

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## CHINA TANGSHANG HOLDINGS LIMITED

### 中國唐商控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 674)

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

### FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Tangshang Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) announces the consolidated results of the Group for the year ended 31 March 2024 with comparative figures for the previous year as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 HK\$	2023 HK\$
Revenue	3	877,472,298	650,769,369
Other losses, net		(157,676,223)	(9,415,351)
Cost of completed properties sold		(750,044,185)	(442,290,694)
Depreciation on property, plant and equipment		(2,132,587)	(2,233,674)
Staff costs		(10,476,976)	(9,712,291)
Other operating expenses	4	(90,098,554)	(31,892,378)
Finance costs		(43,236,912)	(34,010,779)
(Loss)/profit before income tax	5	(176,193,139)	121,214,202
Income tax credit/(expense)	6	62,668,818	(42,115,708)
<b>(Loss)/profit for the year</b>		<b>(113,524,321)</b>	<b>79,098,494</b>

	<i>Notes</i>	<b>2024</b> <b>HK\$</b>	2023 <i>HK\$</i>
<b>Other comprehensive loss</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Exchange differences arising on translating foreign operations		<u>(24,365,804)</u>	<u>(40,129,183)</u>
<b>Other comprehensive loss for the year, net of tax</b>		<u><u>(24,365,804)</u></u>	<u><u>(40,129,183)</u></u>
<b>Total comprehensive (loss)/income for the year</b>		<u><u>(137,890,125)</u></u>	<u><u>38,969,311</u></u>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company	8	<u>(115,060,979)</u>	30,366,064
Non-controlling interests		<u>1,536,658</u>	<u>48,732,430</u>
(Loss)/profit for the year		<u><u>(113,524,321)</u></u>	<u><u>79,098,494</u></u>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Owners of the Company		<u>(136,307,704)</u>	762,847
Non-controlling interests		<u>(1,582,421)</u>	<u>38,206,464</u>
<b>Total comprehensive (loss)/income for the year</b>		<u><u>(137,890,125)</u></u>	<u><u>38,969,311</u></u>
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
	8		
Basic ( <i>HK cents</i> )		<u>(3.356)</u>	1.097
Diluted ( <i>HK cents</i> )		<u>NA</u>	<u>1.096</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$</b>	2023 HK\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,633,641	3,878,910
Investment properties	9	187,634,438	246,398,830
Finance lease receivables	10	208,331,382	231,796,903
		<u>397,599,461</u>	<u>482,074,643</u>
Total non-current assets			
<b>Current assets</b>			
Completed properties held for sale		1,958,703,030	2,939,392,390
Other receivables	11	553,855,068	389,462,880
Contract costs		11,038,525	17,362,013
Finance lease receivables	10	52,847,517	47,521,401
Amounts due from related parties		1,656	1,735
Prepaid tax		1,916,016	–
Cash and bank balances		139,113,234	413,280,678
		<u>2,717,475,046</u>	<u>3,807,021,097</u>
Total current assets			
<b>Total assets</b>		<u><b>3,115,074,507</b></u>	<u><b>4,289,095,740</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	103,544,097	307,764,174
Contract liabilities		1,267,819,758	1,998,314,566
Amounts due to non-controlling shareholders of subsidiaries		37,556,950	12,145,486
Lease liabilities		69,285,209	62,215,335
Current tax liabilities		–	9,599,234
		<u>1,478,206,014</u>	<u>2,390,038,795</u>
Total current liabilities			
<b>Net current assets</b>		<u><b>1,239,269,032</b></u>	<u><b>1,416,982,302</b></u>
<b>Total assets less current liabilities</b>		<u><b>1,636,868,493</b></u>	<u><b>1,899,056,945</b></u>

	<i>Notes</i>	<b>2024</b> <b><i>HK\$</i></b>	2023 <i>HK\$</i>
<b>Non-current liabilities</b>			
Convertible bonds	<i>13</i>	<b>183,937,146</b>	170,283,454
Deferred tax liabilities		<b>183,490,395</b>	267,393,946
Lease liabilities		<b>365,809,411</b>	419,857,879
		<u><b>733,236,952</b></u>	<u>857,535,279</u>
Total non-current liabilities		<u><b>733,236,952</b></u>	<u>857,535,279</u>
<b>Total liabilities</b>		<u><b>2,211,442,966</b></u>	<u>3,247,574,074</u>
<b>NET ASSETS</b>		<u><b>903,631,541</b></u>	<u>1,041,521,666</u>
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		<b>171,423,328</b>	171,423,328
Reserves		<b>494,096,242</b>	630,403,946
		<u><b>665,519,570</b></u>	<u>801,827,274</u>
<b>Non-controlling interests</b>		<u><b>238,111,971</b></u>	<u>239,694,392</u>
<b>TOTAL EQUITY</b>		<u><b>903,631,541</b></u>	<u>1,041,521,666</u>

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis, except for the investment properties which are measured at fair value.

