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CHONG KIN GROUP HOLDINGS LIMITED
創建集團（控股）有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1609)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of Chong Kin Group Holdings Limited (the “**Company**”) is pleased to present the audited consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2023 (the “**Year**”) together with the comparative figures for the year ended 31 March 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
CONTINUING OPERATIONS			
REVENUE	3	489,525	344,173
Cost of services		<u>(434,582)</u>	<u>(298,556)</u>
Gross profit		54,943	45,617
Other income	5	6,752	78
Administrative and other operating expenses		(25,035)	(28,296)
Impairment losses of financial assets	7	(11,164)	(35,358)
Finance costs	6	(276)	(366)
PROFIT/(LOSS) BEFORE TAXATION		25,220	(18,325)
Income tax expense	8	(4,117)	(4,384)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	7	21,103	(22,709)
DISCONTINUED OPERATIONS			
LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS	11	<u>–</u>	<u>(136,470)</u>
PROFIT/(LOSS) FOR THE YEAR		21,103	(159,179)
Other comprehensive expenses for the year, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(246)	256
Share of exchange translation difference of an associate		–	32
Exchange differences reclassified to profit or loss on disposal of subsidiaries		<u>–</u>	<u>(15,192)</u>
OTHER COMPREHENSIVE EXPENSES FOR THE YEAR, NET OF TAX		(246)	(14,904)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR		20,857	(174,083)

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i> (Restated)
PROFIT/(LOSS) FOR THE YEAR			
ATTRIBUTABLE TO:			
Owners of the Company			
Profit/(loss) from continuing operations		21,103	(22,709)
Loss from discontinued operations		<u>–</u>	<u>(135,574)</u>
Profit/(loss) attributable to owners of the Company		<u>21,103</u>	<u>(158,283)</u>
Non-controlling interests			
Loss from continuing operations		–	–
Loss from discontinued operations		<u>–</u>	<u>(896)</u>
Loss attributable to owners of non-controlling interests		<u>–</u>	<u>(896)</u>
		<u>21,103</u>	<u>(159,179)</u>
TOTAL COMPREHENSIVE INCOME/			
(EXPENSES) FOR THE YEAR			
ATTRIBUTABLE TO:			
Owners of the Company		20,857	(173,486)
Non-controlling interests		<u>–</u>	<u>(597)</u>
		<u>20,857</u>	<u>(174,083)</u>
		<i>HK cents</i>	<i>HK cents</i>
EARNINGS/(LOSS) PER SHARE			
ATTRIBUTABLE TO OWNERS OF THE COMPANY			
	9		
From continuing and discontinued operations			
– Basic and diluted		<u>2.12</u>	<u>(14.71)</u>
From continuing operations			
– Basic and diluted		<u>2.12</u>	<u>(2.11)</u>
From discontinued operations			
– Basic and diluted		<u>N/A</u>	<u>(12.60)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		1,065	1,909
Right-of-use assets		3,682	7,697
Loan and interest receivables	12	3,900	–
Deferred tax assets		1,068	–
		<u>9,715</u>	<u>9,606</u>
CURRENT ASSETS			
Financial assets at fair value through profit or loss		–	2,061
Loan and interest receivables	12	143,374	162,906
Trade and other receivables	13	300,193	272,566
Contract assets	14	79,438	55,715
Bank and cash balances		203,498	200,372
		<u>726,503</u>	<u>693,620</u>
CURRENT LIABILITIES			
Trade and other payables	15	110,437	87,535
Contract liabilities	14	4,823	16,747
Lease liabilities		3,624	4,028
Current income tax liabilities		12,865	7,680
		<u>131,749</u>	<u>115,990</u>
NET CURRENT ASSETS		<u>594,754</u>	<u>577,630</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>604,469</u>	<u>587,236</u>
NON-CURRENT LIABILITIES			
Lease liabilities		310	3,934
		<u>310</u>	<u>3,934</u>
NET ASSETS		<u>604,159</u>	<u>583,302</u>

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	16	10,954	10,954
Reserves		593,205	572,348
		<hr/>	<hr/>
TOTAL EQUITY		604,159	583,302
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 31 May 2016 as an exempted company with limited liability and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 17 October 2016. The address of the registered office of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the principal place of business of the Company is Suite 6808, 68th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are (i) provision of concrete placing and other ancillary services (the “**Concrete Placing**”) as a subcontractor for both public and private sector projects, including building and infrastructure related projects (“**Concrete Placing Business**”) and (ii) provision of loan finance business in Hong Kong.

In the opinion of the directors of the Company, as at 31 March 2023, Prestige Rich Holdings Limited (“**Prestige Rich**”), a company incorporated in the British Virgin Islands (“**BVI**”), is the immediate and ultimate parent; Mr. Zhang Jinbing is the ultimate controlling shareholder of the Company.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are relevant to its operations and effective for its accounting year beginning on 1 April 2022. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the consolidated financial statements of the Group.

New/Revised HKFRSs

HKFRS 17	Insurance Contracts ⁺
HKAS 1	Amendments in relation to Disclosure of Accounting Policies ⁺
HKAS 8	Amendments in relation to Definition of Accounting Estimates ⁺
HKAS 12	Amendments in relation to Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁺
HKFRS 16	Amendments in relation to Lease Liability in a Sale and Leaseback [^]
HKAS 1	Amendments in relation to Classification of Liabilities as Current or Non-current [^]
HKAS 1	Amendments in relation to Non-current Liabilities with Covenants [^]
HK-int 5	Amendments in relation to Amendments to HKAS 1 [^]
HKFRS 10 and HKAS 28	Amendments in relation to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [#]

⁺ Effective for accounting period beginning on or after 1 January 2023

[^] Effective for accounting period beginning on or after 1 January 2024

[#] No mandatory effective date yet determined but available for adoption

3. REVENUE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Concrete placing services and other ancillary services	<u>480,543</u>	<u>330,724</u>
Revenue from contracts with customers	480,543	330,724
Loan interest income	<u>8,982</u>	<u>13,449</u>
Total revenue	<u><u>489,525</u></u>	<u><u>344,173</u></u>

Disaggregation of revenue from contracts with customers

Segments	2023	
	Concrete Placing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Geographical markets		
Hong Kong	<u>480,543</u>	<u>480,543</u>
Total	<u><u>480,543</u></u>	<u><u>480,543</u></u>
Major products/service		
Concrete placing services and other ancillary services	<u>480,543</u>	<u>480,543</u>
Total	<u><u>480,543</u></u>	<u><u>480,543</u></u>
Timing of revenue recognition		
At a point in time	–	–
Over time	<u>480,543</u>	<u>480,543</u>
Total	<u><u>480,543</u></u>	<u><u>480,543</u></u>

Segments	2022	
	Concrete Placing HK\$'000	Total HK\$'000
Geographical markets		
Hong Kong	330,724	330,724
Total	<u>330,724</u>	<u>330,724</u>
Major products/service		
Concrete placing services and other ancillary services	330,724	330,724
Total	<u>330,724</u>	<u>330,724</u>
Timing of revenue recognition		
At a point in time	–	–
Over time	330,724	330,724
Total	<u>330,724</u>	<u>330,724</u>

Concrete placing services and other ancillary services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services. A certain percentage of payments is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

4. SEGMENT INFORMATION

Information reported to the chief executive of the Company, being the chief operating decision maker (“**CODM**”) of the Group, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or services provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

For both years ended 31 March 2023 and 2022, the Group's operating and reportable segments were: (i) provision of concrete placing services and other ancillary services in Hong Kong (“**Concrete placing**”) and (ii) provision of loan finance in Hong Kong (“**Loan finance**”). The CODM considered the Group had two operating and reportable segments which were based on the internal organisation and reporting structure. This was the basis upon which the Group was organised.

