CENTRAL DEVELOPMENT HOLDINGS LIMITED
中發展控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 475)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The board (the "Board") of directors (the "Directors") of Central Development Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2021 together with the comparative audited figures for the year ended 31 March 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	NOTES	**2021** ***HK$'000***	2020 *HK$'000*
Revenue	*3*	**56,220**	110,640
Cost of sales		**(54,040)**	(106,799)
Gross profit		**2,180**	3,841
Other income	*5*	**5,290**	3,233
Other gains and losses, net	*6*	**4,068**	(6,576)
Impairment loss on trade receivables under expected credit loss model		**(1,202)**	–
Impairment loss on property, plant and equipment		**(4,206)**	–
Impairment loss on right-of-use assets		**(3,459)**	–
Selling and distribution costs		**(2,157)**	(6,153)
Administrative expenses		**(20,424)**	(25,111)
Other expenses		**(1,339)**	(3,183)
Equity-settled share-based payments		**–**	(845)
Finance costs	*7*	**(5,221)**	(6,467)
Loss before taxation		**(26,470)**	(41,261)
Income tax	*8*	**(681)**	(131)
Loss for the year	*9*	**(27,151)**	(41,392)
Other comprehensive income (expense) for the year			
Items that will not be reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**1,480**	(505)
Fair value gain on revaluation of properties		**19,594**	6,469
Deferred tax relating to fair value gain on revaluation of properties		**(4,899)**	(1,617)
Total comprehensive expense for the year		**(10,976)**	(37,045)
Loss for the year attributable to:			
Owners of the Company		**(24,613)**	(33,476)
Non-controlling interests		**(2,538)**	(7,916)
		(27,151)	(41,392)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(8,460)**	(28,892)
Non-controlling interests		**(2,516)**	(8,153)
		(10,976)	(37,045)
Loss per share	*10*		
Basic (HK cents)		**(6.61)**	(9.86)
Diluted (HK cents)		**(6.61)**	(9.86)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	NOTES	2021 HK$'000	2020 HK$'000
Non-current assets			
Property, plant and equipment		**21,446**	43,083
Right-of-use assets		**10,129**	11,436
Investment properties		**79,274**	22,153
Intangible assets		**55,539**	–
Deposits paid for acquisition of property, plant and equipment		**2,288**	–
Rental deposits		**238**	–
		168,914	76,672
Current assets			
Inventories		**6,844**	6,836
Trade receivables	12	**8,143**	15,524
Other receivables, deposits and prepayments		**13,918**	15,246
Contract assets		**–**	274
Bank balances and cash		**37,301**	37,319
		66,206	75,199
Current liabilities			
Trade payables	13	**7,699**	14,760
Other payables and accruals		**25,070**	7,732
Contract liabilities		**221**	316
Loans from a shareholder		**4,984**	4,754
Bank borrowing		**2,499**	2,080
Lease liabilities		**3,081**	1,424
		43,554	31,066
Net current assets		**22,652**	44,133
Total assets less current liabilities		**191,566**	120,805

	2021	2020
	HK$'000	*HK$'000*
Non-current liabilities		
Loans from a controlling shareholder	**104,752**	72,129
Deferred tax liabilities	**7,868**	1,705
Bank borrowing	**23,190**	23,812
Lease liabilities	**2,438**	1,513
	138,248	99,159
Net assets	**53,318**	21,646
Capital and reserves		
Share capital	**3,723**	3,723
Reserves	**19,068**	23,899
Equity attributable to owners of the Company	**22,791**	27,622
Non-controlling interests	**30,527**	(5,976)
Total equity	**53,318**	21,646

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent and ultimate holding company is Resources Rich Capital Limited, a company incorporated in the British Virgin Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company is Room 2202, 22/F., Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in jewelry business in the People's Republic of China ("PRC") and Hong Kong ("HK") and energy business in the PRC, HK and other countries. The Company and its subsidiaries are collectively referred to as the Group.

The functional currency of the Company is Renminbi ("RMB"). The consolidated financial statements are presented in Hong Kong dollars ("HK$"), as the Company's shares are listed on the Stock Exchange, the directors of the Company consider that it is appropriate to present the consolidated financial statements in HK$.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the "Amendments to References to the Conceptual Framework in HKFRS Standards" and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the "Amendments to References to the Conceptual Framework in HKFRS Standards" and 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 disclosures set out in these consolidated financial statements.

2.1 Impacts on application on Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

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

2.2 Impacts on application of Amendments to HKFRS 3 "Definition of a Business"

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The application of the amendments had no impact on the consolidated financial statements in the current year as the acquisition made during the current year was concluded to be an acquisition of assets would have been reached without applying the optional concentration test.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[5]
Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[6]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions[1]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[5]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[5]
Amendments to HKAS 8	Definition of Accounting Estimates[5]
Amendments to HKAS 12	Deferred Tax related to Assets and liabilities arising from a Single Transaction[5]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[4]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[4]

1 Effective for annual periods beginning on or after 1 June 2020
2 Effective for annual periods beginning on or after 1 January 2021
3 Effective for annual periods beginning on or after 1 April 2021
4 Effective for annual periods beginning on or after 1 January 2022
5 Effective for annual periods beginning on or after 1 January 2023
6 Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE

Disaggregation of revenue from contracts with customer

	2021	2020
	HK$'000	*HK$'000*
Revenue from sales of goods:		
Jewelry products	**17,804**	29,160
Solar energy products	**38,207**	79,925
Refined oil	**209**	–
Revenue from provision of services:		
Technical improvement services for solar energy projects	**–**	1,555
Total revenue	**56,220**	110,640
Timing of revenue recognition:		
A point in time	**56,220**	109,085
Over time	**–**	1,555
	56,220	110,640