### (c) Functional and presentation currency

The Company’s functional currency is Renminbi (“**RMB**”). The consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**”) as the directors are of the view that the HK\$ is the appropriate presentation currency for the users of the Group’s financial statements given that the shares of the Company are listed on the Stock Exchange.

## 2. ADOPTION OF NEW OR AMENDED HKFRSs

### (a) Adoption of amended HKFRSs – effective 1 April 2023

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

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

The 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 disclosure set out in these consolidated financial statements.

## Impacts on application of Amendments to HKAS 1 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.

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 to 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 had no material impact on the consolidated financial statements.

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

The following amended HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all the new and amendments to HKFRSs not yet effective for the current year will have no material impact on the consolidated financial statements in the foreseeable future.

***Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5 (the “2020 Amendments”) and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (the “2022 Amendments”)***

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.
- specify that the classification of liabilities as current or noncurrent should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group’s outstanding liabilities as at 31 March 2024, the application of the 2020 Amendments will not result in reclassification of the Group’s liabilities.

### 3. SEGMENT REPORTING

Management determines operating segments based on the reports regularly reviewed by the chief operating decision maker (the “CODM”), which is the board of directors (the “Board”), in assessing performance and allocating resources. The CODM considers the business primarily on the basis of the types of services supplied by the Group.

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

Property sub-leasing and investment business	–	sub-leasing and leasing of investment properties
Property development business	–	development of real estates
Money lending business	–	provision of loans to customers, including individuals and corporations under the provisions of Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) in Hong Kong

Segment information is presented below:

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

	2024			
	Property sub-leasing and investment business <i>HK\$</i>	Property development business <i>HK\$</i>	Money lending business <i>HK\$</i>	Total <i>HK\$</i>
<b>Reportable segment revenue</b>				
External revenue	53,482,751	823,989,547	–	877,472,298
Inter-segment revenue	–	–	–	–
	<u>53,482,751</u>	<u>823,989,547</u>	<u>–</u>	<u>877,472,298</u>
<b>Reportable segment loss before income tax</b>	<u>(27,894,740)</u>	<u>(124,692,815)</u>	<u>(14,424)</u>	<u>(152,601,979)</u>
<b>Other segment information</b>				
Interest income	<u>22,654</u>	<u>265,474</u>	<u>2,491</u>	<u>290,619</u>
Interest expenses	<u>29,557,566</u>	<u>–</u>	<u>–</u>	<u>29,557,566</u>
Depreciation of property, plant and equipment	<u>–</u>	<u>1,714,636</u>	<u>–</u>	<u>1,714,636</u>
Fair value loss of investment properties	<u>50,205,403</u>	<u>–</u>	<u>–</u>	<u>50,205,403</u>



2024

	<b>Property sub-leasing and investment business <i>HK\$</i></b>	<b>Property development business <i>HK\$</i></b>	<b>Money lending business <i>HK\$</i></b>	<b>Total <i>HK\$</i></b>
Reversal of impairment loss for finance lease receivables	<u>67,715</u>	<u>–</u>	<u>–</u>	<u>67,715</u>
Provision for/(reversal of) impairment loss on other receivables, net	<u>(33,293)</u>	<u>121,580,252</u>	<u>–</u>	<u>121,546,959</u>
Reportable segment assets	<u>522,718,979</u>	<u>2,575,000,458</u>	<u>456,006</u>	<u>3,098,175,443</u>
Reportable segment liabilities	<u>495,511,290</u>	<u>1,526,357,637</u>	<u>3,546</u>	<u>2,021,872,473</u>

	Property sub-leasing and investment business <i>HK\$</i>	Property development business <i>HK\$</i>	Money lending business <i>HK\$</i>	Total <i>HK\$</i>
<b>Reportable segment revenue</b>				
External revenue	51,827,872	598,941,497	–	650,769,369
Inter-segment revenue	–	–	–	–
	<u>51,827,872</u>	<u>598,941,497</u>	<u>–</u>	<u>650,769,369</u>
<b>Reportable segment (loss)/profit before income tax</b>	<u>(10,339,107)</u>	<u>143,565,698</u>	<u>(15,778)</u>	<u>133,210,813</u>
<b>Other segment information</b>				
Interest income	<u>39,826</u>	<u>178,469</u>	<u>582</u>	<u>218,877</u>
Interest expenses	<u>32,315,244</u>	<u>827,142</u>	<u>–</u>	<u>33,142,386</u>
Depreciation of property, plant and equipment	<u>–</u>	<u>1,827,673</u>	<u>–</u>	<u>1,827,673</u>
Fair value loss of investment properties	<u>22,653,200</u>	<u>–</u>	<u>–</u>	<u>22,653,200</u>
Reversal of impairment loss for finance lease receivables	<u>60,203</u>	<u>–</u>	<u>–</u>	<u>60,203</u>

