德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)
Stock Code: 199

2024-2025
ANNUAL REPORT

* For identification purpose only

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Cheung Hon Kit *(Chairman)*
Dr. Chan Kwok Keung, Charles *(Joint Vice Chairman)*
Mr. Chan Yiu Lun, Alan
Mr. Law Hon Wa, William *(Chief Financial Officer)*

Non-executive Director

Ms. Chau Mei Wah

Independent Non-executive Directors

Hon. Shek Lai Him, Abraham, *GBS, JP (Joint Vice Chairman)*
Mr. Ip Hon Wah
Mr. Pang, Anthony Ming-tung

BOARD COMMITTEES

Audit Committee

Mr. Pang, Anthony Ming-tung *(chairman)*
Hon. Shek Lai Him, Abraham, *GBS, JP*
Mr. Ip Hon Wah

Remuneration Committee

Mr. Pang, Anthony Ming-tung *(chairman)*
Hon. Shek Lai Him, Abraham, *GBS, JP*
Mr. Ip Hon Wah

Nomination Committee*

Hon. Shek Lai Him, Abraham, *GBS, JP (chairman)*
Mr. Cheung Hon Kit
Mr. Ip Hon Wah
Mr. Pang, Anthony Ming-tung

Corporate Governance Committee

Mr. Cheung Hon Kit *(chairman)*
Mr. Ip Hon Wah
Mr. Law Hon Wa, William

Investment Committee

Mr. Cheung Hon Kit
Dr. Chan Kwok Keung, Charles
Mr. Chan Yiu Lun, Alan
Mr. Law Hon Wa, William

Environmental, Social and Governance Committee

Mr. Ip Hon Wah *(chairman)*
Mr. Law Hon Wa, William
Mr. Pang, Anthony Ming-tung

COMPANY SECRETARY

Ms. Wong Siu Mun

AUTHORISED REPRESENTATIVES

Mr. Cheung Hon Kit *(Alternate: Ms. Chuk Wai Yin)*
Mr. Law Hon Wa, William *(Alternate: Ms. Wong Siu Mun)*

LEGAL ADVISORS

Conyers Dill & Pearman *(as to Bermuda law)*
Iu, Lai & Li *(as to Hong Kong law)*
Vincent T. K. Cheung, Yap & Co. *(as to Hong Kong law)*
Leong Hon Man, Advogado *(as to Macau law)*

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China Limited, Macau Branch
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30/F., Bank of America Tower
12 Harcourt Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.itcproperties.com

STOCK CODE

Hong Kong Stock Exchange 199

* *Ms. Chau Mei Wah has been appointed as a member with effect from 1 July 2025.*

INFORMATION FOR SHAREHOLDERS

FINANCIAL CALENDAR

Announcement of 2024-2025 Annual Results	27 June 2025
Ex-Dividend Date for Dividend	N/A
Book Closure Dates for Dividend	N/A
Record Date for Dividend Entitlement	N/A
Payment Date of Dividend	N/A
Book Closure Dates for Annual General Meeting	29 August 2025 to 3 September 2025
Record Date for Annual General Meeting	3 September 2025
Annual General Meeting	3 September 2025
Announcement of 2025-2026 Interim Results	November 2025

CORPORATE COMMUNICATIONS

The English and Chinese versions of this annual report are now available in printed form and in accessible format on the website of the Company at www.itcproperties.com.

If Shareholders and non-registered shareholders of the Company, who have selected to receive corporate communications of the Company in printed form, wish to change their elected language of all future corporate communications, they may at any time notify the Company by prior notice of at least seven days in writing to the branch share registrar of the Company in Hong Kong (the "Branch Share Registrar"), Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong or by e-mail to itcproperties-ecom@vistra.com or by completing and returning the change request form which could be downloaded from the website of the Company.

SHAREHOLDER ENQUIRIES

E-mail : info@itcproperties.com

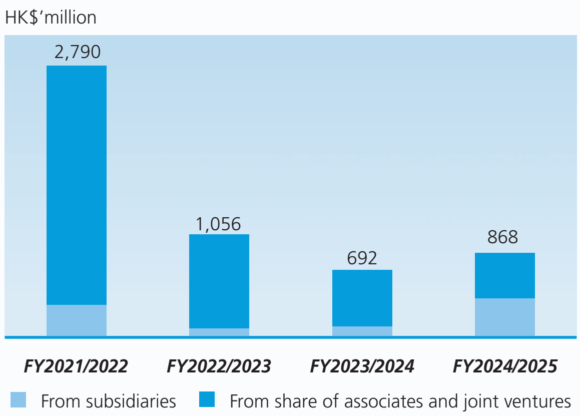
Telephone : (852) 2835 9500

Fax : (852) 2858 2697

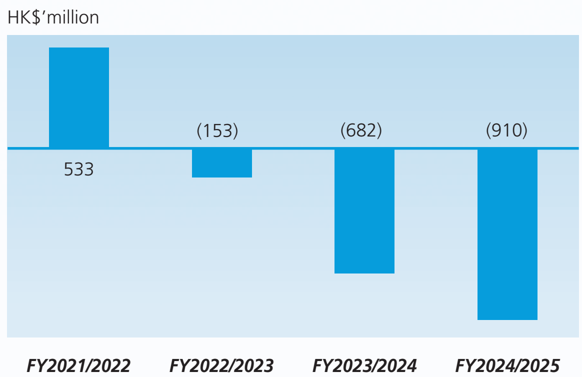
FINANCIAL HIGHLIGHTS

	Year ended 31 March	
	2025	2024
HK$'million		
Revenue		
Per consolidated statement of profit or loss	**398**	111
Property income and hotel revenue – share of associates and joint ventures	**470**	581
	868	692
Net loss	**(910)**	(682)
HK cents		
Basic loss per Share	**(90)**	(71)