During the year ended 31 March 2022, the operating segments, including (i) NEV and Logistics and finance leasing services, (ii) Remittance and foreign currency exchange services and (iii) Real estate development were disposed and discontinued. The segment information reported does not include any amounts for these discontinued operations, which are described in detail in Note 11.

(a) **Segment revenue and results**

An analysis of the Group's revenue and results by reportable and operating segments is as follows:

For the year ended 31 March 2023

	Continuing operations			Discontinued operations			Subtotal HK\$'000	Total HK\$'000
	Concrete placing HK\$'000	Loan finance HK\$'000	Subtotal HK\$'000	NEV and logistics and finance leasing services HK\$'000	Remittances and foreign currency exchange services HK\$'000	Real estate development HK\$'000		
Revenue from external customers	480,543	8,982	489,525	-	-	-	-	489,525
Segment profit	32,910	8,912	41,822	-	-	-	-	41,822
Unallocated other income			6,752				-	6,752
Unallocated expenses			(18,454)				-	(18,454)
Impairment losses of financial assets			(4,624)				-	(4,624)
Finance costs			(276)				-	(276)
Profit before taxation			<u>25,220</u>				<u>-</u>	<u>25,220</u>

For the year ended 31 March 2022

	Continuing operations			Discontinued operations			Subtotal HK\$'000	Total HK\$'000
	Concrete placing HK\$'000	Loan finance HK\$'000	Subtotal HK\$'000	NEV and logistics and finance leasing services HK\$'000	Remittances and foreign currency exchange services HK\$'000	Real estate development HK\$'000		
Revenue from external customers	330,724	13,449	344,173	12,611	44	961	13,616	357,789
Segment profit/(loss)	27,591	12,710	40,301	(10,732)	(4,494)	(70,868)	(86,094)	(45,793)
Unallocated other income			78				-	78
Unallocated expenses			(23,806)				(1,820)	(25,626)
Impairment losses of financial assets			(34,532)				-	(34,532)
Loss on disposal of subsidiaries			-				(48,556)	(48,556)
Finance costs			(366)				-	(366)
Loss before taxation			<u>(18,325)</u>				<u>(136,470)</u>	<u>(154,795)</u>

Segment revenue represents the revenue derived by each segment from external customers. There was no revenue derived from transactions with other operating segments of the Group.

Segment profit/(loss) represents the profit/(loss) earned/(incurred) by each segment without allocation of certain administrative and other operating expenses, other income, (loss)/gain on disposal of subsidiaries, impairment loss of financial assets, finance costs and unallocated income and expenses. This is the measure reported to CODM for the purpose of resource allocation and performance assessment.

All the segment revenue reported above is from external customers.

(b) Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable and operating segments is as follows:

For the year ended 31 March 2023

	Continuing operations			Discontinued operations				Total HK\$'000
	Concrete placing HK\$'000	Loan finance HK\$'000	Subtotal HK\$'000	NEV and logistics and finance leasing services HK\$'000	Remittances and foreign currency exchange services HK\$'000	Real estate development HK\$'000	Subtotal HK\$'000	
ASSETS								
Segment assets	252,190	183,508	435,698	-	-	-	-	435,698
Unallocated corporate assets								300,520
Consolidated total assets								<u>736,218</u>
LIABILITIES								
Segment liabilities	63,351	330	63,681	-	-	-	-	63,681
Unallocated corporate liabilities								68,378
Consolidated total liabilities								<u>132,059</u>

For the year ended 31 March 2022

	Continuing operations			Discontinued operations				Total HK\$'000
	Concrete placing HK\$'000	Loan finance HK\$'000	Subtotal HK\$'000	NEV and logistics and finance leasing services HK\$'000	Remittances and foreign currency exchange services HK\$'000	Real estate development HK\$'000	Subtotal HK\$'000	
ASSETS								
Segment assets	196,590	185,840	382,430	-	-	-	-	382,430
Unallocated corporate assets								320,796
Consolidated total assets								<u>703,226</u>
LIABILITIES								
Segment liabilities	55,695	347	56,042	-	-	-	-	56,042
Unallocated corporate liabilities								63,882
Consolidated total liabilities								<u>119,924</u>

(c) **Other segment information**

For the year ended 31 March 2023

	Continuing operations			Discontinued operations				Total HK\$'000
	Concrete placing HK\$'000	Loan finance HK\$'000	Subtotal HK\$'000	NEV and logistics and finance leasing services HK\$'000	Remittances and foreign currency exchange services HK\$'000	Real estate development HK\$'000	Subtotal HK\$'000	
Amounts included in the measurement of segment profit or loss or segment assets:								
Additions to non-current assets (<i>Note</i>)	43	81	124	-	-	-	-	124
Depreciation of property, plant and equipment	(12)	(616)	(628)	-	-	-	-	(970)
(Impairment loss)/reversal of impairment loss on trade and other receivables	(6,472)	2	(6,470)	-	-	-	-	(4,624)
Impairment loss on loan and interest receivables	-	(70)	(70)	-	-	-	-	(70)
Interest income	16	16	32	-	-	-	-	32
Interest expense	-	-	-	-	-	-	-	(276)
Amounts regularly provided to the CODM but not included in the measurement of segment profit or loss:								
Income tax expense	(4,117)	-	(4,117)	-	-	-	-	(4,117)

For the year ended 31 March 2022

	Continuing operations			Discontinued operations			Unallocated	Total	
	Concrete placing	Loan finance	Subtotal	NEV and logistics and finance leasing services	Remittances and foreign currency exchange services	Real estate development			Subtotal
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Amounts included in the measurement of segment profit or loss or segment assets:									
Additions to non-current assets (<i>Note</i>)	40	460	500	4,595	-	202	4,797	724	6,021
Depreciation of property, plant and equipment	(5)	(529)	(534)	(3,171)	(6)	(158)	(3,335)	(205)	(4,074)
Loss on disposal of property, plant and equipment	-	-	-	(4)	-	-	(4)	-	(4)
Impairment loss on properties under development	-	-	-	-	-	(61,038)	(61,038)	-	(61,038)
Reversal of impairment loss on finance lease receivables	-	-	-	5,536	-	-	5,536	-	5,536
Impairment loss on trade and other receivables	-	(87)	(87)	(8,605)	(966)	-	(9,571)	(23,315)	(32,973)
Impairment loss on loan and interest receivables	-	(739)	(739)	-	-	-	-	-	(739)
Impairment loss on other receivable from profit guarantee arrangement	-	-	-	-	-	-	-	(11,217)	(11,217)
Interest income	-	-	-	564	-	-	564	-	564
Interest expense	-	-	-	(200)	-	(18)	(218)	(366)	(584)
Amounts regularly provided to the CODM but not included in the measurement of segment profit or loss:									
Income tax expense	(4,384)	-	(4,384)	-	-	-	-	-	(4,384)

Note: As at 31 March 2023 and 2022, non-current assets included property, plant and equipment.