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the year ended 31 March 2021		
	Jewelry business	**Energy business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Sales of jewelry products	**17,804**	**–**	**17,804**
Sales of solar energy products	**–**	**38,207**	**38,207**
Sales of refined oil	**–**	**209**	**209**
	17,804	**38,416**	**56,220**

	For the year ended 31 March 2020		
	Jewelry business	Energy business	Total
	HK$'000	*HK$'000*	*HK$'000*
Sales of jewelry products	29,160	–	29,160
Sales of solar energy products	–	79,925	79,925
Provision of technical improvement services on solar energy projects	–	1,555	1,555
	29,160	81,480	110,640

4. SEGMENT INFORMATION

Information regularly reviewed by the chief operating decision maker (the "CODM"), represented by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance focuses on nature of the Group's businesses and operations. The Group's operating and reportable segments are therefore as follows:

(i) Jewelry business (wholesale of jewelry products); and

(ii) Energy business (including i) manufacture and sales of solar cooling intelligent technology products using thermal cooling-stored pipes and sales of solar photovoltaic modules and components (which are collectively referred to as solar energy products); ii) provision of energy efficiency analysis and technology improvement advisory services on solar energy projects (which are collectively referred to as technical improvement services on solar energy projects); and iii) sales of refined oil).

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment results represent the profit or loss by each segment without allocation of gain from change in fair value of investment properties, certain impairment loss on right-of-use assets, unallocated corporate expenses which include central administration costs, directors' remuneration at the head office and certain equity-settled share-based payments, unallocated corporate income and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Segment revenue 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 2021

	Jewelry business	Energy business	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue	**17,804**	**38,416**	**56,220**
Segment profit (loss)	**31**	**(18,231)**	**(18,200)**
Unallocated other gains			**1,327**
Unallocated corporate income			**5,116**
Unallocated corporate expenses			**(9,331)**
Unallocated impairment loss on right-of-use assets			**(1,911)**
Finance costs			**(3,471)**
Loss before taxation			**(26,470)**

For the year ended 31 March 2020

	Jewelry business *HK$'000*	Energy business *HK$'000*	Total *HK$'000*
Revenue	29,160	81,480	110,640
Segment profit (loss)	62	(29,582)	(29,520)
Unallocated corporate income			3,233
Unallocated corporate expenses			(10,093)
Finance costs			(4,881)
Loss before taxation			(41,261)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both years.

Other segment information

For the year ended 31 March 2021

Amounts included in the measure of segment results or segment assets:

	Jewelry business ***HK$'000***	**Energy business** ***HK$'000***	**Unallocated** ***HK$'000***	**Total** ***HK$'000***
Depreciation of property, plant and equipment	**–**	**3,174**	**8**	**3,182**
Depreciation of right-of-use assets	**76**	**1,456**	**756**	**2,288**
Amortisation of intangible assets	**–**	**110**	**–**	**110**
Impairment loss on property, plant and equipment	**–**	**4,206**	**–**	**4,206**
Impairment loss on right-of-use assets	**77**	**1,471**	**1,911**	**3,459**
Impairment loss on trade receivables under expected credit loss model	**–**	**1,202**	**–**	**1,202**
Loss on disposal of property, plant and equipment	**–**	**5**	**–**	**5**
Additions to non-current assets *(note)*	**100**	**2,562**	**2,464**	**5,126**

For the year ended 31 March 2020

Amounts included in the measure of segment results or segment assets:

	Jewelry business *HK$'000*	Energy business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Depreciation of property, plant and equipment	–	4,161	22	4,183
Depreciation of right-of-use assets	90	1,292	842	2,224
Written-off of trade receivable	–	6,159	–	6,159
Written-down of inventories	–	504	–	504
Equity-settled share-based payments	533	–	312	845
Additions to non-current assets *(note)*	–	542	95	637

Note: Non-current assets included property, plant and equipment, right-of-use assets, investment properties and intangible assets.

Geographical information

The Group's operations are mainly carried out in the PRC, the country of domicile, and HK.

The revenue of the Group is mainly derived from external customers located in the PRC and HK.

The Group's revenue from external customers based on the location of customers are set out below:

	2021 ***HK$'000***	2020 *HK$'000*
The PRC	**13,772**	20,301
HK	**42,378**	56,203
Australia	**–**	29,566
Others	**70**	4,570
	56,220	110,640

Information about the Group's non-current assets based on the geographical location of the assets is set out below:

	2021 ***HK$'000***	2020 *HK$'000*
The PRC	**168,653**	76,367
HK	**23**	305
	168,676	76,672

Note: Non-current assets excluded rental deposits.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2021	2020
	HK$'000	*HK$'000*
Customer A *(notes (i) & (iii))*	**30,522**	N/A
Customer B *(note (ii))*	**10,875**	12,794
Customer C *(notes (i) & (ii))*	**6,089**	N/A
Customer D *(notes (i) & (iii))*	**5,767**	N/A

Notes:

(i) "N/A" represents the customers did not contribute more than 10% of the total sales of the Group in the respective years.

(ii) Revenue generated from jewelry business.

(iii) Revenue generated from energy business.

5. OTHER INCOME

	2021	2020
	HK$'000	*HK$'000*
Interest income	**590**	883
Rental income	**3,905**	1,428
Government grants *(note)*	**323**	–
Others	**472**	922
	5,290	3,233

Note: During the current year, the Group received and recognised government grants of HK$323,000 related to Employment Support Scheme provided by the Hong Kong government.

6. OTHER GAINS AND LOSSES, NET

	2021	2020
	HK$'000	*HK$'000*
Gain from change in fair value of investment properties	**1,327**	79
Gain on disposal of subsidiaries	**2,960**	–
Written-off of trade receivables *(note)*	**–**	(6,159)
Loss on disposal of property, plant and equipment	**(5)**	–
Net exchange loss	**(214)**	(496)
	4,068	(6,576)

Note: During the year ended 31 March 2020, the Group had written off trade receivables in an aggregate amount of HK$6,159,000 because the directors of the Company confirmed that the counterparties were unreachable and there was no realistic prospect of recovery. The Group had sought for legal advice on actions against one of the counterparties under the Group's recovery procedures.

7. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interest on bank borrowing	**1,633**	1,436
Interest on lease liabilities	**168**	175
Imputed interest on loans from a controlling shareholder	**3,420**	4,856
	5,221	6,467

8. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2021	2020
	HK$'000	*HK$'000*
Overprovision in prior years	**(173)**	–
Deferred tax	**854**	131
Income tax for the year	**681**	131

On 21 March 2018, the Hong Kong Legislative Council passes The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime applies to years of assessment commencing on or after 1 April 2018. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits of a qualifying group entity will be taxed at 8.25%, and assessable profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Accordingly, Hong Kong Profits Tax for subsidiaries operating in HK is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made for both years as either tax losses are incurred for the subsidiaries operating in HK or the assessable profit is wholly absorbed by tax losses brought forward from previous years.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate applied to the PRC subsidiaries is 25%. No provision for the PRC Enterprise Income Tax has been made for the subsidiaries operating in the PRC for both years as either tax losses are incurred for the subsidiaries operating in PRC or the assessable profit is wholly absorbed by tax losses brought forward from previous years.

Income tax on profit generated in overseas is calculated on the estimated assessable profit for the year at the rate of taxation prevailing in the country in which the Group operates. No provision for income tax on profit generated in overseas has been made for both years as tax losses are incurred for the subsidiary operating overseas.

9. LOSS FOR THE YEAR

	2021	2020
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**3,230**	4,232
Less: amount capitalised in inventories	**(48)**	(49)
	3,182	4,183
Depreciation of right-of-use assets	**2,288**	2,224
Amortisation of intangible assets	**110**	–
Auditor's remuneration	**1,125**	864
Staff costs (including directors' remuneration):		
– salaries, allowances and other benefits	**8,431**	10,868
– retirement benefit scheme contributions	**284**	503
– equity-settled share-based payments	**–**	845
Total staff costs	**8,715**	12,216
Cost of inventories recognised as an expense	**54,040**	106,799
Research and development expense (included in other expenses)	**1,339**	2,834

10. LOSS PER SHARE

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

	2021	2020
	HK$'000	*HK$'000*
Loss for the purposes of calculating basic and diluted loss per share:		
Loss for the year attributable to owners of the Company	**(24,613)**	(33,476)

	2021	2020
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	**372,264**	339,568

The calculation of diluted loss per share for both years does not assume the exercise of share options since it would result in a decrease in loss per share.

11. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2021, nor has any dividend been proposed since the end of the reporting period (2020: nil).

12. TRADE RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables from goods and services	**9,345**	15,524
Less: Allowance for credit losses	**(1,202)**	–
	8,143	15,524

The Group allows an average credit period ranging from 30 to 180 days to its customers of jewelry business and average credit period ranging from 5 to 365 days to its customers of energy business. The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on invoice date at the end of the reporting period:

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**2,684**	8,022
31 to 90 days	**358**	342
91 to 180 days	**262**	–
Over 180 days	**4,839**	7,160
	8,143	15,524

13. TRADE PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Trade payables	**7,699**	14,760

The average credit period on purchase of goods is 365 days.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**1,666**	2,451
31 to 90 days	**752**	383
91 to 180 days	**–**	6,348
Over 180 days	**5,281**	5,578
	7,699	14,760

14. EVENTS AFTER THE REPORTING PERIOD

On 19 April 2021, the Company entered into a subscription agreement with a subscriber, an independent third party, pursuant to which the subscriber has agreed to subscribe for, and the Company has agreed to allot and issue to the subscriber an aggregate of 15,300,000 shares of the Company at a subscription price of HK$0.75 per share. The gross proceeds from the subscription is amounted to HK$11,475,000. The subscription was completed on 4 June 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 March 2021 (the "Current Year"), Central Development Holdings Limited and its subsidiaries (collectively, the "Group") were principally engaged in the energy business and the jewelry business.

Energy Business

During the Current Year, the Group actively develops and expands its energy business in China and other regions by leveraging its proprietary technology products and continuing to work with experienced partners in the industry. The Group has integrated the operations of sales of various customised solar module intelligent technology products, including solar photovoltaic ("PV") modules, new energy smart direct current ("DC") inverters and power optimizers, the provision of energy efficiency analysis and technical improvement advisory services on solar energy projects, and the sales of refined oil into the segment of energy business in the Current Year.

The revenue recorded for the energy business decreased by approximately 52.9% from approximately HK$81.5 million for the year ended 31 March 2020 (the "Previous Year") to approximately HK$38.4 million for the Current Year. Revenue attributable to the China market accounted for approximately 5.4% (2020: 5.8%) of the overall segment sales, while other regions, including Hong Kong, accounted for approximately 94.6% (2020: 94.2%).

As the global pandemic, namely novel coronavirus pneumonia ("COVID-19") continues to spread around the world and in face of the increasingly complex international economic situation, there have been great challenges and uncertainties in the business environment of the sales of solar energy products and provision of related consulting services during the Current Year. In particular, many of the Group's existing and potential customers have rescheduled or delayed the installation and construction phases of their projects due to the lockdown and isolation measures implemented by local governments in the first half of the year, resulting in significant drop in product sales and demand for consulting services. Revenue from the solar energy related product sales and service provision decreased by approximately 53.1% from approximately HK$81.5 million in the Previous Year to approximately HK$38.2 million in the Current Year.