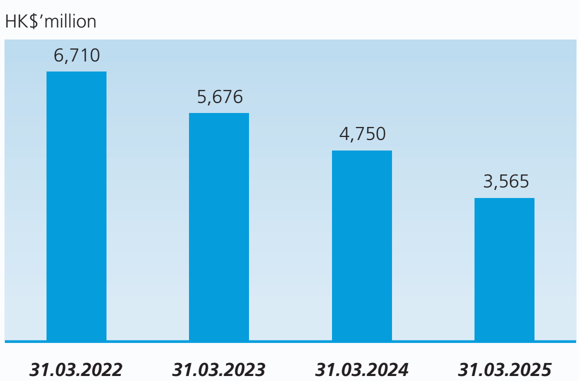
Revenue



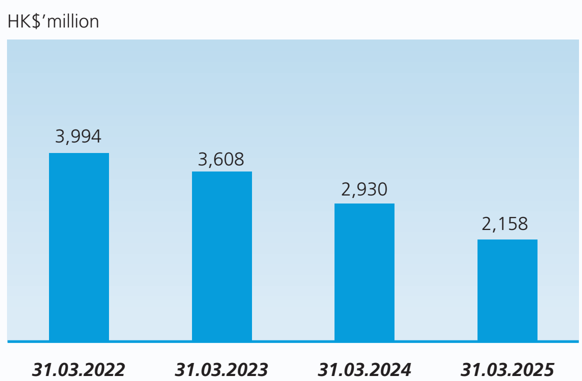
Net Profit (Loss)



Total Assets



Total Shareholders' Fund



EXECUTIVE DIRECTORS

Mr. Cheung Hon Kit *(age: 71)*

Mr. Cheung joined the Company as an executive Director and the Chairman in April 2005 and is also a director of various members of the Group. He is also the chairman of the Corporate Governance Committee, and a member of each of the Nomination Committee and the Investment Committee of the Company. Mr. Cheung graduated from the University of London with a Bachelor of Arts Degree. He has over 47 years of experience in real estate development, property investment and corporate finance, holding key executive positions in various leading property development companies in Hong Kong. Mr. Cheung is an independent non-executive director of Road King Infrastructure Limited, a listed company in Hong Kong. He retired as an independent non-executive director of Future Bright Holdings Limited, a listed company in Hong Kong, at the conclusion of its annual general meeting held on 31 May 2023.

Dr. Chan Kwok Keung, Charles *(age: 70)*

Dr. Chan joined the Company as an executive Director and Joint Vice Chairman in November 2021 and is a member of the Investment Committee of the Company. He is also a director of various members of the Group. Before joining the Board, Dr. Chan was a senior consultant of the Group. He has over 44 years of international corporate management experience in the construction and the property sectors, as well as in strategic investments. Dr. Chan holds an Honorary Degree of Doctor of Laws and a Bachelor's Degree in Civil Engineering. He had been the chairman and an executive director of a number of listed companies over the years. Dr. Chan is a substantial shareholder of the Company and also the sole director of ITC Holdings Limited and Galaxyway Investments Limited whose interests in the Company are disclosed in the section headed "Interests of Substantial Shareholders and Other Persons" in the directors' report of this annual report. Dr. Chan is the spouse of Ms. Ng Yuen Lan, Macy, a substantial shareholder of the Company and the father of Mr. Chan Yiu Lun, Alan, an executive Director.

Mr. Chan Yiu Lun, Alan *(age: 41)*

Mr. Chan joined the Company as an executive Director in March 2010 and is also a director of various members of the Group. He is also a member of the Investment Committee of the Company. He graduated from Trinity College of Arts and Sciences of Duke University, United States of America, with a Bachelor of Arts Degree in Political Science – International Relations. Mr. Chan previously worked in the investment banking division of The Goldman Sachs Group, Inc. He is a director of Burcon NutraScience Corporation whose issued shares are listed on the Toronto Stock Exchange and the Frankfurt Stock Exchange. Mr. Chan is the son of Dr. Chan Kwok Keung, Charles, an executive Director and Joint Vice Chairman and Ms. Ng Yuen Lan, Macy, both of whom are the substantial shareholders of the Company.

Mr. Law Hon Wa, William *(age: 60)*

Mr. Law joined the Company as an executive Director and the Chief Financial Officer of the Company in April 2023 responsible for the finance and accounting functions of the Group. He is a member of each of the Corporate Governance Committee and the Investment Committee of the Company. He was appointed as a member of the Environmental, Social and Governance Committee of the Company with effect from 7 March 2025. He is also a director of various members of the Group. Mr. Law was the chief financial officer (executive director) and a member of the executive committee of one of the leading construction and engineering groups in Hong Kong and Macau for 15 years. He has over 32 years of experience in auditing accounting and financial management. Mr. Law holds a Bachelor of Business Administration and a Master of Applied Finance. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

NON-EXECUTIVE DIRECTOR

Ms. Chau Mei Wah *(age: 70)*
(alias: Rosanna)

Ms. Chau joined the Company as an executive Director in November 2021. She retired as an executive Director and was re-designated as a non-executive Director in April 2023. She has been appointed as a member of the Nomination Committee of the Company with effect from 1 July 2025. Before joining the Board, Ms. Chau was a consultant of the Group. She has over 46 years' experience in international corporate management and finance. She had served on the board of directors of a number of listed companies over the years. She holds a Bachelor's Degree and a Master's Degree in Commerce and is a fellow member of the Hong Kong Institute of Certified Public Accountants. Ms. Chau retired as a director of Burcon NutraScience Corporation, whose issued shares are listed on the Toronto Stock Exchange and the Frankfurt Stock Exchange, at the conclusion of its annual general meeting held on 23 November 2022.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hon. Shek Lai Him, Abraham, ***GBS, JP*** *(age: 80)*
(alias: Abraham Razack)
Mr. Shek joined the Company as an independent non-executive Director and the Vice Chairman in September 2010. He is also the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee of the Company. Mr. Shek graduated from the University of Sydney, Australia with a Bachelor of Arts Degree and a Diploma in Education. He holds a Juris Doctor Degree. He was a member of the Legislative Council of Hong Kong representing the real estate and construction functional constituency from 2000 to 2021. He was appointed as a Justice of the Peace in 1995. He was awarded Silver Bauhinia Star in 2007 and was further awarded the Gold Bauhinia Star in 2013.