2023

	Property sub-leasing and investment business <i>HK\$</i>	Property development business <i>HK\$</i>	Money lending business <i>HK\$</i>	Total <i>HK\$</i>
Provision for/(reversal of) impairment loss on other receivables, net	<u>175,295</u>	<u>(5,890,296)</u>	<u>–</u>	<u>(5,715,001)</u>
Reportable segment assets	<u>596,304,554</u>	<u>3,672,525,189</u>	<u>503,664</u>	<u>4,269,333,407</u>
Reportable segment liabilities	<u>539,359,736</u>	<u>2,531,277,077</u>	<u>3,546</u>	<u>3,070,640,359</u>

**(b) Reconciliation of reportable segment profit or loss, assets and liabilities*****(Loss)/profit before income tax***

	<b>2024</b> <b><i>HK\$</i></b>	2023 <i>HK\$</i>
Reportable segment (loss)/profit before income tax	<b>(152,601,979)</b>	133,210,813
Unallocated gain on disposal of subsidiaries	<b>83,753</b>	–
Unallocated reversal of impairment loss on other receivables	–	7,231
Unallocated interest income and other income	<b>1,715,900</b>	1,011,364
Unallocated staff costs	<b>(6,485,794)</b>	(6,179,024)
Unallocated finance costs	<b>(13,679,346)</b>	(868,393)
Unallocated depreciation of property, plant and equipment	<b>(417,951)</b>	(406,001)
Unallocated head office and corporate expenses ( <i>note</i> )	<b>(4,807,722)</b>	(5,561,788)
(Loss)/profit before income tax	<b><u>(176,193,139)</u></b>	<u>121,214,202</u>

*Note:*

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

## Assets

	2024 HK\$	2023 HK\$
Reportable segment assets	3,098,175,443	4,269,333,407
Property, plant and equipment	279,165	697,257
Other receivables	5,650,124	6,355,225
Cash and cash equivalents	10,968,119	12,708,116
Unallocated head office and corporate assets	<u>1,656</u>	<u>1,735</u>
Total assets	<u><u>3,115,074,507</u></u>	<u><u>4,289,095,740</u></u>

## Liabilities

	2024 HK\$	2023 HK\$
Reportable segment liabilities	2,021,872,473	3,070,640,359
Convertible bonds	183,937,146	170,283,454
Lease liabilities	286,511	698,858
Unallocated head office and corporate liabilities	<u>5,346,836</u>	<u>5,951,403</u>
Total liabilities	<u><u>2,211,442,966</u></u>	<u><u>3,247,574,074</u></u>

### (c) Geographical information

The Group's operations are mainly located in Hong Kong and the PRC.

An analysis of the Group's geographical segments is set out as follows:

	2024		
	Hong Kong HK\$	PRC HK\$	Total HK\$
Revenue	–	877,472,298	877,472,298
Non-current assets other than financial instruments	<u>277,295</u>	<u>188,990,784</u>	<u>189,268,079</u>
2023			
	Hong Kong HK\$	PRC HK\$	Total HK\$
Revenue	–	650,769,369	650,769,369
Non-current assets other than financial instruments	<u>693,238</u>	<u>249,584,502</u>	<u>250,277,740</u>

#### 4. OTHER OPERATING EXPENSES

	2024	2023
	<i>HK\$</i>	<i>HK\$</i>
Property sub-leasing and investment business expenses	2,194,318	8,156,248
Property development business expenses	21,275,011	18,157,882
Legal and professional fees	1,446,651	1,186,319
Travelling expenses	58,071	4,326
Auditor's remuneration	880,000	1,000,000
Written-off on other receivables	61,767,394	—
Others	2,477,109	3,387,603
	<u>90,098,554</u>	<u>31,892,378</u>

#### 5. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/(crediting):

	2024	2023
	<i>HK\$</i>	<i>HK\$</i>
Cost of completed properties sold	750,044,185	442,290,694
Gain on disposal of subsidiaries <sup>#</sup>	(85,753)	—
Reversal of impairment losses on finance lease receivable, net <sup>#</sup>	(67,715)	(60,203)
Provision for/(reversal of) impairment losses on other receivables, net <sup>#</sup>	121,546,959	(5,722,232)
Auditor's remuneration	880,000	1,000,000
Fair value loss on investment properties <sup>#</sup>	50,205,403	22,653,200
	<u>50,205,403</u>	<u>22,653,200</u>

<sup>#</sup> The amount is included under the “other losses, net” in the consolidated statement of comprehensive income.

## 6. INCOME TAX CREDIT/(EXPENSE)

The income tax credit/(expense) in the consolidated statement of comprehensive income represents:

	2024 <i>HK\$</i>	2023 <i>HK\$</i>
Current tax for the year:		
– Hong Kong profits tax	–	–
– PRC Enterprise Income Tax	<b>(16,443,918)</b>	(26,258,459)
– PRC Land Appreciation Tax (“LAT”)	<b>(4,616,706)</b>	(15,857,249)
Under-provision in prior years:		
– PRC Enterprise Income Tax	<b>(70,386)</b>	–
– PRC LAT	<b>(103,723)</b>	–
Deferred tax	<b>83,903,551</b>	–
	<b><u>62,668,818</u></b>	<b><u>(42,115,708)</u></b>

For the years ended 31 March 2024 and 2023, no Hong Kong profits tax have been provided as the Group has no estimated assessable profits for the year.

The PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2023: 25%).

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

## 7. DIVIDENDS

No dividend was paid or proposed in respect of the year ended 31 March 2024, nor has any dividend been proposed since the end of reporting period (2023: nil).

## 8. (LOSS)/EARNINGS PER SHARE

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

	2024 <i>HK\$</i>	2023 <i>HK\$</i>
<b>(Loss)/earnings</b>		
(Loss)/earnings for the purpose of basic (loss)/earnings per share		
(Loss)/earnings for the year attributable to owners of the Company	<b>(115,060,979)</b>	30,366,064
Effect of dilutive potential ordinary shares:		
Effective interest on the liability components of convertible bonds	<u>—</u>	<u>850,004</u>
(Loss)/earnings for the purpose of diluted (loss)/earnings per share	<b><u>(115,060,979)</u></b>	<b><u>31,216,068</u></b>
	<b>No. of share</b>	No. of share
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue for the purpose of basic (loss)/earnings per share	<b>3,428,466,570</b>	2,767,059,447
Effect of dilutive potential ordinary shares:		
Convertible bonds	<u>—</u>	<u>80,658,904</u>
Weighted average number of ordinary shares in issue for the purpose of diluted (loss)/earnings per share	<b><u>3,428,466,570</u></b>	<b><u>2,847,718,351</u></b>

The computation of diluted loss per share (2023: diluted earnings per share) for the year ended 31 March 2024 does not assume the exercise of the Company's share options granted because the exercise price of these share options was higher than the average market price for shares for the year.

The computation of diluted loss per share for the year ended 31 March 2024 does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share for the year.

## 9. INVESTMENT PROPERTIES

	2024 <i>HK\$</i>	2023 <i>HK\$</i>
At 1 April	246,398,830	279,651,299
Additions	–	9,929,017
Loss on change in fair value recognised in consolidated statement of comprehensive income	(50,205,403)	(22,653,200)
Exchange realignment	(8,558,989)	(20,528,286)
	<u>187,634,438</u>	<u>246,398,830</u>
At 31 March	<u>187,634,438</u>	<u>246,398,830</u>

Investment properties were revalued at 31 March 2024 and 2023 on market value basis by APAC Appraisal and Consulting Limited (“APAC”), an independent valuer, has appropriated qualification and relevant experience in the location and category of the investment property being valued.

## 10. FINANCE LEASE RECEIVABLES

	2024 <i>HK\$</i>	2023 <i>HK\$</i>
Gross finance lease receivables	410,302,336	459,722,180
<i>Less:</i> unearned finance income	(148,234,969)	(179,413,546)
	<u>262,067,367</u>	<u>280,308,634</u>
Net finance lease receivables	262,067,367	280,308,634
<i>Less:</i> loss allowance	(888,468)	(990,330)
	<u>261,178,899</u>	<u>279,318,304</u>
Finance lease receivables	<u>261,178,899</u>	<u>279,318,304</u>
Finance lease receivables analysed as:		
Receivable within one year	52,847,517	47,521,401
Receivable after one year	208,331,382	231,796,903
	<u>261,178,899</u>	<u>279,318,304</u>

The finance lease receivables are arising from the property sub-leasing business. For finance lease receivables, the customers are obligated to settle the amounts according to the terms set out in the relevant lease contracts.



## 11. OTHER RECEIVABLES

	2024 HK\$	2023 HK\$
Deposits ( <i>note (a)</i> )	13,544,541	15,813,656
Prepayments and other receivables ( <i>note (a)</i> )	<u>540,310,527</u>	<u>373,649,224</u>
	<u><u>553,855,068</u></u>	<u><u>389,462,880</u></u>

*Notes:*

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

## 12. TRADE AND OTHER PAYABLES

	2024 HK\$	2023 HK\$
Trade payables ( <i>note (a)</i> )	34,445,473	184,448,066
Accruals	2,999,511	3,900,341
Other payables	38,568,354	88,986,647
Other deposits received	<u>27,530,759</u>	<u>30,429,120</u>
	<u><u>103,544,097</u></u>	<u><u>307,764,174</u></u>

*Notes:*

- (a) Included in trade and other payables are trade payables with the following ageing analysis based on invoice date as of the end of reporting period:

	2024 HK\$	2023 HK\$
Current or within 30 days	–	2,511,389
31 to 60 days	1,544,316	181,936,677
61 to 90 days	625,416	–
Over 90 days	<u>32,275,741</u>	<u>–</u>
	<u><u>34,445,473</u></u>	<u><u>184,448,066</u></u>

### 13. CONVERTIBLE BONDS

	2024 HK\$	2023 HK\$
Convertible bonds:		
– Liability component	<u>183,937,146</u>	<u>170,283,454</u>
Classified under non-current liabilities:		
– Convertible bonds	<u>183,937,146</u>	<u>170,283,454</u>