Since the outbreak of COVID-19 in 2020, numerous lockdown measures and social distancing restrictions have been implemented by governments which significantly affected the development of the solar PV projects of governments and global enterprises around the world. The extensive impact on their projects ranged from strategic planning, project development, engineering and construction, and production and maintenance, to construction in many countries and regions, including the United States of America (the "U.S."), India and South America. The power station construction schedules of many of our existing and potential customers were delayed or suspended. As a result, the solar energy industry as a whole was severely hit in the first half of 2020. The business landscape was further complicated by the US-China trade friction which has presented challenges to the solar PV enterprises with overseas markets as their primary market were most adversely affected while shipments continued to shrink. According to the statistics published by the China Photovoltaic Industry Association, the total amount of export for PV products in China in 2020 fell as compared to the same period last year. In addition, since the installation and construction phases of distributed solar PV projects were delayed, demands for both product sales and consulting services which enjoy higher margins dropped significantly. In the second half of the year, with the successful containment of the pandemic in China, the solar PV industry gradually recovered and domestic and overseas orders began to rebound. Our sales team timely adjusted our business strategy to balance between business growth and risk exposure and, through corresponding sales representatives of Southeast Asia's construction projects in Hong Kong, successfully achieved business growth in Southeast Asia, which was less affected by the pandemic at the time.

In order to boost revenue in the second half of the year, we continue to leverage our patented technology rights to not only develop our own solar intelligent technology products, but also to produce customised solar module intelligent technology products and new energy intelligent products, such as micro DC inverters and power optimizers which could be applied in distributed solar power stations, through low-cost original equipment manufacturers ("OEMs"). Our micro inverters are more efficient, safer and simpler in design and easier to install and monitor compared to traditional string inverters and they can be widely applied to distributed power stations and large-scale solar power stations. In addition, in response to the diverse market demand for solar PV energy products, we continue to liaise and collaborate with an advanced solar PV technology solution provider and several OEMs to ensure reasonable procurement prices and reliable supply in order to meet various customised needs of our customer, thus enabling us to maintain a stable business foundation in the tough business environment during this year.

Due to the impact of the pandemic, the solar energy product market encountered high volatility in both selling prices and persistently high transportation costs, thereby dipping our year-on-year gross profit margin. In order to improve profitability, our management has taken a number of measures during the Current Year in the following areas: (i) closing down underperforming sales offices to streamline our operating network and consolidating our sales and back-office teams in China to reduce human resources costs; and (ii) adopting stringent cost control measures, while maintaining effort invested into quality control and research and development ("R&D"). The Group will continue to outsource manufacturing to further reduce expenses such as the costly upfront costs and labour costs. The Group also reduced its marketing expenditure due to the postponement or cancellation of international solar energy exhibitions and forums. During the Current Year, the growth and development plans of the Group were constantly adjusted based on financial returns and the macroeconomic environment. The reallocation of human resources and production capacity, and the optimisation of asset utilisation have helped us further reduce costs and improve efficiency, stabilise the development of business scale, enhance corporate strength, as well as maintain our competitiveness in the market and manage our products in such a tough market environment.

With a mindset of strengthening our energy business, the Group has been striving to enhance the performance of its new energy intelligent products with the focus on product R&D and innovation. Following the commencement of operation of the R&D and testing centre in Taizhou City, Jiangsu Province, more production capacity has been released from the Group's factory located in Yuyao City, Zhejiang Province (the "Yuyao Factory"). As a result, the unused capacity of the Yuyao Factory has been leased to a third party starting from 1 June 2019 for a term of 90 months to generate a stable rental income. This not only further optimises the value of the Group's assets, but also enables the Group to maintain a long-term advantage in an unstable economy, and to better meet the demands of a more diversified market in the future.

In addition, the Group has been actively seeking to develop and expand its energy business. Thus, in October 2020, the Group entered into an equity transfer agreement for the acquisition of 51% equity interests in Chengdu Kaibangyuan Trading Co., Ltd.* (成都凱邦源商貿有限公司) ("Chengdu Kaibangyuan") from an independent third party vendor at a consideration of RMB30,600,000. The acquisition was completed in early March 2021. Chengdu Kaibangyuan owns two office premises in Chengdu City, Sichuan Province, China, a government-approved land use right for a filling station and a filling station with integrated structure and equipment (the "Filling Station") in Qingbaijiang District, Chengdu, and holds licences and permits for the sale of refined oil at the Filling Station, including the "Business Permit for the Operation of Hazardous Chemicals" (《危險化學品經營許可證》) for the sale of refined oil and liquefied natural gas ("LNG"), and the "Approval Licence for the Retail Operation of Refined Oil" (《成品油零售經營批准證書》) for the operation of refined oil refilling business.

The Group is planning to make use of the infrastructure assets of the Filling Station for the pilot construction and promotion of distributed solar PV power stations to expand the market share of the Group's solar energy products. Moreover, the sales of refined oil from the operation of the Filling Station can also improve the diversity of the Group's revenue stream and provide a stable cash flow for the Group.

Jewelry Business

During the Current Year, the Group was principally engaged in the provision of products to jewelry distributors and retail customers. However, revenue from the jewelry business decreased by approximately 38.9% from approximately HK$29.2 million in the Previous Year to approximately HK$17.8 million in the Current Year due to the decrease in sales volume in Hong Kong and China. Sales in Hong Kong accounted for approximately 34.2% (2020: 46.7%) of the overall segment sales, while sales in China accounted for approximately 65.8% (2020: 53.3%).