Mr. Shek is the honorary chairman and an independent non-executive director of Chuang's China Investments Limited, being a listed company in Hong Kong. He was appointed as the chairman and a non-executive director of JY Grandmark Holdings Limited, a listed company in Hong Kong, with effect from 6 June 2025. Mr. Shek is also an independent non-executive director of Alliance International Education Leasing Holdings Limited, China Resources Building Materials Technology Holdings Limited, Chuang's Consortium International Limited, Cosmopolitan International Holdings Limited, CSI Properties Limited, Everbright Grand China Assets Limited, Far East Consortium International Limited, Hao Tian International Construction Investment Group Limited, Lai Fung Holdings Limited, CTF Services Limited (formerly known as NWS Holdings Limited), Paliburg Holdings Limited and Shin Hwa World Limited, all being listed companies in Hong Kong. He is also an independent non-executive director of Eagle Asset Management (CP) Limited – the manager of Champion Real Estate Investment Trust and Regal Portfolio Management Limited – the manager of Regal Real Estate Investment Trust, both of the trusts being listed in Hong Kong. In addition, he is the chairman and an executive director of Goldin Financial Holdings Limited (In Liquidation), shares of which were delisted on 31 October 2023, and an independent non-executive director of Lifestyle International Holdings Limited, shares of which were delisted on 20 December 2022. Mr. Shek resigned as an independent non-executive director of Country Garden Holdings Company Limited, a listed company in Hong Kong, on 15 March 2024. Mr. Shek is an honorary member of the Court of The Hong Kong University of Science and Technology, a member of the Court of City University of Hong Kong and a member of the Court of Hong Kong Metropolitan University.

Mr. Ip Hon Wah *(age: 43)*

Mr. Ip joined the Company as an independent non-executive Director in February 2021. He is also a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee of the Company. He was appointed as the chairman of the Environmental, Social and Governance Committee of the Company with effect from 7 March 2025. Mr. Ip graduated from the University of Cambridge with a Bachelor of Arts Degree and a Master of Arts in Economics. He also obtained a Graduate Diploma in Law (Distinction) from the College of Law, England and a Postgraduate Certificate in Laws from the University of Hong Kong. Mr. Ip is a Barrister-at-Law in Hong Kong and a partner of a real estate investment and asset management firm responsible for Hong Kong capital markets and business development. He previously worked in a global management consultancy firm where he specialised in real estate and public sectors in Hong Kong and Mainland China.

Mr. Pang, Anthony Ming-tung *(age: 59)*

(former name: Pang Ming Tung)

Mr. Pang joined the Company as an independent non-executive Director in September 2023. He is also the chairman of each of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee of the Company. He was appointed as a member of the Environmental, Social and Governance Committee of the Company with effect from 7 March 2025. Mr. Pang is the head of talent and finance department of the Travel Industry Council of Hong Kong responsible for the talent management, finance, and accounting functions. He was the country manager or managing director of the leading travel-related companies in Hong Kong and Macau for more than 25 years. He has over 32 years of experience in strategic management, sales management and accounting and financial management. Mr. Pang holds a Bachelor of Business Administration, a Master of Commerce and a Master of Science. He is a fellow member of the Association of Chartered Certified Accountants and a member of CPA (Australia).

The executive Directors are regarded as members of the Group's senior management.

TO OUR SHAREHOLDERS

On behalf of the Board, I am pleased to present the annual report of the Group for the Year.

The ongoing geopolitical tensions and persistent inflation have led to a slowdown in the global economy and business activities. Furthermore, due to the financial pressures and downturn of the real estate market, the Group continues to review its business model and adjust its agility. The Group has implemented various plans and measures to improve its liquidity and secure funds to meet its financial obligations and commitments. The measures included disposal of the Group's stock of properties and joint ventures holding properties. The Group recorded a net loss attributable to owners of the Company of HK$813.0 million for the Year and the basic loss per Share was HK90 cents.

The operating environment for the Group's businesses is expected to be both volatile and unpredictable. The Group anticipates continued uncertainties in the global property market due to the change in market demand and slow economic growth affecting the overall operating environment. Additionally, the developments in U.S. political affairs could also bring additional uncertainties, especially regarding its stance on issues such as trade policies towards China, the Russia-Ukraine situation, and the unrest in the Middle East. In response, the Group will continue to adopt a cautious approach, review its business strategies, refine its business model, and improve the efficiency and effectiveness of its operations. We will also focus on stringent cash flow management, selling our property projects to realise tied-up capital and secure the Group's revenue, and reducing operating spending. These actions could enhance our liquidity and financial flexibility, enabling us to better navigate the current challenging business environment. Meanwhile, apart from our businesses in the PRC, Macau and Canada, we will cautiously explore potential property development projects and carefully assess and select attractive opportunities to replenish the Group's portfolio.

Appreciation

I would like to take this opportunity to express my appreciation to the Shareholders for their support, to the fellow Board members, management and staff for their dedicated efforts to the Group and to our clients, consultants and business partners for all their valuable assistance offered during the Year.

Cheung Hon Kit
Chairman

Hong Kong, 27 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The ongoing geopolitical tensions and persistent inflation have led to a slowdown in the global economy and business activities. Furthermore, due to the financial pressures and downturn of the real estate market, the Group continues to review its business model and adjust its agility. As disclosed in the announcement dated 30 May 2025 of the Company, the Group has implemented various plans and measures to improve its liquidity and secure funds to meet its financial obligations and commitments. The measures included disposal of the Group's stock of properties and joint ventures holding properties.

During the Year, the Group sold certain of its stock of properties located in Hong Kong and the United Kingdom, resulting in a 258.4% increase in revenue to HK$398.1 million for the Year (2024: HK$111.1 million). However, this also led to a gross loss (including impairment of stock of properties) of HK$346.3 million (2024: HK$56.7 million).

In addition, the Group disposed of its entire 50% equity interests in a hotel property in Canada and 10% interests in a group of joint ventures, being Assets Builder Investments Limited, 1488 Alberni Development Holdings Limited Partnership and 1488 Alberni Investment Limited Partnership, which resulted in losses on disposal of interests in joint ventures for the Year of HK$220.1 million and HK$101.9 million respectively. Such disposals realised the Group's investment in the projects and recouped the Group's resource for the repayment of indebtedness and necessary payment obligations.

On the other hand, the Group successfully reached an agreement with The People's Government of Sanya City regarding the compensation to the Group in relation to the resumption of a parcel of land located in Sanya City, Hainan Province, the PRC (the "Sanya Land"). It led to a gain on compensation on resumption of land use rights of HK$223.5 million for the Year.

As a result of the above, the Group recorded a net loss attributable to owners of the Company of HK$813.0 million for the Year, as compared with that of HK$644.9 million for the last financial year.

The Board has resolved not to pay any dividend for the Year. Accordingly, no dividend is paid or payable for the whole Year (2024: nil).