(d) **Geographical information**

Information about the Group's revenue from external customers is presented based on the destination of shipment for sales of products or location of services rendered/operations. Information about the Group's non-current assets, excluding financial assets and deferred tax assets, is presented based on the geographical location of the assets.

	Revenue		Non-current assets	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations:				
Hong Kong	<u>489,525</u>	<u>344,173</u>	<u>4,747</u>	<u>9,606</u>

(e) **Revenue from major customers**

	2023	2022
	HK\$'000	HK\$'000
Concrete placing		
Customer A	196,494	N/A*
Customer B	81,173	39,012
Customer C	N/A*	112,662
Customer D	<u>N/A*</u>	<u>64,590</u>

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. **OTHER INCOME**

	2023	2022
	HK\$'000	HK\$'000
Bank interest income	32	–
Government grants (<i>Note</i>)	6,537	–
Gain on sales of financial assets at fair value through profit or loss	102	–
Others	<u>81</u>	<u>78</u>
	<u>6,752</u>	<u>78</u>

Note: During the year ended 31 March 2023, the Group recognised government grants in respect of COVID-19-related subsidies, of which approximately HK\$6,537,000 relates to Employment Support Scheme provided by the Hong Kong Government.

6. **FINANCE COSTS**

	2023	2022
	HK\$'000	HK\$'000
Interest on lease liabilities	<u>276</u>	<u>366</u>
	<u>276</u>	<u>366</u>

7. PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS

The Group's profit/(loss) for the year from continuing operations is arrived at after charging:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditors' remuneration		
– Audit services	1,440	1,770
– Non-audit services	<u>60</u>	<u>110</u>
	<u>1,500</u>	<u>1,880</u>
Depreciation of property, plant and equipment	970	739
Depreciation of right-of-use assets	3,640	3,924
Impairment losses of financial assets:		
– Impairment of trade and other receivables	11,094	23,402
– Impairment of loan and interest receivables	70	739
– Impairment of other receivable from profit guarantee arrangement	<u>–</u>	<u>11,217</u>
	<u>11,164</u>	<u>35,358</u>
Staff costs including directors' remuneration:		
– Wages and salaries	150,334	144,320
– Pension scheme contributions	<u>3,448</u>	<u>2,401</u>
	<u>153,782</u>	<u>146,721</u>

8. INCOME TAX EXPENSE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
– Provision for the year	5,185	4,384
Deferred taxation	<u>(1,068)</u>	<u>–</u>
Income tax expense	<u>4,117</u>	<u>4,384</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity in Hong Kong are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of the other group entities in Hong Kong are taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved in the implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for both years.

The Group's subsidiary in the Grenada is subject to Corporation Tax in the Grenada ("Corporation Tax"). Corporation Tax is calculated at 10% of the estimated assessable profits for the year ended 31 March 2023 (2022: 10%).

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) From continuing and discontinued operations

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

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) attributable to owners of the Company	<u>21,103</u>	<u>(158,283)</u>
	Number of shares	
	2023	2022
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings/(loss) per share	<u>993,415</u>	<u>1,075,713</u>

(b) From continuing operations

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

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) attributable to owners of the Company	<u>21,103</u>	<u>(22,709)</u>
	Number of shares	
	2023	2022
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings/(loss) per share	<u>993,415</u>	<u>1,075,713</u>

(c) From discontinued operation

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

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to owners of the Company	<u>N/A</u>	<u>(135,574)</u>
	Number of shares	
	2023	2022
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>N/A</u>	<u>1,075,713</u>

The diluted earnings/(loss) per share for both 2023 and 2022 were the same as basic earnings/(loss) per share as there were no potential ordinary share in issue during the years ended 31 March 2023 and 2022.

10. DIVIDENDS

The directors do not recommend the payment of any dividend for each of the years ended 31 March 2023 and 2022.

11. DISCONTINUED OPERATIONS

The loss for the year from the discontinued operations is analysed as follows:

	2022 HK\$'000
Loss from discontinued operations	
– NEV and Logistics and finance leasing services	(67,065)
– Remittances and foreign currency exchange services	(6,596)
– Real estate development	(62,809)
	<hr/>
	(136,470)
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The Group's discontinued operations for the year ended 31 March 2022 represented the businesses involving (a) sale of new energy vehicles ("NEVs"), leasing of NEVs and provision of logistics operated by Stand East Investment Limited and its subsidiaries ("**Stand East Group**") and the provision of finance leasing services operated by Blossom Field Trading Develop Limited, Hua Yao Industrial (Shenzhen) Limited and Hua Yao Finance Lease (Shenzhen) Limited ("**Hua Yao Group**"); (b) remittances and foreign currency exchange services operated by Newport Service (UK) Limited ("**Newport UK**"); and (c) real estate development operated by Hartman Education Service Limited and its subsidiary ("**Hartman Group**").

(a) NEV and Logistics and finance leasing services

On 22 October 2021, the Group entered into a sale and purchase agreement to dispose of the entire equity interest in Stand East Group and Hua Yao Group at a total consideration of HK\$180,000,000. The Stand East Group and Hua Yao Group represent the whole NEV and Logistics and finance leasing services segment of the Group upon the completion of the disposal, the Group's NEV and Logistics and finance leasing services would be discontinued. The disposal was completed on 4 November 2021, the date on which the control of Stand East Group and Hua Yao Group was passed to the acquirer.

(b) Remittances and foreign currency exchange services

On 15 December 2021, the Group entered into a sale and purchase agreement to dispose of the entire equity interest in Newport UK at a total consideration of HK\$11,000,000. Newport UK, represents the whole remittances and foreign currency exchange services segment of the Group upon completion of the disposal, the Group's segment on remittances and foreign currency exchange services would be discontinued. The disposal was completed on 17 December 2021, the date on which the control of Newport UK was passed to the acquirer.

(c) Real estate development

On 28 February 2022, the Group through its direct wholly-owned subsidiary, Kingdom Honour Holdings Limited, entered into a disposal agreement with an independent third party in relation to the disposal of entire equity interest in Hartman Group at a total consideration of approximately HK\$638,000. The disposal was completed on 28 February 2022, the date on which the control of Hartman Group was passed to the acquirer.