The social unrest in Hong Kong in mid-2019, followed by the COVID-19 outbreak and the disappearance of tourists have posed a significant challenge to our jewelry business. Throughout the year, tourism was weakened and the jewelry markets in Hong Kong and China were struggling to operate. The stringent social distancing and anti-epidemic measures implemented to contain the spread of the COVID-19 virus caused the Group's downstream retail customers to suffer from weak consumer sentiment, further dampening the demand for jewelry products. Consumer confidence and spending in the jewelry industry have been on a steep decline, which is unprecedented in the past. Furthermore, the COVID-19 pandemic has caused restrictions in travelling worldwide and, as such, our business travelling was adversely affected during the year, with the inability of the management and sales team to travel to meet existing customers and develop new customers. Many potential buyers also cancelled their trips to Hong Kong and China, reducing the chances for us to capture business opportunities. Most of the trade shows, jewelry fairs and major exhibitions were also cancelled or postponed due to the COVID-19 pandemic.

In response to the challenges posed by COVID-19, we have swiftly implemented a number of mitigation measures, including the reduction of operating and administrative overheads in our day-to-day operations to improve operational efficiency. In addition, we have been developing plans to expand our sales channel into the e-commerce field and negotiating with any potential e-commerce operations solution providers to diversify and broaden revenue streams. Nevertheless, our jewelry sales team, with their professionalism and dedication to their roles, maintained good relationships with customers and suppliers during this difficult year and continued to build up our reputation for any potential business opportunities.

PROSPECTS

"Dual Carbon" Goals Aiming to Accelerate the Development of Clean Energy

In order to achieve the long-term goals of "peaking carbon emissions and achieving carbon neutrality" ("Dual Carbon"), China will strive to peak its carbon emissions before 2030 and achieve carbon neutrality before 2060 in accordance with the timetable set out in the 14th Five-Year (2021-2025) Plan. Accordingly, during the 14th five-year period, the average annual PV installation in China will be no less than 70,000 megawatts (MW). Globally, more than 25 countries have pledged for net zero carbon emissions in the next few decades, and carbon neutrality has become a global consensus among major countries, with clean energy (such as renewable energy) being elevated to a more important status and bringing in more development opportunities. The Group will also seize opportunities to develop and expand its energy business, while further exploring development models in relation to the integration with energy storage and other clean energy sources in the long-run, with the aim of becoming a preferred supplier of integrated clean energy products and solutions.

With the favourable national policy and the gradual alleviation of the COVID-19 pandemic in China, we are well prepared to commence a series of marketing activities to enhance our brand image. Our business team intends to actively participate in international and local exhibitions and forums for the industries to promote our products and services domestically and overseas. The Group will also continue to look for suitable strategic partners to enrich the product portfolio of clean energy, including solar energy, and to reach out for new and suitable markets. Investments on R&D will also be maintained to develop more advanced products and innovative production technologies.

We believe that the demand for clean energy will still be rising steadily in the future post-pandemic period. Taking solar energy for example, although the demands in mature markets such as Europe were levelling off during the year, emerging markets such as Southeast Asia still have a large number of solar PV projects in the pipeline catering for construction, and as such, global PV demand is forecasted to increase in coming year. Nevertheless, if the global pandemic persists and worsens, the demands being released from India, the U.S. and emerging markets may not be able to meet the expectation, and the prices of raw material may rise which may then result in higher prices for end-users, both of which cast shadow for future overseas demand. On the other hand, we strongly believe that our base in China put us in a competitive position since China is a huge market with high domestic demand potential given the long-term positive fundamentals of the economy in China and the strong medium to high economic growth trend. In light of the strong and urgent demand and the high purchasing power of people in China, the domestic market will become a key driver of our future business growth.

Delivering on the Energy Business Expansion Strategy

In addition to the traditional large-scale centralised solar PV power stations, we see the expansion of the application of distributed solar PV stations. In recent years, a number of large, centrally-owned energy enterprises in China have launched pilot projects and operations to build solar PV power stations at filling stations in different provinces and cities such as Zhejiang, Suzhou, Guangdong and Yunnan. They have also been promoting the use of the grid connection model of “self-generation for self-use and surplus on-grid”, which has been proven to be economically efficient, safe and has significant energy-saving and emission-reducing effects, enabling filling stations to provide clean electricity, save energy and protect the environment at the same time, and thereby become carbon-neutral filling stations that combine green and environmental protection with filling services.

In view of the Ministry of Commerce of the People’s Republic of China having fully lifted the relevant restriction on Chinese ownership for investment and operation of filling stations in China in 2020, we have decided to acquire the Filling Station this year in order to capitalise on the rapid growth of the market. We plan to make use of the idle space on its rooftops to conduct pilot construction of distributed solar PV power stations using our solar PV intelligent products, in order to promote our products and attract other potential customers who operate filling stations to build solar PV power stations, thereby increasing the market share and revenue of the Group’s solar energy products.

Meanwhile, we expect that the current filling and selling of refined oil at the Filling Station will bring additional revenue and cash flow to the Group as a whole as the "streamline-delegate-services" (i.e. streamline administration, delegate power, and improve services) policy in China continues to be implemented. Moreover, the Filling Station is located in close proximity to the Chengdu Railway Container Terminal that operates the China Rail Express from China to Europe, the Chengdu Pilot Free Trade Zone and the Chengdu International Railway Port, which has a dense traffic flow and an abundant source of customers, and the Filling Station has signed a long-term oil supply agreement with a major state-owned refined oil supplier, which provides a stable supply chain. The Filling Station will further expand our brand in the China energy sector and advance our expansion strategy.

The "New Infrastructure Plan" and the "14th Five-Year Plan" have also brought new opportunities for the transform and upgrade of the oil and gas industry, with the demand for LNG in China expected to continue to rise. In view of this, spaces for LNG filling services have been reserved during the construction of the Filling Station, and we are actively preparing for the sale of LNG and plan to add LNG filling services to our Filling Station to maximise the synergy between the sale of refined oil and LNG at the Filling Station and to facilitate business diversification. In summary, the acquisition of Chengdu Kaibangyuan and its Filling Station provides us with the opportunity to leverage the infrastructure of the Filling Station to develop solar energy products while adding the sales of other clean energy products to our business, thereby promoting the wider application of clean energy, addressing the issue of energy saving and emission reduction, and achieving the "peaking carbon emissions and achieving carbon neutrality" goals.