#### Notes

#### (i) Convertible Bonds July 2022

On 6 July 2022, the Company issued convertible bonds with the aggregate principal amount of HK\$27,120,000 (the “**Convertible Bonds July 2022**”) as part of the consideration for acquisition of the 65% equity interest in Huachuangwen Land. The convertible bonds bear zero interest and carry a right to convert the principal amount into share of HK\$0.05 each in the share capital of the Company at an initial conversion price of HK\$0.2 per share during the period commencing from 6 July 2022 (the “**Bond Issue Date**”) to 6 July 2027 (the “**Bond Maturity Date**”). The conversion price is subject to adjustment on the occurrence of dilutive or concentration event. The Company may at anytime from the Bond Issue Date to the Bond Maturity Date redeem the convertible bonds at par.

The convertible bonds contain two components: liability and equity components. The equity component is presented in the equity heading “convertible bonds reserve”. The effective interest rate of the debt component on initial recognition is 8% per annum.

The fair value of the liability component of the Convertible Bonds July 2022 was estimated to be HK\$18,453,525 at the issue date as valued by the external valuer based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan.

Details of principal valuation parameters applied in determining the fair value of the Convertible Bonds July 2022 liability component is summarized as follows:

	<b>Bond Issue Date</b>
Principal amount:	HK\$27,120,000
Coupon rate:	Nil
Maturity date:	6 July 2027
Conversion price:	HK\$0.20
Risk-free rate:	1.96%
Expected volatility:	74.88%
Expected dividend yield:	0%

On 21 July 2022, the bondholder of Convertible Bonds July 2022 had exercised the conversion right and converted the Convertible Bonds July 2022 to 135,600,000 shares of the Company.

(ii) **Convertible Bonds March 2023**

On 10 March 2023, the Company issued convertible bonds with the aggregate principal amount of HK\$249,150,000 (the “**Convertible Bonds March 2023**”) as part of the consideration for acquisition of the 100% equity interest in Reach Glory Holdings Limited (“**Reach Glory**”) and its subsidiaries (collectively referred to as the “**Reach Glory Group**”). The convertible bonds bear zero interest and carry a right to convert the principal amount into share of HK\$0.05 each in the share capital of the Company at an initial conversion price of HK\$0.2 per share during the period commencing from 10 March 2023 (the “**Bond Issue Date**”) to 10 March 2028 (the “**Bond Maturity Date**”). The conversion price is subject to adjustment on the occurrence of dilutive or concentration event. The Company may at anytime from the Bond Issue Date to the Bond Maturity Date redeem the convertible bonds at par.

The convertible bonds contain two components: liability and equity components. The equity component is presented in the equity heading “convertible bonds reserve”. The effective interest rate of the debt component on initial recognition is 8% per annum.

The fair value of the liability component of the Convertible Bonds March 2023 was estimated to be HK\$169,495,811 at the issue date as valued by the external valuer based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan.

Details of principal valuation parameters applied in determining the fair value of the Convertible Bonds March 2023 liability component is summarized as follows:

	<b>Bond Issue Date</b>
Principal amount:	HK\$249,150,000
Coupon rate:	Nil
Maturity date:	10 March 2028
Conversion price:	HK\$0.20
Risk-free rate:	3.70%
Expected volatility:	79.46%
Expected dividend yield:	0%

No repayment for and conversion of the Convertible Bonds March 2023 took place during the current year and the Convertible Bonds March 2023 remained outstanding as at 31 March 2024.

The movements of the liability component of the convertible bonds are set out below:

	<b>Liability components</b>		
	<b>Convertible Bonds July 2022 HK\$</b>	<b>Convertible Bonds March 2023 HK\$</b>	<b>Total HK\$</b>
Carrying amount at 1 April 2022	–	–	–
Issuance of convertible bonds	<b>18,453,525</b>	<b>169,495,811</b>	<b>187,949,336</b>
Effective interest expenses	<b>62,361</b>	<b>787,643</b>	<b>850,004</b>
Derecognition upon conversion of convertible bonds by the bondholder	<b>(18,515,886)</b>	–	<b>(18,515,886)</b>
Carrying amount at 31 March 2023 and 1 April 2023	–	<b>170,283,454</b>	<b>170,283,454</b>
Effective interest expenses	–	<b>13,653,692</b>	<b>13,653,692</b>
Carrying amount at 31 March 2024	–	<b>183,937,146</b>	<b>183,937,146</b>

#### 14. CONTINGENT LIABILITIES

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

	<b>2024 HK\$</b>	2023 HK\$
Guarantees granted to financial institutions on behalf of purchasers of property units	<b>735,275,915</b>	<b>1,211,274,630</b>

The Group arranges with various domestic banks in the PRC to provide loan and mortgage facilities to purchasers of its properties prior to the transfer of building ownership certificate. In line with the consumer banking practices in the PRC, these banks require the Group to provide guarantees in respect of these loans including the principal, interest and other incidental costs. If a purchaser defaults on a loan, the relevant mortgagee bank is entitled to deduct the amount repayable from the restricted cash account. These guarantees provided by the Group to the banks would be released by the banks upon the receipt of the building ownership certificate of the respective properties when the certificate have been issued by the relevant authorities.