The result of the discontinued operations of Stand East Group and Hua Yao Group, Newport UK and Hartman Group for the period from 1 April 2021 to their respective dates of disposal, which have been included in consolidated profit or loss, are as follows:

	2022			
	NEV and logistics and finance leasing services <i>HK\$'000</i>	Remittances and foreign currency exchange services <i>HK\$'000</i>	Real estate development <i>HK\$'000</i>	Total <i>HK\$'000</i> (restated)
Revenue	12,611	44	961	13,616
Cost of sales	(11,570)	(48)	–	(11,618)
Gross profit/(loss)	1,041	(4)	961	1,998
Other income	6,477	529	4	7,010
Other gains and losses, net	(314)	–	–	(314)
Selling and distribution expenses	(1,018)	–	–	(1,018)
Administrative and other operating expenses	(15,383)	(4,053)	(10,777)	(30,213)
(Loss)/gain on disposal of subsidiaries	(54,513)	(2,102)	8,059	(48,556)
Impairment	(3,069)	(966)	(61,038)	(65,073)
Share of results of an associate	(86)	–	–	(86)
Finance costs	(200)	–	(18)	(218)
Loss before income tax from discontinued operations	(67,065)	(6,596)	(62,809)	(136,470)
Income tax expense	–	–	–	–
Loss for the year from discontinued operations	<u>(67,065)</u>	<u>(6,596)</u>	<u>(62,809)</u>	<u>(136,470)</u>

During the year ended 31 March 2022, the disposed subsidiaries received approximately HK\$33,415,000 in respect of operating activities, paid approximately HK\$36,263,000 in respect of investing activities and paid approximately HK\$4,478,000 in respect of financing activities.

No tax charge or credit arose on (loss)/gain on disposal of the discontinued operation for the year ended 31 March 2022.

12. LOAN AND INTEREST RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loan receivables	140,508	155,000
Interest receivables	7,575	8,645
Provision for loss allowance	<u>(809)</u>	<u>(739)</u>
Loan and interest receivables, net	147,274	162,906
Less: Amounts due for settlement within 12 months shown under current assets	<u>(143,374)</u>	<u>(162,906)</u>
Amounts due for settlement after 12 months shown under non-current assets	<u><u>3,900</u></u>	<u><u>–</u></u>

Notes:

- (i) Loan receivables to the extent of approximately HK\$140,508,000 (2022: HK\$155,000,000), which arise from the loan finance business to independent third parties in Hong Kong, are denominated in HK\$.
- (ii) Loan receivables are repayable with fixed terms ranging from twelve to twenty four months (2022: three to eighteen months).
- (iii) As at 31 March 2023, loan receivables of approximately HK\$76,608,000 (2022: HK\$95,000,000) bearing interests of 6% to 12% (2022: 12%) per annum, are unsecured and expected to be settled by the borrowers within 1 year.
- (iv) As at 31 March 2023, loan receivables of approximately HK\$60,000,000 (2022: HK\$60,000,000) bearing interests of 12% (2022: 12%) per annum with initial loan period of 18 months. These loan receivables are secured by a first legal charge on several industrial properties in Hong Kong (2022: first legal charge on several industrial properties in Hong Kong).
- (v) As at 31 March 2023, loan receivables of approximately HK\$3,900,000 (2022: HK\$Nil) bearing interests of 10% per annum, are guaranteed by an independent third party and expected to be settled by the borrowers within 2 years.
- (vi) The maturity profile of the loan receivables based on maturity date which are not impaired is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Past due	60,000	60,000
Not past due, receivable in:		
1 month to 3 months	37,500	40,000
More than 3 months but less than 1 year	39,108	55,000
Over 1 year	<u>3,900</u>	<u>–</u>
	<u><u>140,508</u></u>	<u><u>155,000</u></u>

13. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	(i)	137,680	110,957
Retention receivables	(i)	30,648	18,072
Provision for loss allowance	(i)	<u>(6,472)</u>	<u>–</u>
Trade receivables, net		<u>161,856</u>	<u>129,029</u>
Prepayments		6,421	462
Other receivable from the Government of Grenada	(ii)	155,890	155,450
Other receivables		1,889	8,901
Other deposits and prepayments		2,212	2,126
Provision for loss allowance	(iii)	<u>(28,075)</u>	<u>(23,402)</u>
Other receivables, net		<u>138,337</u>	<u>143,537</u>
Total trade and other receivables		<u><u>300,193</u></u>	<u><u>272,566</u></u>

Notes:

- (i) Trade receivables are past due when a counterparty has failed to make a payment when contractually due. Credit terms granted to customers vary from contract to contract. The credit period granted to customers is 0 to 45 days (2022: 0 to 45 days) from payment application date except for retention receivables.

The aging analysis of the trade receivables based on the invoice date and net of loss allowance, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0–90 days	94,520	129,029
91–180 days	23,574	–
181–365 days	29,718	–
Over 1 year	<u>14,044</u>	<u>–</u>
	<u><u>161,856</u></u>	<u><u>129,029</u></u>

Reconciliation of the loss allowance for trade receivables:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At 1 April	–	6,827
Impairment loss	6,472	–
Disposal of subsidiaries	–	(6,788)
Exchange realignment	<u>–</u>	<u>(39)</u>
At 31 March	<u><u>6,472</u></u>	<u><u>–</u></u>

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

At 31 March 2023

	Current (not past due)	Within 90 days past due	91 to 180 days past due	181 to 365 days past due	Over 1 year past due	Total
Weighted average expected loss rate	1%	2%	3%	8%	12%	
Receivable amount (HK\$'000)	58,025	37,476	24,429	32,462	15,936	168,328
Loss allowance (HK\$'000)	<u>(411)</u>	<u>(570)</u>	<u>(855)</u>	<u>(2,744)</u>	<u>(1,892)</u>	<u>(6,472)</u>

At 31 March 2022

	Current (not past due)	Within 90 days past due	91 to 180 days past due	181 to 365 days past due	Over 1 year past due	Total
Weighted average expected loss rate	0%	0%	0%	0%	0%	
Receivable amount (HK\$'000)	129,029	–	–	–	–	129,029
Loss allowance (HK\$'000)	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The Group typically agrees to a retention period of not more than one year after completion of construction projects range from 1% to 10% of the contract value.

- (ii) On 26 November 2021, the sale and purchase agreement for the acquisition of land parcel in Grenada was terminated between the Government of Grenada and the Group, the Government of Grenada shall return the consideration in the sum of US\$20,000,000 to the Group. Based on the valuation report prepared by independent professional valuers, Vincorn Group Holdings Limited, as at 31 March 2023 the expected recoverable amount in respect of the abovementioned receivable is approximately HK\$129,389,000 (2022: HK\$132,135,000), and an aggregated impairment loss of approximately HK\$26,501,000 (2022: HK\$23,315,000) was recognised as at 31 March 2023.