As the technology for new energy projects advances, and the development model continues to mature, the development of filling stations will integrate with the new energy automobile industry, and solar PV will no longer be solely developed as a power source, but will gradually shift to an integrated development model of combining PV, energy storage and charging. Therefore, we will leverage our experience in solar PV and energy storage to actively explore the development of integrated filling stations with solar PV, energy storage and charging, in order to expand our market share. The Group will continue to assess the market situation and to strengthen our foundation in the China market, while further exploring development opportunities in different markets, adhering to the general operating principle of seeking stability amidst changes and striving for progress amidst stability, thereby creating long-term value for shareholders.

A Challenging Business Environment for Jewelry Market

Entering the second half of 2021, we believe that our jewelry business will continue to be adversely affected as long as the COVID-19 persists. The pace of China's economic rebuilding is critical to the recovery of the world economy and our business prospects. On the other hand, it is uncertain when will the travel restrictions measures in relation to COVID-19 be relaxed and the number of overseas visitors to Hong Kong may continue to be restricted, coupled with crowd control measures, which will hamper the recovery prospects of the Hong Kong jewelry industry and will continue to affect the Group's business in the Hong Kong market in the short term.

Despite the unfavourable business environment and increasing competition in the market, we will strive to cope with the negative impact by closely monitoring our business operations, controlling costs and reducing unnecessary expenses. In addition, we will continue to explore business opportunities and sales channels, increase our product selection to meet the latest market trends and expand into other sales channels such as online distribution and third-party reselling. Building on our established customer and supplier bases in Hong Kong and China, we will accelerate our efforts to identify suitable partners to enrich our product range and further explore new markets to expand our revenue streams.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Current Year was approximately HK$56.2 million, representing a decrease of approximately 49.2% as compared to approximately HK$110.6 million for the Previous Year. The decrease was mainly attributable to the result of the decrease in sales volume of the products of both the energy business and jewelry business.

Revenue of the energy business amounted to approximately HK$38.4 million (2020: HK$81.5 million) was contributed by the sales of solar energy products, service income of technical improvement on solar energy projects and sales of refined oil. The revenue of sales of solar energy products and service income decreased by approximately 53.1% from approximately HK$81.5 million for the Previous Year to approximately HK$38.2 million for the Current Year. It was primarily attributable to the decline in sales orders of our solar intelligent technology products due to the worldwide COVID-19 outbreak as well as the prolonged escalated Sino-US trade conflicts which affected the overseas markets. The Group recorded the sales of refined oil amounted to approximately HK$0.2 million for the Current Year (2020: Nil), which was derived from the operation of the Filling Station acquired during the Current Year.

Revenue of the jewelry business decreased by approximately 38.9% from approximately HK$29.2 million for the Previous Year to approximately HK$17.8 million for the Current Year due to the weak consumer sentiment of jewelry market in both Hong Kong and China and fewer meeting opportunities with potential buyers caused by the outbreak of COVID-19 as well as the continuing lockdown and strict social distancing measures related to COVID-19 during the Current Year.

Cost of Sales and Gross profit

Cost of sales of the Group for the Current Year was approximately HK$54.0 million, representing a decrease of approximately 49.4%, as compared to approximately HK$106.8 million for the Previous Year. Gross profit decreased from approximately HK$3.8 million for the Previous Year to approximately HK$2.2 million for the Current Year, representing a decrease of approximately 43.2%. The decrease was mainly attributable to the decrease in income of technical improvement services on solar energy projects and the sales volume of both solar energy products of the energy business and products of the jewelry business during the Current Year.

Meanwhile, gross profit margin increased from 3.5% for the Previous Year to 3.9% for the Current Year. The increase was primarily attributable to the effort of the salespersons of our jewelry business and their continuous focus on business opportunities with better customer profitability.

Other income

Other income increased from approximately HK$3.2 million for the Previous Year to approximately HK$5.3 million for the Current Year, representing an increase of approximately 63.6%, which was mainly attributable to the rental income from our investment properties and the government subsidy granted in our operating region during the Current Year.

Other gains and losses, net

The Group recorded net other gain of approximately HK$4.1 million for the Current Year (2020: net other losses of approximately HK$6.6 million). The change was mainly attributable to the net foreign exchange losses of approximately HK$0.2 million recorded for the Current Year (2020: HK$0.5 million), a gain from change in fair value of investment properties of approximately HK$1.3 million was recorded for the Current Year (2020: HK$0.1 million) and the gains from disposal of subsidiaries of approximately HK$3.0 million (2020: Nil) arising from the adjustment of operation network of the Group by closing down non-performing sales offices in Nanjing City and Taizhou City during the Current Year.

Impairment loss on trade receivables under expected credit loss ("ECL")

The Group recorded an impairment loss on trade receivables under the ECL model amounted to approximately HK$1.2 million for the Current Year (2020: Nil). The management of the Group will continue to conduct regular review of the debtors' repayment histories, resources and financial capabilities to ensure the ability of repayment within the credit period.

Impairment loss on property, plant and equipment and right-of-use assets

The Group recorded an impairment loss on property, plant and equipment and right-of-use assets amounted to approximately HK$4.2 million (2020: Nil) and HK$3.5 million (2020: Nil) respectively for the Current Year.

Selling and distribution costs

Selling and distribution costs decreased from approximately HK$6.2 million for the Previous Year to approximately HK$2.2 million for the Current Year, representing a decrease of approximately 64.9%, which was primarily attributable to the decrease in exhibition and marketing activities due to the lockdown and strict social distancing measures related to COVID-19 and the consolidation of sales team during the Current Year.