The directors consider that it is not probable of the Group to sustain a loss under these guarantees as during the period of these guarantees, the Group can take over the ownerships of the related properties under default and sell the properties at prices which are well above the amounts paid/payable by the Group to the banks under the guarantees, accordingly no provision for the guarantees has been made in the consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### *Consolidated results*

For the year ended 31 March 2024, the Group recorded revenue of approximately HK\$877.5 million compared to approximately HK\$650.8 million from continuing operations for the last financial year, representing an increase of about 34.8%, and loss for the year ended 31 March 2024 of approximately HK\$113.5 million compared to approximately a profit of HK\$79.1 million for the last financial year, representing an increase of loss of about 243.5%. The significant increase in loss was primarily resulted from 1) written-off and expected credit loss have been recognized on other receivables; and 2) decrease in recognition on revenue of property development business during the year.

The Board considers that the fair value loss on investment properties are non-cash items and has no effect on the cash flow of the Group's operations.

### Business Review

#### *Property sub-leasing and investment business*

For the year ended 31 March 2024, this business segment recorded revenue of approximately HK\$53.5 million compared to approximately HK\$51.8 million for the last financial year, representing an increase of about 3.3%, this business segment recorded loss for the year ended 31 March 2024 of approximately HK\$27.9 million as compared to loss of approximately HK\$10.3 million for the last financial year. The increase in loss was mainly resulted from the increase in fair value loss on investment properties.

The completed properties held for investment is located in No. 109 Jinghaisanlu, Beijing Economic Technological Development Area, Beijing. The existing usage is for office, research and development and the properties are held for long term leases which are sub-leasing from landlord.

#### *Property development business*

During the year ended 31 March 2024, the property development business in the PRC contributed revenue of approximately HK\$824.0 million compare to approximately HK\$598.9 million for the last financial year, and segment recorded loss of approximately HK\$124.7 million (2023: profit of approximately HK\$143.6 million) to the Group. The increase in segment revenue was attributable to two development projects, namely (i) Tangshang Hanlin Mansion\* (唐商翰林居) in Dongguan land situated at Caole Village, Xiegang Town, Dongguan City, the PRC designated for urban residential use and business service use (R2 Class II residential land (R2二類居住用地)) and (ii) Puning Tangshang Zhongyang Garden\* (普寧唐商中央花園) in Beihuan Avenue, Puning, Jieyang, Guangdong Province, the PRC. The construction of the properties was completed in December 2021 and October 2022, respectively. The existing use in the properties held for sale/lease is mainly residential, car parks and commercial shops. The site area of Tangshang Hanlin Mansion is approximately 30,000 sq.m and Puning Tangshang Zhongyang Garden is approximately 45,000 sq.m, and the gross floor area ("GFA") of Tangshang Hanlin Mansion is approximately 88,000 sq.m and Puning Tangshang Zhongyang Garden is approximately 216,000 sq.m. There were approximately 79,000 sq.m. booked GFA delivered and recognised into the revenue during the year.

The Group had indirect acquisition of the 35% equity interest of the Huachuangwen Land by the Company from Mr. Chen Weiwu in accordance with the equity sale and purchase agreement signed on 9 April 2020. It had acquired 55% equity interest of Huachuangwen Land by the Company from Shenzhen Yaoling in accordance with the equity sale and purchase agreement signed on 30 July 2021. At as 31 March 2024, the Group holds 90% of the equity interest in Huachuangwen Land. In 2023, the Group had acquired the total issued share capital of Reach Glory Holdings Limited, a company is indirectly holding 70% equity interest in the project company Puning Huachuangwen Industrial Development Co., Ltd., and completed the very substantial acquisition and connected transaction on 10 March 2023.

As at 31 March 2024, the Group's completed properties held for sale/lease and investment properties amounted to HK\$1,958.7 million (62.9% of the total assets) and HK\$187.6 million (6.0% of total assets) respectively. The completed properties are held for sale/lease and the management expects part of the remaining GFA will recognise in future.

## Financial Services Business

### *Money lending*

During the year ended 31 March 2024, no interest income was recognised (2023: nil). The management would continue to find new opportunity for this segment.

### *Securities, futures and asset management*

The Group returned its Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) licenses to Securities and Futures Commission in November 2020 as no suitable business opportunities have been identified. The management would like to focus more on the other business segments of the Group.

## Liquidity and financial resources

As at 31 March 2024, no bank borrowings were incurred by the Group (31 March 2023: nil).