One Oasis, Sky Oasis, Grand Oasis

Property

Segment loss for the Year of HK$463.7 million was recorded, as compared to that of HK$405.7 million for the last financial year. As disclosed above, the increase in loss was attributable to (i) a gross loss (including impairment of stock of properties) of HK$346.3 million, (ii) loss on partial disposal of interests in joint ventures of the Group of HK$101.9 million, (iii) decrease in fair value of investment properties of HK$52.0 million, (iv) impairment loss of property, plant and equipment of HK$34.3 million, and (v) a share of decrease in fair value of a commercial property located in the PRC, which is held by a joint venture of the Group, of HK$64.6 million, which offset with a gain on compensation on resumption of land use rights in respect of the Sanya Land of HK$223.5 million for the Year.

Macau

Grand Oasis in Cotai South is a luxury residential project developed by an associate of the Group. During the Year, the demand in Macau's property market was boosted by the abolition of punitive stamp duties and the relaxation of loan-to-value ratio ceilings. The contribution from this project to the Group increased to HK$113.0 million for the Year (2024: HK$61.9 million).

Hong Kong

With respect to the redevelopment project located at Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan, as at 31 March 2025, the Group paid the land premium to the Lands Department for the land exchange to residential and commercial land. During the Year, the Group disposed of its 5% interests in this project to an independent third party and thereafter retains 67% interests in this project.

High Peak is a deluxe residential project with 16 units located at No. 23 Po Shan Road, Mid-levels, in which the Group has 20% interests. During the Year, a deluxe residential unit was sold. This project continues to launch for sale and one more deluxe residential unit was sold subsequent to the end of the Year.

High Peak

The PRC

Dabiao International Centre is a composite tower, comprising a commercial podium, offices and a hotel, situated in Guangzhou City and conveniently connected to the Changgang Metro Station. Its occupancy rate for the Year remained stable.

Overseas

London, United Kingdom

The project at Greycoat Place was redeveloped into a mixed residential and commercial tower and the Group's entire 90.1% interests were disposed to an independent third party during the Year.

Vancouver, Canada

The residential redevelopment project at Alberni Street, in which the Group has 18% interests as at 31 March 2025, is in the course of obtaining the development and building permits from the local authority. During the Year, the Group's interests in this project decreased from 28% to 18% upon the disposal of 10% interests to its existing partners.

Hotel and Leisure

Segment loss of HK$225.3 million was recorded for the Year (2024: HK$230.8 million) due to a loss of HK$220.1 million on disposal of 50% equity interests in a joint venture of the Group, which indirectly owned a hotel "The Westin Bayshore" in Canada.

Rosedale Hotel Beijing Co., Ltd., the PRC

The Group has 20% equity interests in Rosedale Hotel Beijing Co., Ltd. (北京珀麗酒店有限責任公司) ("Rosedale Beijing"), a sino-foreign joint venture company established in the PRC, which held a piece of land located at No. 8, Jiang Tai Road West, Chaoyang District, Beijing, the PRC (the "Land").

As disclosed in the Company's annual report for the year ended 31 March 2024 (the "2023-2024 Annual Report"), the Group recognised a full impairment loss of HK$136.2 million on its interest in this associate. This decision was based on several unfavorable factors, including the potential reclamation of the Land, the lack of co-operation from the major shareholder for land redevelopment, and other uncertainties.

During the Year, the Group proactively sought legal advice from its PRC legal counsel to evaluate the feasibility and appropriateness of initiating legal action to protect its rights under the terms of the《合營合同》(Joint Venture Agreement) of Rosedale Beijing. Relevant documents were submitted to the Chaoyang District People's Court in Beijing (北京市朝陽區人民法院) (the "PRC Court"), alleging breaches of the PRC Company Law and requesting access to all statutory documents and accounting records of Rosedale Beijing. The Group has issued a legal letter but no response was received and thus, the Group has formally initiated a legal proceeding against Rosedale Beijing, and the Group has received a court notice for hearing in June 2025 from the PRC Court, and the results of court hearing are pending. Under the current circumstance, it was considered that the Group ceased to have significant influence over Rosedale Beijing and the Group's investment in Rosedale Beijing was classified as an equity investment as at 31 March 2025. After considering the above incidents and ongoing legal proceeding, as the situations of Rosedale Beijing have not improved, the Board is of the view that there were no signs of recovering the cost as at 31 March 2025. Thus, the Group continues to keep the carrying amount of the interest in Rosedale Beijing as nil as at 31 March 2025.

Outlined below is a summary of the Group's interests in properties which are significant to the operations of the Group as at the date of this annual report:

Location	Usage	Group's interests *(%)*	Attributable gross floor area[(1)] *(sq. ft.)*
Macau			
One Oasis, Sky Oasis and Grand Oasis situated at Estrada de Seac Pai Van, Coloane	Residential/Commercial	35.5	315,000
Sub-total			**315,000**
Hong Kong			
250 Hennessy situated at No. 250 Hennessy Road, Wanchai	Office/Car parks	100	55,600
Redevelopment project situated at Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan	Residential/Commercial	67	54,800
High Peak situated at No. 23 Po Shan Road, Mid-levels	Residential	20	15,300
Sub-total			**125,700**
The PRC			
Portions of Dabiao International Centre situated at No. 362 Jiangnan Avenue South and No. 238 Changgang Zhong Road, Haizhu District, Guangzhou City	Commercial/Office/ Hotel/Car parks	45	282,600
Sub-total			**282,600**
Overseas			
Redevelopment project situated at 1444 Alberni Street, 711 Broughton Street and 740 Nicola Street, Vancouver, British Columbia, Canada	Residential/Commercial	18	110,000
Sub-total			**110,000**
Total			**833,300**

Note:

(1) This represented the area under the existing use.

Securities Investments

The investment markets experienced volatility due to the potential for a global economic recession and the ongoing geopolitical risks. These factors collectively impacted corporate earnings, leading to a decline in the fair value of the Group's investment. Segment loss of HK$12.4 million was recorded for the Year (2024: HK$22.8 million). Such loss represented mainly the unrealised loss arising from the drop in market prices.

As at 31 March 2025, the Group had equity and fund investments in aggregate of HK$47.9 million, 59% being unlisted securities and funds denominated in United States dollars and the remaining 41% being listed securities denominated in Hong Kong dollars.

Finance

As at 31 March 2025, other loan receivables of the Group amounted to HK$79.1 million (2024: HK$121.0 million).