(iii) Reconciliation of the loss allowance for other receivables:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At 1 April	23,402	35,893
Impairment loss	4,622	23,402
Disposal of subsidiaries	–	(35,690)
Exchange realignment	51	(203)
	<u>28,075</u>	<u>23,402</u>
At 31 March	<u><u>28,075</u></u>	<u><u>23,402</u></u>

14. CONTRACT ASSETS AND LIABILITIES

Disclosures of revenue-related items:

	As at 31 March 2023 <i>HK\$'000</i>	As at 31 March 2022 <i>HK\$'000</i>	As at 1 April 2021 <i>HK\$'000</i>
Contract assets – construction	<u>79,438</u>	<u>55,715</u>	<u>–</u>
Total contract assets	<u><u>79,438</u></u>	<u><u>55,715</u></u>	<u><u>–</u></u>
Contract liabilities – construction	<u>4,823</u>	<u>16,747</u>	<u>–</u>
Total contract liabilities	<u><u>4,823</u></u>	<u><u>16,747</u></u>	<u><u>–</u></u>
Contract receivables (include in trade receivables)	<u><u>161,856</u></u>	<u><u>129,029</u></u>	<u><u>–</u></u>
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:			
– 2022	–	231,838	
– 2023	410,471	12,930	
– 2024	<u>51,166</u>	<u>–</u>	
	<u><u>461,637</u></u>	<u><u>244,768</u></u>	

Significant changes in contract assets (before impairment) and contract liabilities during the year:

	2023		2022	
	Contract assets <i>HK\$'000</i>	Contract liabilities <i>HK\$'000</i>	Contract assets <i>HK\$'000</i>	Contract liabilities <i>HK\$'000</i>
Increase due to operations in the year	275,836	163,777	213,176	64,295
Transfer of contract assets to receivables	(252,113)	–	(157,531)	–
Transfer of contract liabilities to revenue	–	(151,853)	–	(80,973)
	<u><u>23,723</u></u>	<u><u>11,924</u></u>	<u><u>55,645</u></u>	<u><u>(16,678)</u></u>

A contract asset represents the Company's right to consideration in exchange for products or services that the Company has transferred to a customer.

A contract liability represents the Company's obligation to transfer products or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

In respect of construction contracts in progress at the end of the reporting period, retentions receivable included in trade receivables is approximately HK\$30,648,000 (2022: HK\$18,072,000). The amount of retentions expected to be recovered within one year after completion of construction projects is approximately HK\$30,648,000 (2022: HK\$18,072,000).

15. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	39,976	24,958
Accrued salaries	11,634	10,570
Other accruals	10,098	18,980
Other payables	48,729	33,027
	<u>110,437</u>	<u>87,535</u>

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 to 90 days	19,777	24,958
91 to 180 days	5,549	–
181 to 365 days	14,650	–
	<u>39,976</u>	<u>24,958</u>

16. SHARE CAPITAL

	<i>Notes</i>	Number of shares	Amount <i>HK\$'000</i>
Authorized:			
Ordinary shares of HK\$0.01 each			
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023			
		2,000,000,000	20,000
Issued and fully paid:			
Ordinary shares of HK\$0.01 each			
At 1 April 2021			
Shares issued in share subscriptions arrangement	(i)	1,087,486,000	10,875
		7,902,000	79
At 31 March 2022, 1 April 2022 and 31 March 2023		<u>1,095,388,000</u>	<u>10,954</u>

Notes:

- (i) During the year ended 31 March 2022, the Group issued 7,902,000 shares to the independent subscribers. Details of the share subscription were contained in the Company's announcements dated 26 April 2021 and 30 April 2021.
- (ii) All the shares issued ranked pari passu in all respects with the then existing shares in issue.

On 12 June 2018, the Group as the purchaser entered into a conditional sale and purchase agreement (the "**Conditional Agreement**"), and subsequently revised by a supplementary agreement, with an independent third party as the vendor (the "**Vendor**") to acquire the entire issued share capital and shareholder's loan of Stand East Investment Limited at the total consideration of HK\$458,880,000. The acquisition was completed on 22 October 2018 and the total consideration was settled by the issue of 152,960,000 shares of the Company ("**Consideration Shares**"). Certain of the Consideration Shares shall not be released from the Vendor if the conditions stated in the Conditional Agreement cannot be fulfilled.

On 26 January 2022, the Group and the Vendor mutually agreed and confirmed that the Vendor did not fulfil all the conditions pursuant to the Conditional Agreement and 101,973,340 shares (the "**Recalled Shares**") of the Consideration Shares were not released by the Group. The Recalled Shares were not cancelled as of 31 March 2022 and 2023.

17. DISPOSAL OF SUBSIDIARIES

On 22 October 2021, the Group entered into a sale and purchase agreement to dispose of the entire equity interest in Stand East Group and Hua Yao Group at a total consideration of HK\$180,000,000. The Stand East Group and Hua Yao Group represented the whole NEV and Logistics and finance leasing services segment of the Group upon the completion of the disposal, the Group's NEV and Logistics and finance leasing services would be discontinued. The disposal was completed on 4 November 2021, the date on which the control of Stand East Group and Hua Yao Group was passed to the acquirer.

On 15 December 2021, the Group entered into a sale and purchase agreement to dispose of the entire equity interest in Newport UK at a total consideration of HK\$11,000,000. Newport UK represented the whole remittances and foreign currency exchange services segment of the Group upon completion of the disposal, the Group's segment on remittances and foreign currency exchange services would be discontinued. The disposal was completed on 17 December 2021, the date on which the control of Newport UK was passed to the acquirer.

On 28 February 2022, the Group through its direct wholly-owned subsidiary, Kingdom Honour Holdings Limited, entered into a disposal agreement with an independent third party in relation to the disposal of entire equity interest in Hartman Group at a total consideration of approximately HK\$638,000. Upon the completion of the disposal, the Group's segment on real estate development would be discontinued. The disposal was completed on 28 February 2022, the date on which the control of Hartman Group was passed to the acquirer.

The net assets/(liabilities) as at the date of disposal were as follows:

	4 November 2021	17 December 2021	28 February 2022	
	NEV and Logistics and finance leasing services	Remittances and foreign currency exchange services	Real estate development	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Property, plant and equipment	17,548	30	217	17,795
Right-of-use assets	9,926	125	–	10,051
Goodwill	20,112	–	–	20,112
Finance lease receivables	108,151	–	–	108,151
Investment in an associate	11,717	–	–	11,717
Inventories	19,606	–	–	19,606
Trade and other receivables	50,261	16,552	451	67,264
Amount due from a non-controlling shareholder of a subsidiary	25,533	–	–	25,533
Cash and cash equivalent	6,780	2,194	321	9,295
Trade and other payables	(28,809)	(5,756)	(8,869)	(43,434)
Lease liabilities	(5,112)	(132)	–	(5,244)
Current income tax liabilities	–	(544)	–	(544)
Other receivables	27,857	–	–	27,857
Net assets/(liabilities) of subsidiaries	263,570	12,469	(7,880)	268,159
Consideration less transaction costs	179,188	11,000	638	190,826
Carrying amount of net assets/ (liabilities) sold	(263,570)	(12,469)	7,880	(268,159)
Reclassification of foreign currency translation reserve	15,946	(633)	(121)	15,192
Release of other reserves	–	–	(338)	(338)
Derecognition of non-controlling interest	13,923	–	–	13,923
(Loss)/gain on disposal of subsidiaries	(54,513)	(2,102)	8,059	(48,556)
Consideration less transaction costs	179,188	11,000	638	190,826
Cash and bank balances	(6,780)	(2,194)	(321)	(9,295)
Net cash inflow from disposal of subsidiaries	172,408	8,806	317	181,531

BUSINESS REVIEW

During the year ended 31 March 2023 (the “**Year**”), Chong Kin Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, “**we**”, “**us**”) is principally engaged in operating segments as follows: (i) provision of concrete placing and other ancillary services (the “**Concrete Placing**”) as a subcontractor for both public and private sector projects, including building and infrastructure related projects (“**Concrete Placing Business**”); and (ii) provision of loan finance business in Hong Kong.