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

	2024	2023
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Repayable:		
Within one year	—	—
More than one year, but not exceeding two years	—	—
More than two years, but not exceeding five years	—	—
More than five years	—	—
	<hr/>	<hr/>
Total	—	—
	<hr/> <hr/>	<hr/> <hr/>

The carrying amounts of all the Group's bank and other borrowings were denominated in RMB. As at 31 March 2024, the Group's bank borrowings was nil in 2024 and 2023.

The gearing ratio of the Group as at 31 March 2024 and 31 March 2023 were not applicable (since the Group maintained net cash position as at 31 March 2024). The Directors consider the Group as in a healthy financial position. Such ratio was calculated with reference to the bank borrowings deduction of cash and bank balances over the Company's equity attributable to owners of the Company. As at 31 March 2024, the Group had net current assets of approximately HK\$1,239.3 million as compared with the net current assets as at 31 March 2023 of approximately HK\$1,417.0 million. The current ratio of the Group as at 31 March 2024 was 1.8 compared with 1.6 as at 31 March 2023.

The revenue of the Group, being mostly denominated in Renminbi and Hong Kong dollar, matches the currency requirement of the Group's expenses while other foreign currencies were immaterial. During the year ended 31 March 2024, no financial instrument was entered into by the Group used for hedging purpose. The Group was not exposed to any exchange rate risk or any related hedges.

### Fund raising activities

In previous years, the Group completed the following fund raising exercise to strengthen its financial position:

In 2018, convertible bonds in the aggregate principal amount of approximately HK\$42.0 million were issued, with the net proceeds of approximately HK\$41.8 million after deduction of issuance expenses. Details of which are set out as follows:

Date of announcement	Description of fund raising activities	Intended Use of Proceeds	Amount of	Amount of		Amount		Amount of unutilized proceeds	Expected timeline/ Intended use of unutilized proceeds
			Net Proceeds Brought Forward to the year ending 31 March 2023	Net Proceeds Brought Forward to the year ended 31 March 2024	utilized up to 31 March 2023	utilized up to 31 March 2024			
31 August 2018	Issue of convertible bonds in an aggregate principal amount of HK\$42,031,080, which has been converted into ordinary shares of the Company on 30 July 2020	Money lending business of the Group in Hong Kong: approximately HK\$27.2 million (as per the announcement of the Company dated 25 August 2021, the use of proceeds have been reallocated to general working capital)	nil	nil	nil	nil	nil	nil	N/A
		General working capital of the Group: approximately HK\$14.6 million	nil	nil	nil	nil	nil	nil	N/A

In 2017, convertible bonds in the aggregate principal amount of approximately HK\$46.3 million were issued, with the net proceeds of approximately HK\$46.1 million after deduction of issuance expenses. Details of which are set out as follows:

Date of announcement	Description of fund raising activities	Intended Use of Proceeds	Amount of	Amount of		Amount of		Expected timeline/ Intended use of unutilized proceeds
			Net Proceeds Brought Forward to the year ending 31 March 2023	Net Proceeds Brought Forward to the year ended 31 March 2024	Net Proceeds Brought Forward to the year ended 31 March 2024	Net Proceeds Brought Forward to the year ended 31 March 2024		
26 July 2017	Issue of convertible bonds in an aggregate principal amount of HK\$46,341,960, which has been converted into ordinary shares of the Company on 30 July 2020	Potential acquisition (Note 1) approximately HK\$32.1 million	nil	nil	nil	nil	nil	N/A
		General working capital of the Group: approximately HK\$14.0 million	nil	nil	nil	nil	nil	N/A

In 2022, convertible bonds in the aggregate principal amount of approximately HK\$27.1 million were issued to Shenzhen Yaoling Investment Company Ltd.\* (深圳市耀領投資有限公司) for part of the consideration of RMB137,300,000 for the acquisition of the 55% of the issued share capital of Dongguan Huachuangwen Land Ltd.\* (東莞市華創文置地有限公司) (“**Huachuangwen Land**”). Shenzhen Yaoling Investment Company Ltd. had converted the convertible bonds to ordinary shares on 21 July 2022.

In 2023, convertible bonds in the aggregate principal amount of approximately HK\$249.2 million were issued to Mr. Chen Weiwu for part of the consideration of RMB315 million for the acquisition of the entire issued share capital of Reach Glory Holdings Limited. For the year ended 31 March 2024, no repayment for and conversion of the convertible bonds took place.

Note 1: The proceeds of approximately HK\$32.1 million was utilized to settle the consideration of an acquisition in July 2020.

## Charges

As at 31 March 2024, no bank borrowings were incurred by the Group and no charges and guarantees were secured.

## Contingent liabilities

Please refer to note 14 of this announcement for material contingent liabilities of the Group as at 31 March 2024.



## **Emolument policy**

As at 31 March 2024, the Group employed a total number of 30 (2023: 47) employees. The remuneration of the employees of the Group is amounted to approximately HK\$10.5 million for the year ended 31 March 2024 (2023: HK\$9.7 million). The Group remunerates its employees based on their performance, experience and prevailing industry practices. The emoluments of the directors and senior management of the Company are decided by the remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics.