For the Year, the Group saw a segment loss of HK$41.2 million (2024: profit of HK$9.4 million), which was mainly attributable to an interest income of HK$8.5 million (2024: HK$11.0 million) and a loss allowance for expected credit loss of HK$49.7 million (2024: HK$1.4 million) provided on loan receivables (together with the outstanding interest accrued thereon) in accordance with the accounting policies adopted by the Group.

FINANCIAL REVIEW

The Group maintains a prudent funding and treasury policy with regard to its overall business operations.

As at 31 March 2025, the Group had total bank and other borrowings of HK$926.2 million. After netting off cash and cash equivalents of HK$47.7 million and comparing with the shareholders' funds of the Group of HK$2,158.4 million, the Group's net gearing ratio as at 31 March 2025 was 0.41 (2024: 0.46). Bank borrowings of HK$720.1 million carried interest at floating rate and the other borrowings of HK$204.0 million carried interest at fixed rate. The Group will closely monitor and manage its exposure to the interest rate fluctuations and will consider engaging hedging instruments as and when appropriate.

As at 31 March 2025, the Group's total borrowings amounting to HK$759.6 million will be due for repayment in the coming twelve months, of which HK$391.3 million was overdue. The Group is actively seeking new sources of financing and loan facilities, and will continue to closely monitor its liquidity and working capital requirements to ensure appropriate financing arrangements are made when necessary.

For overseas subsidiaries, associates, joint ventures and other investments with cash flows denominated in foreign currencies, the Group endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in the same currencies. In this respect, the borrowings of the Group and its associates and joint ventures, to which the Group has provided guarantees, are denominated in Hong Kong dollars, Canadian dollars and Pound Sterling. For the Year, an unrealised loss on exchange differences of HK$25.3 million was debited as other comprehensive expense, mainly arising from translations of operations in Canada and the PRC due to the depreciation of Canadian dollars and Renminbi. A majority of the Group's cash and cash equivalents are denominated in Hong Kong dollars while the Group's other assets and liabilities are denominated in Hong Kong dollars, Renminbi, Macau Pataca and Canadian dollars. Though no hedging instruments have been engaged, the Group will closely monitor its foreign exchange risk exposure.

For the Year, the Group reported a loss attributable to the owners of the Company of HK$813.0 million and as at 31 March 2025, the Group had net current liabilities of HK$56.5 million. Also, as at 31 March 2025, the Group's aggregate bank and other borrowings amounted to HK$926.2 million while the Group has cash and cash equivalents amounting to HK$47.7 million. These conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. The Company has been undertaking a number of plans and measures, including the following, to improve the Group's liquidity and financial position.

(1) *Disposal of properties*
The Group will sell its properties as a strategic move in order to realise the tied-up capital and value. This strategy will allow the Group to efficiently manage its assets, potentially enhance its liquidity and provide additional financial resources.

(2) *Maintaining business activities*
The Group expects to continue to enhance its liquidity and operating cash flows for the next twelve months from sales of stock of properties.

(3) *Seeking refinancing*
The Group has been actively seeking to refinance the existing facilities before maturity. Up to the date of this annual report, the Group has not received any demand for immediate repayment of its borrowing of HK$391.3 million which was overdue during the Year. The Group continues to negotiate with the lenders of existing borrowings for refinancing and other lenders for new financing.

(4) *Control on administrative and operating costs*
The Group will continue to take active measures to control administrative and operating costs through various channels.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from the date of approval of the consolidated financial statements. The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the liquidity needs of the Group will be managed and the financial position of the Group will be improved. Also, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from the date of approval of the consolidated financial statements. Accordingly, the Directors have, at the date of approval of the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements of the Group.

Pledge of Assets

As at 31 March 2025, the Group's general credit facilities granted by the banks and other lender were secured by pledges of the Group's investment properties of HK$417.0 million, property, plant and equipment of HK$120.0 million, interests in associates and amounts due from associates of HK$1,090.0 million, and other receivable of HK$404.5 million.

Contingent Liabilities

As at 31 March 2025, the Group provided corporate guarantees on a several basis with maximum liabilities of (i) HK$84.6 million (2024: HK$91.1 million) and HK$137.0 million (2024: HK$225.7 million) in respect of the banking facilities granted to two joint ventures (which were owned as to 50% and 18% (2024: 50% and 28%) by the Group respectively) with the outstanding amounts attributable to the Group's interests of HK$41.3 million (2024: HK$40.8 million) and HK$84.1 million (2024: HK$138.5 million); and (ii) HK$218.2 million (2024: HK$242.5 million) in respect of the banking facilities granted to an associate (which was owned as to 20% (2024: 20%) by the Group) with the outstanding amount attributable to the Group's interest of HK$218.2 million (2024: HK$242.5 million).

Number of Employees and Remuneration Policies

As at 31 March 2025, the total number of employees of the Group was 119 (2024: 130). Employees are remunerated according to their qualifications and experience, job nature and performance, and under the pay scales aligned with market conditions. Other benefits to employees include discretionary bonus, medical scheme, insurance coverage, share options and retirement benefit schemes.

Movement in Issued Shares

During the Year, the Company did not issue nor cancel any Shares. As at 31 March 2025, there were 907,198,410 Shares and no treasury shares of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business, financial condition and results of operations are subject to various risks and uncertainties. The principal factors have been identified and are set out below:

Principal Risks	Key Controls and Risk Mitigations	Risk Trend
1. Global economic uncertainties The outlook for the global economy and financial markets remains uncertain as affected by the high interest rates, soaring inflation and intensifying geopolitical tensions. The ongoing Russia-Ukraine war and the Israel-Palestinian conflict also cast additional uncertainties on the global business environment which may potentially slower the economic growth. In Hong Kong and Macau, housing market woes persisted, tourism was not returned to pre-pandemic level, and tourist spending reduced. The economy of the PRC has been facing downward pressure due to the aftermath of the COVID-19 pandemic, sluggish foreign demand, bursting of the housing bubble and deteriorating China-the United States relations which has triggered Trade War 2.0 with increased tariff. The Brexit has continually casted deep uncertainties over the future of the United Kingdom. These global economic uncertainties could adversely affect the business activities and the economic and market conditions globally.	• Submit monthly updates of financial information of the Group to the Directors to facilitate them to manage the businesses in a volatile market • Set up investment strategy and undertake structured analyses of business opportunities • Closely monitor the Group's liquidity and working capital to ensure its sustainability in adverse environment	⇔ Remains stable