During the Year, the Group continued to operate the Concrete Placing Business under a more efficient streamlined mode of operation to manage the profit margin, in a way of adopting a more asset-light strategy, by means of adjusting manpower and leasing of machineries according to the progress of the construction projects, to cater for the Concrete Placing Business of the Group.

As of the end of the Year, Chong Kin Construction Engineering Limited, an indirect wholly-owned subsidiary of the Company engaging in Concrete Placing Business, has been awarded 27 construction projects (which include 13 projects in the public sector), with total contract sum of approximately HK\$1,224.3 million, of which 25 projects have been commenced the construction work and generated revenue during the Year. After the end of the Year and up to the date of this announcement, the Group has been further awarded 2 construction projects with aggregate contract sum of approximately HK\$24.3 million, and it is expected that those projects will start generating revenue for the Group in next financial year.

As at the date of this announcement, the Group had also submitted tenders for 15 construction projects. The Group has been also in active discussion with various main contractors with a view to obtain more construction projects in the foreseeable future. The Group will continue to utilise its resources to actively provide concrete-related work to the public and private sectors in Hong Kong. The Group will also explore opportunities to expand value-added services for other concrete-related projects and continue to optimise the operating model of the Group’s Concrete Placing Business.

To broaden the income source of the Group, China Golden Holdings Limited, a direct wholly-owned subsidiary of the Company holding money lending licence in Hong Kong, had been engaging in loan finance business in Hong Kong (“**Loan Finance Business**”) during the Year and contributed revenue of approximately HK\$9.0 million to the Group. The licensing of money lenders and regulation of money-lending transactions are governed by the Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong. The market of money lending business by licensed money lenders in Hong Kong is keen and competitive. In order to optimise the funding use in business but also to ensure the compliance of the related laws and regulations, the operation team has established a credit policy and loan approval process to minimise the credit risk.

FINANCIAL REVIEW

Revenue

For the Year, the Group recorded revenue from continuing operations of approximately HK\$489.5 million, compared to that of approximately HK\$344.2 million for the year ended 31 March 2022 (the “**Previous Year**”), representing an increase of 42.2%. The significant increase in revenue was mainly due to (i) increase in revenue from Concrete Placing Business in Hong Kong for the Year.

The revenue from the Concrete Placing Business was approximately HK\$480.5 million for the Year, compared to that of approximately HK\$330.7 million for the Previous Year, representing an increase of 45.3%. The increase in revenue was due to the increase in project amount and the number of projects on hand.

Gross Profit and Gross Profit Margin

The overall gross profit from continuing operations of the Group for the Year was approximately HK\$54.9 million compared to that of approximately gross profit of HK\$45.6 million for the Previous Year.

The gross profit margin for the Year was approximately 11.2% as compared to gross profit margin of 13.3% for the Previous Year.

Other Income

Other income mainly comprises government grants and gain on disposal of financial assets at fair value through profit or loss. During the Year, other income amounted to approximately HK\$6.8 million as compared to approximately HK\$0.1 million for the Previous Year. The increase in other income was mainly attributable to increase in government grants and subsidies.

Administrative and Other Operating Expenses

The administrative and other operating expenses of the Group for the Year decreased by 11.7% to approximately HK\$25.0 million as compared to that of approximately HK\$28.3 million for the Previous Year. The administrative and other operating expenses comprised mainly employees related costs, including the salaries of directors and staffs, retirement scheme contributions and employment related expenditure, depreciation of property, plant and equipment and right of use assets, and office expenses.

Impairment Losses of Financial Assets

The impairment losses of financial assets are approximately HK\$11.2 million (Previous Year: HK\$35.4 million) for the Year. The impairment loss on financial assets was mainly attributable from loan and interest receivables and trade and other receivables, a credit rating analysis of the underlying debtors and borrowers was adopted by reviewing the historical default rates, past-due status and ageing information of the grouped debtors and borrowers and the forward-looking information of the Group's receivables at the end of the Year.

Finance Costs

Finance costs of the Group for the Year decreased by 25.0% to approximately HK\$0.3 million as compared to that of approximately HK\$0.4 million for the Previous Year. The finance costs comprised of interest on lease liabilities.

Income Tax Expense

Income tax expense primarily consists of current income tax and deferred income tax from Hong Kong subsidiaries.

Income tax expense of the Group for the Year amounting to approximately HK\$4.1 million as compared to approximately HK\$4.4 million for the Previous Year.

Profit for the Year from Continuing Operations

The Group's profit for the Year from continuing operations was approximately HK\$21.1 million as compared with to the loss from continuing operations for the Previous Year of approximately HK\$22.7 million. The turn-around was mainly attributable from (i) an increase in segment revenue and segment profit recorded by the Group's concrete placing business of approximately HK\$149.8 million and HK\$5.3 million, respectively; (ii) the receipt of subsidies from the Hong Kong Government under the 2022 Employment Support Scheme of approximately HK\$6.5 million for the Year (Previous Year: Nil); and (iii) a net decrease in impairment loss of financial assets of approximately HK\$24.2 million regarding trade and other receivables, and loan and interest receivables for the Year as compared with the Previous Year.

Final Dividend

The board of directors ("**Board**") does not recommend the payment of a final dividend for the Year (Previous Year: Nil).

LIQUIDITY AND CAPITAL RESOURCES

Liquidity, Financial Resources and Capital Structure

The Group has funded the liquidity and capital requirements primarily through capital contributions from shareholders, bank and other borrowings, internally generated cash flow and net proceeds received from the issue of the Company's shares.

As at 31 March 2023, the Group had cash and bank balances amounted to approximately HK\$203.5 million (2022: HK\$200.4 million).

As at 31 March 2023, the Group had loan and interest receivables amounting to approximately HK\$147.3 million (2022: HK\$162.9 million).

The Group had no borrowings as at 31 March 2023 (2022: HK\$Nil).

As at 31 March 2023, the share capital and equity attributable to the owners of the Company amounted to approximately HK\$11.0 million and HK\$604.2 million respectively (2022: HK\$11.0 million and HK\$583.3 million respectively).

The Company had no changes in capital structure during the Year.

The approach of the Board to manage liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Working Capital

As at 31 March 2023, the Group had current assets of approximately HK\$726.5 million (2022: HK\$693.6 million) and current liabilities of approximately HK\$131.7 million (2022: HK\$116.0 million). The current ratio, being the proportion of total current assets against current liabilities, was 5.5 (2022: 6.0). The Board considers that the present working capital level is conservatively sufficient to meet the upcoming operating needs.

Gearing Ratio

Gearing ratio is calculated by dividing all interest-bearing debts by total equity at the year end date and expressed as a percentage. Interest-bearing debts are defined to include payables not incurred in the ordinary course of business. The gearing ratio of the Group as at 31 March 2023 was 0.7% (2022: 1.4%).

CAPITAL MANAGEMENT

The objective of the Group's capital management is to ensure adequate return and to uphold the assets of the Group to continue as going concern. The Group actively and regularly reviews and adjust capital structure to cope with changes in economic conditions.

COMMITMENTS

The Group did not have significant capital commitments as at 31 March 2023 (2022: Nil).