The Group periodically reviews its remuneration package in order to attract, motivate and retain its employees. Discretionary bonuses may be rewarded to the directors and employees depending on the Group's operating results and their performance.

Further, the Company has also adopted a share option scheme for the primary purpose of providing incentives or rewards to any the director, employee and other eligible participant who made significant contribution to the Group. The Share Option Scheme had been lapsed in 22 December 2023. The Group also provides external training courses to its staff to improve their skills and services on an ongoing basis.

## **Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets**

There was no significant investments held, no material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 March 2024.

## **Outlook**

The Group currently attained a macroeconomic challenge since China's real estate market has entered into a new form of "significant changes between supply and demand". The property market has experienced a rapid decline, and the industry is facing enormous challenges. Although the market is still facing certain pressure, it is expected that monetary policy and fiscal policy will exert further efforts to stabilize economic development. China's economy is expected to show a further rebound and positive trend as various measures to stabilize growth are implemented and take effect in the future. The Group will adopt a more prudent operation strategy, enhance the efficiency of management and control. The Group will also continue to strengthen our sales efforts in terms of operation, proactively funds especially in the cities with incentive policies, and actively grasp the window of opportunity for marketing. The Group will remain proactive in reviewing its pace of business expansion to maintain this business and achieve sustainable growth of the Group, the management may adjust its project development plans and schedules in response to changing market conditions, as and when appropriate.

The Board is expecting the management to remain cautious, meanwhile, to also maintain open-minded in identifying new projects in the PRC which could strengthen the financial profitability for the Group.

The management team and the Board of Directors are made up of highly qualified and competent individuals who are experienced in the real estate development industry in PRC. The team possesses significant knowledge, resources and networks in China of which the Company expects to be able to leverage for its future growth in the property development, property sub-leasing and investment projects in the PRC.

The Group has continued its efforts to consolidate and realign its businesses to enable the Group to achieve improvements in its financial position and to meet its performance objectives. The Group is working towards attaining a sustainable growth whilst continuously exploring and diversifying other suitable investment opportunities (if any) to enhance the overall earning potential, and ultimately maximising the shareholder value.

### **PROPOSED FINAL DIVIDEND**

The Directors do not recommend any payment of final dividend for the year ended 31 March 2024 (2023: nil).

### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining shareholders of the Company who are entitled to attend and vote at the 2024 annual general meeting of the Company (“**2024 AGM**”), the register of members of the Company will be closed from Monday, 16 September 2024 to Friday, 20 September 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the 2024 AGM, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company’s share registrar, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 13 September 2024.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor its subsidiaries purchased, sold or redeemed the Company’s listed securities during the year ended 31 March 2024.

## **SCOPE OF WORK OF CCTH CPA LIMITED**

The figures in respect of the consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, CCTH CPA Limited, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on the preliminary announcement.

## **CODE OF CORPORATE GOVERNANCE**

Throughout the year ended 31 March 2024, the Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules, save for the deviation of code provision A.1.1 of the CG Code below:

Pursuant to code provision A.1.1 of the CG Code, Board meetings should be held at least four times a year at approximately quarterly internals. Although only two regular Board meetings were held during the year ended 31 March 2024 on 29 June 2023 and 28 November 2023 respectively, the Board considered that sufficient meetings had been held as business operations were under the management and the supervision of the executive Directors. In addition, senior management of the Group provided to the Directors the information in respect of the Group’s business development and activities from time to time and, when required, ad hoc Board meetings will be held.

## **COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. The Company has made specific enquiry with all the Directors and, all the Directors confirmed that they have fully complied with the required standards set out in the Model Code during the year.

## **AUDIT COMMITTEE**

The audit committee of the Company (“**Audit Committee**”), comprises three independent non-executive Directors, namely Mr. Chen Youchun, Ms. Lui Mei Ka and Mr. Zhou Xin, has reviewed, together with the participation of the management, the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 March 2024.

## **PUBLIC FLOAT**

As at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

## **ANNUAL GENERAL MEETING**

The 2024 AGM will be held on Friday, 20 September 2024 and the notice of the 2024 AGM will be published and despatched in the manner as required by the Listing Rules and the Company's memorandum and articles in due course.

## **PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S AND COMPANY'S WEBSITE**

The Company's annual report for the year ended 31 March 2024 will be despatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) under "**Latest Listed Company Information**" and on the website of the Company at <http://www.ts674.com> in due course.

On behalf of the Board  
**China Tangshang Holdings Limited**  
**Chen Weiwu**  
*Chairman*

Hong Kong, 28 June 2024

*As at the date of this announcement, the executive Directors are Mr. Chen Weiwu (Chairman), Mr. Zhou Houjie and Mr. Jiang Ruowenhao; and the independent non-executive Directors are Mr. Chen Youchun, Ms. Lui Mei Ka and Mr. Zhou Xin.*

\* *for identification purpose only*