Principal Risks	Key Controls and Risk Mitigations	Risk Trend
2. Financing uncertainties The Group's capital requirements primarily depend on the amount of capital expenditure required on its property investment and development projects. The Group may need to raise additional funds to meet these requirements. However, there is no assurance that additional financing will be made available, or if available, such financing will be obtained on terms favourable to the Group. Prolonged economic downturn and unfavourable market condition could adversely affect property valuation and the Group's borrowing capabilities. If the Group fails to obtain necessary funding on acceptable terms, it may be forced to delay capital development projects, potential acquisitions and investments or otherwise curtail or cease operations.	• Maintain close communication with banks • Review financial risk exposure in accordance with the covenants of the bank borrowings • Manage the maturity profile of deposits and loans to minimise banking facilities renewal and refinancing risk and cost • Establish and maintain diversified channels of financing • Crystalise certain investments to realise the tied-up capital and obtain adequate cash to meet matured debts	↑ Challenges increases in obtaining new financing on favourable terms
3. Disasters Climate change poses different risks to the Group's businesses. Apart from physical risks such as extreme weather condition which could result in severe personal injury, property damage and adverse impact on property valuation, transitioning to a lower carbon economy may entail extensive policy, legal, technological and market changes to curtail the Group's business operations and rise the operating costs. In addition, the pandemic could cause business disruption and impact the sustainability around the globe.	• Monitor and reduce carbon emissions from day-to-day operations • Pursue green building certifications • Strengthen the governance of the environmental, social and governance performance • Review and update business continuity plans and crisis management procedures • Arrange sufficient insurance package • Maintain standard operating procedures and guidelines in response to the pandemic	↔ Remains stable

Principal Risks	Key Controls and Risk Mitigations	Risk Trend
4. Associates and joint ventures A large proportion of the Group's project development and investment activities are carried out by associates and joint ventures, so it may expose to risks of having business partners who may withdraw from the joint ventures due to the change of their business strategies, take some unfavourable actions to the Group, fail to perform their duties and fulfill their obligations in accordance with the joint venture agreements, undergo a change of ownership and control or experience material business and financial difficulties hindering their contributions to the joint venture projects.	• Select business partners with long-term established relationship carefully • Maintain ongoing communications with the business partners to understand their business strategies and their change of structures • Incorporate contractual terms and conditions in the agreements to safeguard the Group's interests • Monitor the fulfilment of contractual obligations and legal proceedings through internal policies and compliance checklists	↑ Continuing global economic uncertainties increase risks in joint venture projects
5. Highly competitive industries Competition risks faced by the Group may include: (i) numerous developers undertaking property investment and development in the markets, including Hong Kong, where the Group's property business conducts; (ii) keen competition and pricing pressure from other developers; (iii) challenges in delivering projects on budget, on time and in line with the required quality under tight deadlines and the increase in construction costs; and (iv) appeals for rent relief and rising vacancy rates as affected by the weak economy adding pressure on landlords.	• Directors and management to discuss business performance and formulate various operation and marketing strategies to maintain the Group's competitiveness • Teams of good calibre and experience to closely monitor performance by segments • Closely monitor the price fluctuations and supply of construction materials, conduct careful tender analysis, tighten controls on price variation claims, extension of time and final accounts	⇔ Remains stable

Principal Risks	Key Controls and Risk Mitigations	Risk Trend
6. Housing policy on property markets Due to the introduction of the government's housing policy on property markets in regions where the Group conducts its business, the Group may experience market pressures to reduce effective prices for property sales or rentals.	• Have ongoing update and assessment of the government policies • Conduct market study and demand analysis timely to formulate the appropriate strategies • Geographical diversification	⇔ Remains stable
7. Laws and regulations Development projects require government approvals or permits, and some of such approvals and permits may require an unexpected long period of time to be granted and issued, which may lead to a delay in completion of the project. The authorities may also from time to time impose new regulations on property owners or change policies without sufficient consultation and guidelines requiring the Group to increase manpower and incur additional costs and expenses to comply with such requirements. In some cases, it may adversely affect the Group's property sales performance.	• Continue monitoring and assessing the impact of the regulatory changes • Seek for professional advice on regulatory changes if necessary • Monitor the compliance with laws and regulations through internal policies and compliance checklists • Maintain proper documentation	⇔ Remains stable
8. Currency and interest rate fluctuations The results of the Group are recorded in Hong Kong dollars but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies, including Renminbi, Canadian dollars and Pound Sterling. Any significant currency fluctuations on translation of the overseas accounts may therefore impact on the Group's results of operations, financial position and cash flow. Besides, the Group's bank borrowings are subject to floating interest rates which could expose to rising interest rates and increase the finance costs.	• Assess and monitor the foreign exchange and interest rate exposure continuously • Consider the use of hedging devices when appropriate	⇔ Remains stable

DIRECTORS' REPORT

The Directors are pleased to present their report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The principal activities of the Group are development of, selling of and investment in properties in Macau, Hong Kong, the PRC and Canada; securities investments and provision of loan financing services. The principal activities of the Company's principal subsidiaries are set out in Note 42 to the consolidated financial statements.

Further discussion and analysis of the above activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a fair review of the business of the Group, a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, are set out in the "Financial Highlights", "Chairman's Statement", "Management Discussion and Analysis", "Corporate Governance Report", "Environmental, Social and Governance Report" and "Financial Summary" sections of this annual report. The relevant discussions in these sections form part of this report.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 84.

The Board has resolved not to pay any dividend for the Year. Accordingly, no dividend is paid or payable for the whole Year (2024: nil).

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

For the purpose of ascertaining the entitlement of Shareholders (except for holders of treasury shares of the Company, if any) to attend, speak and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 29 August 2025 to Wednesday, 3 September 2025 (both dates inclusive), during which period no transfer of Shares will be registered, and the record date is Wednesday, 3 September 2025. In order to be eligible to attend, speak and vote at the Annual General Meeting, Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Thursday, 28 August 2025.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 185.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in Note 15 to the consolidated financial statements.

PRINCIPAL PROPERTIES

Particulars of the Group's principal properties as at 31 March 2025 are set out on page 186.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in Note 30 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on page 88 and the note to Note 41 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to its Shareholders as at 31 March 2025 was HK$113,020,000 (2024: HK$113,020,000).

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay any dividend, or make a distribution out of its contributed surplus if the Company is, or would after the payment be, unable to pay its liabilities as they become due or the realizable value of the assets of the Company would thereby be less than its liabilities.