FOREIGN EXCHANGE RISK

The functional currency of the Company and the presentation currency of the consolidated financial statements of the Company are in Hong Kong Dollars. The income and expenses, assets and liabilities of the Company and its subsidiaries which denominated in currencies other than the functional currency are converted into HK\$ for financial reporting purpose. Fluctuations in exchange rates may have an impact on the Group's financial position and results. The Group monitors the exposure to fluctuations in exchange rates and takes appropriate measures to mitigate and manage the risk on a timely and effective manner. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its statement of financial position exposure to fluctuations in exchange rates as at 31 March 2023.

LEGAL PROCEEDINGS

There were small claims and legal proceedings for or against several subsidiaries of the Company in relation to the ordinary course of its business, the relevant amounts of such legal proceedings have been duly considered and the Group does not expect that the outcome in these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations.

Save as disclosed above, the Group had no significant legal proceedings during the Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2023, the Group had 441 employees (2022: 293) situated mainly in Hong Kong. The related staff costs (including directors' emoluments) for the Year amounted to approximately HK\$153.7 million (Previous Year: approximately HK\$161.5 million).

The Group offers its employees competitive salary packages, as well as contribution to defined retirement plans, the employees are remunerated in line with the prevailing market terms and individual performance, with the remuneration package and policies reviewed on a regular basis. Discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and that of the individual employee.

The emoluments of the Directors and senior management have been reviewed by the remuneration committee of the Company, having regard to the Company's operating results and individual performance and subject to the approval by the Board.

UPDATE ON THE LISTING STATUS

Trading in the shares (the “**Shares**”) of the Company on The Stock Exchange of Hong Kong Limited (“**The Stock Exchange**”) has been suspended since 13 May 2022.

On 4 June 2021, the Company received a letter from The Stock Exchange in relation to its decision (the “**Decision**”) on Rule 14.06B of the Rules Governing the Listing of Securities on The Stock Exchange (the “**Listing Rules**”) Listing Rules, under which The Stock Exchange considered that the Company’s principal business had been changed to the provision of logistics related services including new energy vehicle sales and leasing, road freight transportation and the provision of finance leasing services of its new energy vehicles (the “**NEV and Logistics and Finance Leasing Business**”) after the disposal of Chong Kin Group Limited by the Company to the former controlling shareholder of the Company in January 2021 (the “**Disposal**”), and all of which took place within 27 months. Further, the NEV and Logistics and Finance Leasing Business did not meet the new listing requirements under Rule 8.05 of the Listing Rules. The Stock Exchange considered that the Disposal was part of a series of transactions and arrangements which constituted an attempt to achieve the listing of the NEV and Logistics and Finance Leasing Business and a means to circumvent the new listing requirements under Chapter 8 of the Listing Rules. Therefore, the Disposal, the acquisitions of the NEV and Logistics and Finance Leasing Business by the Company in October 2018 and April 2019 (collectively, the “**Previous Acquisitions**”) and the related acquisition of a total of 1,847 new energy vehicles in December 2018 should be treated as if they were one transaction and constitute a reverse takeover under Rule 14.06 of the Listing Rules. The Company had sought a review of the Decision from the Listing Committee.

On 3 September 2021, the Company received the decision (the “**Listing Committee’s Decision**”) of the Listing Committee upholding the Decision and that the Listing Committee arrived at the decision that the Disposal and the Previous Acquisitions should be treated as if they were one transaction and constituted a reverse takeover under Rule 14.06B of the Listing Rules. The Company had sought a review of the Listing Committee’s Decision from the Listing Review Committee.

On 1 December 2021, the Company received a letter from the Listing Review Committee setting out its decision that the Listing Review Committee decided that the Company’s situation was materially different from its position at the time of the Listing Committee’s Decision and that it would be appropriate to first have a considered decision of the Listing Committee in respect of the changed circumstances, before the Listing Review Committee makes any conclusive and binding decision on its review. The Listing Review Committee therefore exercised its discretion to remit the matter back to the Listing Committee for a rehearing (the “**Rehearing**”) on an expedited basis.

On 14 February 2022, the Company received the decision of the Listing Committee (the “**LC Rehearing Decision**”) upholding the Decision and that the Listing Committee arrived at the decision that the Disposal and the Previous Acquisitions of the NEV and Logistics and

Finance Leasing Business should be treated as if they were one transaction and constituted a reverse takeover under Rule 14.06B of the Listing Rules. The Company had sought a review of the LC Rehearing Decision from the Listing Review Committee.

On 12 May 2022, the Company received a letter that the Listing Review Committee decided to uphold the LC Rehearing Decision and to suspend trading in the Shares under Rule 6.01(4) of the Listing Rules (the “**LRC Decision**”). The Company had sought leave from the Court of First Instance of the High Court of Hong Kong (the “**High Court**”) for a judicial review (the “**Application**”) of the LRC Decision.

On 16 May 2022, the High Court dismissed the Application by the Company.

On 2 June 2022, the Company received a letter from The Stock Exchange, setting out the guidance for the resumption of trading in the shares of the Company (the “**Resumption Guidance**”) as follows:

- (i) to comply with the requirements under Rule 14.54 of the Listing Rules; and
- (ii) to announce all material information for the Company’s shareholders and investors to appraise the Company’s position.

At the direction of The Stock Exchange, trading in the Shares has been suspended with effect from 9:00 a.m. on 13 May 2022. For details, please refer to the announcements of the Company dated 7 June 2021, 5 September 2021, 2 December 2021, 14 February 2022, 13 May 2022, 17 May 2022, 2 June 2022, 12 August 2022, 11 November 2022, 13 February 2023 and 15 May 2023.

MATERIAL ACQUISITION AND DISPOSALS

The Group had no material acquisition and disposal of subsidiaries or associated companies during the Year.

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments during the Year.

CONTINGENT LIABILITIES

Save as stated in the section headed “Legal Proceedings”, the Group had no material contingent liabilities as at 31 March 2023 (2022: Nil).

PURCHASE, SALE AND REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Year.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on 28 April 2023, the Board resolved that a Buy-back Offer will be made to buy-back for cancellation of up to 120,000,000 Shares, representing approximately 10.96% of the issued share capital of the Company, subject to the Company's Shareholders' approval. It is proposed that each Share bought-back will be exchanged for one Adjusted Share of Kingdom Honour Holdings Limited ("**Kingdom**"), a wholly-owned subsidiary of the Company, under the Buy-back Offer.

Shares bought back will be cancelled. Accordingly, the issued share capital of the Company will be decreased by the nominal value of the Shares being bought back. Upon full acceptance of the Buy-back Offer, the entire shareholding in Kingdom will be in effect disposed of by the Company to the Shareholders who accepts the Buy-back Offer.

Please refer to the Company's announcement on 28 April 2023 for details of the Buy-back Offer.

