops, loading and unloading bays and signage area in a residential development named "West Park" located in Sham Shui Po, Kowloon. The disposal was completed on 29 December 2023.

## **Collateral**

As at 31 March 2024, certain leasehold land and buildings, investment properties and assets classified as held for sale of the Group, at the carrying value of approximately HK\$2,616.5 million (at 31 March 2023: certain leasehold land and buildings and investment properties of the Group, at the carrying value of approximately HK\$2,673.9 million), were pledged to the banks to secure the Hong Kong dollar loans of HK\$1,421.1 million (at 31 March 2023: HK\$1,425.4 million).

## Performance Bonds

As at 31 March 2024, the Group had outstanding performance bonds in respect of construction contracts amounting to HK\$200,829,000 (2023: HK\$98,652,000).

## Commitments

The Group's share of the commitments made jointly with other joint venturers relating to the joint ventures, but not recognised at the end of the reporting period is as follows:

|                              | <b>31.3.2024</b>        | 31.3.2023        |
|------------------------------|-------------------------|------------------|
|                              | <b>HK\$'000</b>         | HK\$'000         |
| Commitments to provide loans | <b><u>1,378,340</u></b> | <u>1,515,461</u> |

## Employees and Remuneration Policy

As at 31 March 2024, the Group (excluding its joint ventures) had 543 employees (2023: 447 employees). Staff costs of the Group for the year ended 31 March 2024 amounted to HK\$212.8 million (excluding directors' emoluments) (2023: HK\$204.8 million). The Group offers competitive remuneration packages, including discretionary bonus and share option scheme, to its employees, commensurable to market level and their qualifications. The Group also provides retirement schemes, medical benefits and both in-house and external training courses for employees.

## PROSPECTS

According to the International Monetary Fund (IMF), the global economy will continue to grow in 2024 and 2025 at 3.2%, the same pace as in 2023. The forecast for global growth in five years' time – at 3.1% – is the lowest in decades. New price spikes caused by geopolitical tensions, including those stemming from the war in Ukraine and the conflict in Gaza and Israel, together with persistent core inflation, could raise interest rate expectations and lower asset prices. As for China, the IMF forecasts that the country's GDP will fall to 4.6% year-on-year in 2024. While the country's property sector remains troubled, better-than-expected growth in the first quarter has raised hopes of a better annual growth performance. However, the overall economic outlook is still likely to be hampered by persistently high interest rates and political uncertainties, as well as heightened trade tensions as the US and EU continue to pressure Beijing over overcapacity.

According to the 2024/25 Budget, Hong Kong's economy is expected to grow steadily over the medium term. Hong Kong's construction industry is expected to grow by 2.3% per year from 2025-28, supported by investment in sectors such as transport, electricity and housing. The Government has also earmarked HK\$10 billion for construction work to upgrade and expand university healthcare teaching facilities, providing further opportunities for the industry. In the property sector, the market has seen an increase in sales in recent months following the removal of additional stamp duties in early 2024, albeit at reduced prices as developers look to clear inventory. Persistently high interest rates could see transaction volumes recover only slightly from 2023, although the recent trend of Mainland Chinese buyers snapping up properties in Hong Kong, accounting for up to a third of new property sales, could provide a further boost to growth.



Given the Government’s support and the gradual recovery of the Hong Kong market in the longer term, the Group remains optimistic about the outlook for the coming years. We will maintain a cautious approach to property development and investment, with a focus on securing more public sector construction projects. Management also plans to increase its investment in attracting and retaining talent, recognising that our people are our most important asset and will ultimately enable us to continue to deliver sustainable returns and value to our stakeholders.

## CORPORATE GOVERNANCE

The corporate governance principles of the Company emphasise a quality board of directors and transparency and accountability. Throughout the year ended 31 March 2024, the Company has complied with the code provisions of the Corporate Governance Code (“CG Code”) as set out in Appendix C1 to the Listing Rules, except for Code Provision F.2.2 of the CG Code which stipulates that the chairman of the board should attend the annual general meeting. The Chairman of the Board, Mr. Cha Mou Daid, Johnson, was not present at the Company’s 2023 annual general meeting due to other engagement. The Managing Director took the chair of the meeting and responded to questions from the shareholders.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2024, the Company repurchased a total of 17,964,000 shares of the Company on The Stock Exchange of Hong Kong Limited for a total consideration (before expenses) of HK\$19,998,700. All the shares repurchased were subsequently cancelled. The directors of the Company considered that the share repurchases would enhance the net asset value per share and/or earnings per share of the Company. Particulars of the share repurchases are as follows:

| Month       | Number of shares repurchased | Purchase price per share |        | Total consideration (before expenses) |
|-------------|------------------------------|--------------------------|--------|---------------------------------------|
|             |                              | Highest                  | Lowest |                                       |
|             |                              | HK\$                     | HK\$   | HK\$                                  |
| June 2023   | 2,154,000                    | 1.14                     | 1.08   | 2,423,640                             |
| July 2023   | 8,564,000                    | 1.14                     | 1.09   | 9,613,000                             |
| August 2023 | 7,246,000                    | 1.10                     | 1.08   | 7,962,060                             |
| Total       | <u>17,964,000</u>            |                          |        | <u>19,998,700</u>                     |

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2024.

## REVIEW OF ANNUAL RESULTS

The Group’s consolidated financial statements for the year ended 31 March 2024 have been reviewed by the Audit Committee of the Company.

## SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 28 June 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

On behalf of the Board  
**Hanison Construction Holdings Limited**  
**Cha Mou Daid, Johnson**  
*Chairman*

Hong Kong, 28 June 2024

*As at the date of this announcement, the Board comprises:*

***Non-executive Chairman***

Mr. Cha Mou Daid, Johnson

***Executive Directors***

Mr. Wong Sue Toa, Stewart (*Managing Director*)

Mr. Tai Sai Ho (*General Manager*)

Mr. Chow Ka Fung

***Non-executive Director***

Dr. Lam Chat Yu

***Independent Non-executive Directors***

Mr. Chan Pak Joe

Dr. Lau Tze Yiu, Peter

Dr. Chan Fan Cheong, Tony