DIRECTORS

The Directors during the Year and up to the date of this report are:

Executive Directors:

Mr. Cheung Hon Kit *(Chairman)*
Dr. Chan Kwok Keung, Charles *(Joint Vice Chairman)*
Mr. Chan Yiu Lun, Alan
Mr. Law Hon Wa, William *(Chief Financial Officer)*

Non-executive Director:

Ms. Chau Mei Wah

Independent Non-executive Directors:

Hon. Shek Lai Him, Abraham, *GBS, JP (Joint Vice Chairman)*
Mr. Ip Hon Wah
Mr. Pang, Anthony Ming-tung

The biographical details of the Directors are set out on pages 5 to 8. Dr. Chan Kwok Keung, Charles ("Dr. Charles Chan") is the spouse of Ms. Ng Yuen Lan, Macy ("Ms. Macy Ng") and both of them are the substantial shareholders of the Company. Mr. Chan Yiu Lun, Alan ("Mr. Alan Chan") is their son. Other than the aforesaid, none of the Directors has any relationship with the substantial shareholders of the Company as at the date of this report.

Pursuant to bye-law 84 of the Bye-Laws and the CG Code, Mr. Cheung Hon Kit ("Mr. HK Cheung"), Mr. Law Hon Wa, William ("Mr. William Law") and Mr. Ip Hon Wah ("Mr. HW Ip") shall retire from office at the Annual General Meeting by rotation. All these three retiring Directors, being eligible, have offered themselves for re-election at the Annual General Meeting.

None of the Directors being proposed for re-election at the Annual General Meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

After reviewing the independent non-executive Directors' written confirmations of the factors set out in Rule 3.13 of the Listing Rules concerning directors' independence, the Board considers that all the independent non-executive Directors are independent.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2025, the interests and short positions of the Directors and chief executive of the Company and/or their respective close associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

The Company

Name of Director	Number of Shares held	Number of underlying shares held (Note 2)	Total	Percentage (Note 3)
Mr. HK Cheung	48,800,000	2,600,000	51,400,000	5.66%
Dr. Charles Chan	528,948,012 (Note 4)	–	528,948,012	58.30%
Mr. Alan Chan	4,075,781	1,000,000	5,075,781	0.55%
Ms. Chau Mei Wah ("Ms. Rosanna Chau")	11,952,564	–	11,952,564	1.31%
Hon. Shek Lai Him, Abraham, *GBS, JP* ("Mr. Abraham Shek")	322,347	500,000	822,347	0.09%
Mr. HW Ip	–	300,000	300,000	0.03%

Notes:

1. Except Dr. Charles Chan, all the Directors were the beneficial owners having personal interests in the Shares and/or underlying shares of the Company disclosed above. All the interests disclosed above were long positions.

2. This represented the aggregate number of share options granted to the Directors by the Company (being regarded as unlisted physically settled equity derivatives) under the Share Option Scheme. Details of the share options are disclosed in the section headed "Share Option Scheme" below.

3. This represented the approximate percentage of the total number of Shares as at 31 March 2025.

4. By virtue of Part XV of the SFO, Dr. Charles Chan was interested in and deemed to be interested in a total of 528,948,012 Shares as follows:

   (i) he was the beneficial owner having personal interests in 191,588,814 Shares;
   (ii) he was deemed to have corporate interests in 76,186,279 Shares which were owned by the companies wholly owned by him; and
   (iii) he was deemed to have family interests in 261,172,919 Shares which were owned by the companies wholly owned by his spouse, Ms. Macy Ng.

   Details of (ii) and (iii) above are disclosed in the section headed "Interests of Substantial Shareholders and Other Persons" below.

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executive of the Company and/or their respective close associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

On 10 September 2021, the Share Option Scheme was approved and adopted by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting. The primary purpose of the Share Option Scheme is to retain, reward, motivate and give incentives to eligible persons. The Share Option Scheme shall be valid and effective for a period of 10 years commencing from 10 September 2021 to 9 September 2031.

Under the Share Option Scheme, the Directors may grant share options to the following eligible persons to subscribe for the new shares of the Company:

(i) any employee or proposed employee (whether full-time or part-time) or executive, including executive director, of any member of the Group; or
(ii) any non-executive director (including independent non-executive director) of any member of the Group; or
(iii) any consultant, adviser or agent (legal, financial or professional) engaged by any member of the Group, who, under the terms of the relevant engagement with the Group, is eligible to participate in a share option scheme of the Company; or
(iv) any executive, including executive director, of any entity in which any member of the Group, directly or indirectly, holds 30% or more equity interests.

Under the Share Option Scheme, share options granted should be accepted within 21 days after the date of grant, upon payment of HK$1.0 per each grant of the share options. The exercise price shall be determined by the Board and shall be at least the highest of (i) the closing price of the Shares on the date of grant of the share options; or (ii) the average closing price of Shares for the five business days immediately preceding the date of grant; or (iii) the nominal value of a Share on the date of grant.

There is no specific requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The period during which an option may be exercised is determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant.

The total number of shares of the Company which may be issued upon exercise of all the share options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the adoption date (the "Scheme Limit"). The Scheme Limit may be refreshed by an ordinary resolution of the Shareholders in general meeting provided that the Scheme Limit so refreshed shall not exceed 10% of the total number of Shares in issue as at the date of such Shareholders' approval. Furthermore, the maximum aggregate number of shares of the Company which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time. The numbers of share options available for grant under the Share Option Scheme at the beginning and the end of the Year were 84,897,541 and 86,297,541 respectively. As at the date of this annual report, the total number of new shares of the Company available for issue under the Share Option Scheme was 96,017,541, representing approximately 10.58% of the total number of Shares as at the date of this annual report.

The total number of new shares of the Company that may be issued in respect of all outstanding share options granted by the Company under the Share Option Scheme during the Year was 9,720,000, representing approximately 1.07% of the weighted average number of Shares for the Year, which was the same as the total number of Shares as at 31 March 2025.

The maximum number of shares of the Company issued and to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled or outstanding) to each eligible person in any 12-month period shall not exceed 1% of the total number of Shares in issue unless approval of the Shareholders is obtained. Any grant of share options to a Director, the chief executive of the Company, a substantial shareholder of the Company, or a Controlling Shareholder or any of their respective associates (as defined in the Listing Rules) is subject to approval by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the share options). In addition, where the Board proposes to grant any share options to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates (as defined in the Listing Rules), and such share options, if exercised in full, would result in the total number of shares of the Company issued and to be issued upon exercise of all the share options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the past 12-month period up to and including the date of grant in excess of 0.1% of the total number of Shares in issue on the date of grant and with an aggregate value (based on the closing price of the Shares on the date of grant) in excess of HK$5,000,000, such grant of share options is subject to the Shareholders' approval in general meeting.