USE OF NET PROCEEDS FROM THE SUBSCRIPTION OF NEW SHARES

Reference is made to the announcement of the Company dated 7 December 2020 relating to the subscription of new ordinary shares of HK\$0.01 each (the "**Share**") of the Company, the Company and no less than six subscribers (the "**Subscribers A**") entered into the subscription agreements, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers A have conditionally agreed to subscribe for an aggregate of 109,726,000 new Shares of the Company under general mandate (the "**Subscription I**") at the subscription price of HK\$2.3 per Share. The net proceeds of Subscription I after deduction of professional fees and other related expenses ("**Net Proceeds**") were approximately HK\$252.22 million. On such basis, the net price of each Share under Subscription I is approximately HK\$2.299.

Reference is also made to the announcement of the Company dated 26 April 2021 and 30 April 2021 relating to the subscription of Share of the Company under general mandate (the "**Subscription II**"). The Company and 10 independent subscribers (the "**Subscribers B**"), entered into the subscription agreements, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers B have conditionally agreed to subscribe for 45,490,000 new shares of the Company at the subscription price of HK\$5.80 per Share. As at 31 March 2022, 7,902,000 new shares have been issued under the Subscription II, the Net Proceeds from the Subscription II were approximately HK\$45.8 million, on such basis, the net price of each Share is approximately HK\$5.80.

As disclosed in the announcement of the Company dated 17 December 2021, following the termination of the sale and purchase agreement dated 26 November 2021 for the acquisition of a land parcel in Grenada (the "**Termination**"), the overall plan on the intended use of proceeds from Subscription I and Subscription II has been updated on 17 December 2021 ("**Updated UOP Plan**"). The proceeds from Subscription II has been fully utilised as of 30 September 2022.

The net proceeds of Subscription I applied by the Group during the period from the completion date up to 31 March 2023:

	Originally planned use of proceeds <i>HK\$'000</i>	Actual use of proceeds before the Update UOP Plan <i>HK\$'000</i>	Refund from Termination <i>HK\$'000</i>	Updated UOP Plan <i>HK\$'000</i>	Actual use of proceed after the Updated UOP Plan <i>HK\$'000</i>	Unused amount <i>HK\$'000</i>	Expected timeline for utilising the remaining net proceeds <i>(Note)</i>
Subscription I							
Land project in Grenada	227,000	(182,830)	156,000	(200,170)	-	-	
Concrete Placing Business	-	-	-	120,000	(17,562)	102,438	End of year 2023
Loan Finance Business	-	-	-	60,000	(26,608)	33,392	End of year 2023
General working capital	25,220	(25,220)	-	20,170	-	20,170	End of year 2023
Total	252,220	(208,050)	156,000	-	(44,170)	156,000	

Note: As announced by the Company on 28 April 2023, the Company proposed the Buy-back Offer which involve, among others, the possible disposal of the entire issued share capital of Kingdom. Subject to the Buy-back Offer becoming unconditional and the acceptance level of the Buy-back Offer, Kingdom may cease to be a subsidiary of the Company. In the event that Kingdom ceases to be a subsidiary of the Company, the Group will no longer receive the refund from the Termination and accordingly the unused amount of the Updated UOP Plan will no longer be applicable.

CORPORATE GOVERNANCE CODE

The Board and the management of the Group are committed to the maintenance of good corporate governance practices and procedures. The Company has adopted the code provisions set out in the Corporate Governance Code (“**CG Code**”) as set out in Appendix 14 to the Listing Rules as its code of corporate governance. For the Year, the Board is of the view that the Company has complied with all code provisions set out in the CG Code save and except for code provisions A.2.1:

Code provision A.2.1 of the CG Code as set out in Appendix 14 to the Listing Rules states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the resignation of Mr. Ma Chao as the chief executive officer (the “**CEO**”) and co-Chairman of the Company on 29 November 2021, the office of the CEO has been vacated while the role of the chairman of the Company has been performing by Mr. Zhang Jinbing. The Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post of the CEO as appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as a code of conduct of the Company for Directors’ securities transactions. In response to a specific enquiry by the Company, all Directors have confirmed that they had fully complied with the requirements of the Model Code during the Year.

AUDIT COMMITTEE

The Company established an Audit Committee on 27 September 2016 in accordance with Rule 3.21 of the Listing Rules with terms of reference aligned with the provision of the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Tam Ping Kuen, Daniel, Ms. Chen Weijie and Mr. Zhao Hangen. Currently, Mr. Tam Ping Kuen, Daniel is the chairperson of the Audit Committee.

REVIEW OF ANNUAL RESULTS

The Group’s consolidated annual financial statements for the year have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 March 2023 have been agreed by the Group’s auditors, ZHONGHUI ANDA CPA Limited, to the amounts as set out in the Group’s audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA 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 ZHONGHUI ANDA CPA Limited on the preliminary announcement.

RISK MANAGEMENT AND INTERNAL CONTROL

With the recommendations of the Risk Management Committee, the Board is responsible for the establishment, maintenance and review of the Group’s risk management and internal control systems. The Board must ensure that the Company establishes and maintains effective risk management and internal control systems to meet the objectives and safeguard the interests of the Shareholders and the assets of the Company.

The Board oversees the Group's overall risk management and internal control systems on an ongoing basis. At the same time, the Group endeavours to identify risks, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems are compatible with the Committee of Sponsoring Organisations of the Treadway Commission (COSO) – Integrated Framework 2013 principles. They are designed to manage rather than eliminate the risk of failures in order to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has established a risk management policy which sets out the process of identification, evaluation and management of the principal risks affecting the business.

1. Each division is responsible for identifying and assessing principal risks within its divisions on a quarterly basis and establishing mitigation plans to manage the risks identified;
2. The senior management is responsible for overseeing the Group's risk management and internal control activities, attending quarterly meetings with each division to ensure principal risks are properly managed, and new or changing risks are identified and documented;
3. The Board is responsible for reviewing and evaluating the effectiveness and adequacy of the Group's risk management and internal controls systems.

The risk management framework, coupled with the internal controls of the Group, ensures that the risks associated with different business units are effectively mitigated and controlled in line with the Group's risk appetite.

The Group does not have an internal audit department, an annual review was conducted to determine whether there is a need for an internal audit department that consists of full-trade recourses. Given the Group's relatively simple corporate and operation structure, as opposed to diverting resources to establish a separate internal audit department, the Board, as supported by the Audit Committee and the Risk Management Committee, is directly responsible for risk management and internal control systems of the Group and for reviewing their effectiveness. The Group engaged an external consultant, CityLinkers Corporate Advisory Services Limited, to perform annual review on risk management and assess the internal control systems, and to make recommendations on improving and strengthening the risk management and internal control systems. No significant area of concerns that may affect the financial, operational, compliance, control and risk management of the Group has been identified by the external consultant. The Board considered the Group's internal control systems to be effective and adequate.

ANNUAL GENERAL MEETING

The notice of the annual general meeting will be published in the Company's website and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

The results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.chongkin.com.hk. The annual report of the Company for the year containing all information required by the Listing Rules will be despatched to shareholders and published on above websites in due course.

By Order of the Board
Chong Kin Group Holdings Limited
Zhang Jinbing
Chairman

Hong Kong, 12 June 2023

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Zhang Jinbing (Chairman) and Mr. Leung Chi Kwong Joe; and three independent non-executive Directors, namely Mr. Tam Ping Kuen Daniel, Ms. Chen Weijie and Mr. Zhao Hangen.