Administrative expenses

Administrative expenses decreased from approximately HK$25.1 million for the Previous Year to approximately HK$20.4 million for the Current Year, representing a decrease of approximately 18.7%, which was mainly attributable to the effect of the implementation of tightened cost control and the consolidation of back-office team in China during the Current Year.

Other expenses

Other expenses amounted to approximately HK$1.3 million (2020: HK$3.2 million) mainly represented the expenditure on R&D of solar intelligent technology products in development stage during the Current Year.

Equity-settled share-based payments

Equity-settled share-based payments for the Previous Year amounted to approximately HK$0.8 million represented the amortized cost of share-based payment expenses in connection with the grant of share options. The Group did not have any equity-settled share-based payments during the Current Year.

Finance costs

Finance cost represented the imputed interest derived from the long term loans from a controlling shareholder amounted to approximately HK$3.4 million (2020: HK$4.9 million), the interest derived from lease liabilities amounted to approximately HK$0.2 million (2020: HK$0.2 million) and the interest derived from the long term bank loan amounted to approximately HK$1.6 million for the Current Year (2020: HK$1.4 million).

Income tax expense

Income tax expense of the Group recorded for the Current Year amounting to approximately HK$0.7 million (2020: HK$0.1 million) mainly attributable to the provision of deferred tax expense arising from the Yuyao Factory during the Current Year.

Loss for the year attributable to the Owners of the Company

By reason of the factors stated above and the loss shared by the non-controlling interests increased, the loss for the year attributable to the owners of the Company decreased from approximately HK$33.5 million for the Previous Year to approximately HK$24.6 million for the Current Year, representing a decrease of approximately 26.5%. Basic loss per share was 6.61 HK cents (2020: 9.86 HK cents).

Liquidity and Financial Position

As at 31 March 2021, the Group had net current assets and current ratio stood at approximately HK$22.7 million and 1.5 respectively (31 March 2020: HK$44.1 million and 2.4 respectively).

As at 31 March 2021, the bank balances and cash amounted to approximately HK$37.3 million (31 March 2020: HK$37.3 million). As at 31 March 2021, the inventories amounted to approximately HK$6.8 million (31 March 2020: HK$6.8 million), mainly representing the finished goods of solar thermal cooling-stored pipes and solar modules intelligent technology products. As at 31 March 2021, the trade receivables and trade payables amounted to approximately HK$8.1 million and HK$7.7 million respectively (31 March 2020: HK$15.5 million and HK$14.8 million respectively), both of which were mainly derived from the energy business. As at 31 March 2021, the Group's property, plant and equipment, right-of-use assets and investment properties amounted to approximately HK$21.4 million, HK$10.1 million and HK$79.3 million respectively (31 March 2020: HK$43.1 million, HK$11.4 million and HK$22.2 million respectively). The investment properties of the Group located in Yuyao City of Zhejiang Province and held under operating leases to earn rentals are revalued by an independent firm of professional property valuer on an open market value basis and are measured using the fair value model for both years.

As at 31 March 2021, the net carrying amount of the intangible assets was approximately HK$55.5 million (31 March 2020: Nil), which represented the operating rights in relation to the relevant certificates, licenses and approvals for the operations of the Filling Station and the sale of refined oil with finite useful lives. The intangible assets were arising from the acquisition of Chengdu Kaibangyuan in the Current Year.

Capital Resources and Gearing

As at 31 March 2021, the Group had an interest-bearing bank borrowing amounted to approximately HK$25.7 million (31 March 2020: HK$25.9 million) and bore an effective interest rates of 3.4% per annum (31 March 2020: 3.9%), of which approximately HK$2.5 million (31 March 2020: HK$2.1 million) will be repayable within one year and approximately HK$23.2 million (31 March 2020: HK$23.8 million) will be repayable after one year.

The bank borrowing was secured by the Group's assets, for details of the charges on Group's assets, please refer to the section headed "Charges On Group Assets" in this announcement. Save as disclosed above, the Group has no other banking facilities (31 March 2020: Nil). As at 31 March 2021, the Group had interest-free loans due to a controlling shareholder of approximately HK$104.8 million (31 March 2020: HK$72.1 million) which will be repayable after one year and had interest-free loans due to a shareholder amounted to approximately HK$5.0 million (31 March 2020: HK$4.8 million) which will be repayable within one year.

The Group principally meets its working capital requirement and other liquidity requirements through a combination of operating cash flows, interest-free loans due from a shareholder and a controlling shareholder and bank balances during the Current Year.

Capital Structures

The Group's total assets and total liabilities as at 31 March 2021 amounted to approximately HK$235.1 million (31 March 2020: HK$151.9 million) and approximately HK$181.8 million (31 March 2020: HK$130.2 million) respectively. The Group's debt ratio (which was expressed as a percentage of total liabilities over total assets) was approximately 77.3% as at 31 March 2021 (31 March 2020: 85.7%).

Charges on Group Assets

As at 31 March 2021, the buildings with carrying amounts of approximately HK$4.5 million (31 March 2020: HK$32.9 million), the right-of-use assets with carrying amounts of approximately HK$5.8 million (31 March 2020: HK$8.5 million) and the investment properties with carrying amounts of approximately HK$79.3 million (31 March 2020: HK$22.2 million), were pledged to a bank in China as collateral security for a bank borrowing amounted to approximately HK$25.7 million (31 March 2020: HK$25.9 million).

Capital Commitments and Contingent Liabilities

As at 31 March 2021, the Group did not have any capital commitments (31 March 2020: Nil).

As at 31 March 2021, the Group did not have any significant contingent liabilities (31 March 2020: Nil).

Employee and Remuneration Policy

As at 31 March 2021, the Group had a total of 39 employees (2020: 67). The Group remunerates its employees based on their performance and work experience and the prevailing market rates. Salaries of employees are maintained at competitive levels while bonuses are granted by reference to the performance of the Group and individual employees.

The Group also provides internal training to employees when necessary and other staff benefits which include share option scheme and corporate contribution to the statutory mandatory provident fund scheme to its employees in Hong Kong and the statutory central pension schemes to its employees in China.

Foreign Exchange Fluctuation and Hedges

The business operations of the Group's subsidiaries were conducted mainly in China and Hong Kong with sales and purchases of the Group's subsidiaries denominated mainly in Hong Kong dollars, Renminbi and United States dollars ("USD"). The Group's cash and bank deposits were denominated in Hong Kong dollars, Renminbi and USD as well. Any significant exchange rate fluctuation of Hong Kong dollars against USD or Renminbi may have financial impacts on the Group. While the Group would closely monitor the volatility of the foreign exchange rate, the Directors considered that the Group's risk exposure to foreign exchange rate fluctuation remained minimal currently.

As at 31 March 2021, no forward foreign currency contracts are designated in hedging accounting relationships (2020: Nil).

Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

Acquisition of 51% equity interest in Chengdu Kaibangyuan

On 10 October 2020, the Company entered into an equity transfer agreement (the "Equity Transfer Agreement") with Sichuan Huahan Energy Development Co., Ltd.* (四川華漢能源開發有限公司) as the vendor (the "Vendor") and Chengdu Kaibangyuan as the target company. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and Chengdu Kaibangyuan were both independent third parties. Pursuant to the terms and conditions of the Equity Transfer Agreement, the Company (or its wholly-owned nominee subsidiary) agreed to acquire, and the Vendor agreed to sell, 51% equity interest in Chengdu Kaibangyuan for an aggregate consideration of RMB30.6 million (the "Acquisition").

The completion of the Acquisition took place on 8 March 2021. Upon the completion, the Company, through its wholly-owned subsidiary, Beijing Jianxinyuan Trading Company Limited* (北京建新源貿易有限公司), is interested in 51% of the entire equity interest of Chengdu Kaibangyuan. Chengdu Kaibangyuan has become an indirect non wholly-owned subsidiary of the Company and the financial results of which are consolidated into the financial statements of the Group. Up to the date of this announcement, the aggregate consideration of RMB30.6 million has been paid to the Vendor.

Chengdu Kaibangyuan is located in Chengdu City of Sichuan Province in China. The Group plans to make use of the Filling Station's assets to conduct pilot construction and promote the distributed solar PV power station in order to increase the market share for solar energy products. In the meantime, the revenue generated from the sales of refined oil provided cash inflow to support the growth of the Group. Furthermore, Chengdu Kaibangyuan is actively preparing for the expansion of the Filling Station to provide LNG with a view to develop the Filling Station into an integrated filling station. For details of the Acquisition, please refer to the announcements of the Company dated 11 October 2020, 27 October 2020 and 8 March 2021. Save as disclosed above and in this announcement, there had been no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Current Year.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, the Group did not have any plans for material investments and capital assets as at 31 March 2021.

Events After the Reporting Period

On 19 April 2021, the Company entered into a subscription agreement with an independent third party (the "Subscriber") in relation to the subscription of 15,300,000 shares of the Company to the Subscriber at the subscription price of HK$0.75 per subscription share (the "Subscription"). The Subscription was completed on 4 June 2021, please refer to the announcements of the Company on 19 April 2021, 12 May 2021 and 4 June 2021 for further details. A total of 15,300,000 new shares of the Company have been allotted and issued to the Subscriber. The gross proceeds and net proceeds from the Subscription was HK$11,475,000 and approximately HK$11,410,000 respectively.

Save as disclosed above, the Group had no material event after 31 March 2021.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2021 (2020: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company is to be held on Thursday, 2 September 2021 (the "2021 AGM") and the notice of the 2021 AGM will be published and dispatched to the shareholders of the Company within the prescribed time and in such manner as required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 30 August 2021 to Thursday, 2 September 2021 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify to attend and vote at the 2021 AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 27 August 2021.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company and based on the confirmation from the Directors, there is no change in the information of the Directors required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the Company's last published audit report.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize effective internal control, accountability and transparency of the Board and are adopted in the best interest of the Company and its shareholders.

Accordingly, the Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules. The Company has applied the principles and complied with all the applicable code provisions set out in the CG Code throughout the year ended 31 March 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, they confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 March 2021.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the code provisions under the Code set out in Appendix 14 to the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Wu Chi Keung, Mr. Jin Qingjun and Ms. Sun, Ivy Connie.

The Group's consolidated financial statements and the annual results for the year ended 31 March 2021 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2021 comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares during the year ended 31 March 2021.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A separate environmental, social and governance report is expected to be published on the Stock Exchange's website and the Company's website no later than three months after the annual report has been published.

SUFFICIENCY OF PUBLIC FLOAT

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

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 and other comprehensive income and the related notes thereto for the year ended 31 March 2021 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 Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com). The annual report of the Company for the year ended 31 March 2021 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and posted on the above websites in due course.

APPRECIATION

Our Board would like to take this opportunity to express its gratitude to our shareholders, our business associates and all our employees for their continuous support.

By order of the Board
CENTRAL DEVELOPMENT HOLDINGS LIMITED
Chan Wing Yuen, Hubert
Chief Executive & Executive Director

Hong Kong, 25 June 2021

As at the date of this announcement, the Board consists of three executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun and Mr. Chan Wing Yuen, Hubert; a non-executive Director, namely Mr. Li Wei Qi, Jacky; and three independent non-executive Directors, namely Mr. Wu Chi Keung, Mr. Jin Qingjun and Ms. Sun, Ivy Connie.

* *for identification purpose only*