On 28 September 2021, the Company granted share options, of which a total of 16,320,000 share options were duly accepted by the grantees, under the Share Option Scheme with an exercise price of HK$1.03 per share option. The period during which these share options can be exercised is from 1 April 2022 to 30 September 2025 (both dates inclusive), provided that 25% of the share options shall be exercisable during each of the periods (i) from 1 April 2022 to 30 September 2025 (both dates inclusive); (ii) from 1 October 2022 to 30 September 2025 (both dates inclusive); (iii) from 1 April 2023 to 30 September 2025 (both dates inclusive); and (iv) from 1 October 2023 to 30 September 2025 (both dates inclusive) pursuant to the Share Option Scheme. The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

The movements of the share options during the Year were as follows:

	Number of share options					
Category and name of participant	**Outstanding as at 1 April 2024**	**Granted during the Year**	**Exercised during the Year**	**Lapsed during the Year**	**Cancelled during the Year**	**Outstanding as at 31 March 2025**
Directors						
Mr. HK Cheung	2,600,000	–	–	–	–	2,600,000
Mr. Alan Chan (Note 1)	1,000,000	–	–	–	–	1,000,000
Mr. Abraham Shek	500,000	–	–	–	–	500,000
Mr. HW Ip	300,000	–	–	–	–	300,000
Sub-total	**4,400,000**	**–**	**–**	**–**	**–**	**4,400,000**
Employees (Note 2)	**5,620,000**	**–**	**–**	**(1,400,000)**	**–**	**4,220,000**
Other participants						
Service provider (Note 3(i))	800,000	–	–	–	–	800,000
Related entity participant (Note 3(ii))	300,000	–	–	–	–	300,000
Sub-total	**1,100,000**	**–**	**–**	**–**	**–**	**1,100,000**
Total	**11,120,000**	**–**	**–**	**(1,400,000)**	**–**	**9,720,000**

Notes:

1. Mr. Alan Chan is also an associate (as defined in the Listing Rules) of the substantial shareholders of the Company.

2. This represented the aggregate number of share options held by former employees and existing employees.

3. These other participants are:

   (i) a consultant of the Group, who held 800,000 outstanding share options; and
   (ii) a senior executive of a principal associate of the Company, who held 300,000 outstanding share options. He is also a director of certain associates of the Company.

Save as disclosed above, there were no share options granted, exercised, lapsed or cancelled under the Share Option Scheme during the Year.

EQUITY-LINKED AGREEMENT

Save as disclosed in the section headed "Share Option Scheme" above, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme as disclosed above, at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Pursuant to Rule 8.10 of the Listing Rules, the interests of the relevant Directors in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group during the Year, were as follows:

(i) Mr. HK Cheung, an executive Director and the Chairman of the Company, had personal interests and/or held directorships in companies which were engaged in property investment in Macau, Hong Kong, the PRC and Canada.

(ii) A close associate of Dr. Charles Chan, an executive Director and Joint Vice Chairman of the Company, had personal interests and/or held directorships in companies which were engaged in property investment in Hong Kong and/or securities investments.

(iii) Mr. Alan Chan, an executive Director, had personal interests and/or held directorships in companies which were engaged in securities investments.

(iv) Ms. Rosanna Chau, a non-executive Director, held directorship in a company which was engaged in securities investments.

Mr. HK Cheung also held directorship in a company which was engaged in investment in hotel in the PRC and Dr. Charles Chan had personal interests in a company which was engaged in investment in hotel in Canada. Investment in hotel in the PRC and Canada ceased to be the principal business activities of the Group during the Year.

The Directors are aware of their fiduciary duties to the Company and understand that they must, in the performance of their duties as Directors, avoid actual and potential conflicts of interest and duty in order to ensure that they act in the best interests of the Shareholders and the Company as a whole. In addition, any significant business decisions of the Group are determined by the Board. Any Director who has material interest in any matter being resolved will abstain from voting. In view of the above, the Board considers that the interests of each of the above Directors in other companies neither prejudice his/her capacity as a Director nor compromise the interests of the Group and the Shareholders. Also, the Board opines that coupled with the diligence of the independent non-executive Directors, the Group is capable of carrying on its businesses independently of, and at arm's length from, such businesses in which the above Directors are regarded as being interested in.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 39 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

CHANGES IN INFORMATION ON DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information on the Directors since the date of the 2024-2025 interim report of the Company and up to the date of this report were set out below:

(i) Mr. HW Ip was appointed as the chairman of the Environmental, Social and Governance Committee of the Company (the "ESG Committee") and Mr. William Law and Mr. Pang, Anthony Ming-tung ("Mr. Anthony Pang") were appointed as members all with effect from 7 March 2025.

(ii) Ms. Rosanna Chau has been appointed as a member of the Nomination Committee of the Company with effect from 1 July 2025.

(iii) NWS Holdings Limited, a listed company in Hong Kong, changed its company name to CTF Services Limited with effect from 22 November 2024. Mr. Abraham Shek is an independent non-executive director of the aforesaid company. Also, Mr. Abraham Shek was appointed as the chairman and a non-executive director of JY Grandmark Holdings Limited, a listed company in Hong Kong, with effect from 6 June 2025. Mr. Abraham Shek is a member of the Count of Hong Kong Metropolitan University and has ceased to be a member of the Court and Council of The University of Hong Kong.

(iv) There were changes to the directorships of each of Mr. HK Cheung, Mr. Alan Chan and Mr. William Law in certain members of the Group.

(v) Details of the Directors' emoluments for the Year are set out in Note 12(a) to the consolidated financial statements.

Save as disclosed above, there are no other changes in information on the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONNECTED TRANSACTION

There was no connected transaction or continuing connected transaction undertaken by the Company during the Year and up to the date of this report which was required to be disclosed pursuant to Chapter 14A of the Listing Rules. The related party transactions disclosed in Note 39 to the consolidated financial statements did not constitute connected transactions or continuing connected transactions of the Company, or were either disclosed previously pursuant to the Listing Rules or exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 March 2025, so far as being known to the Directors or chief executive of the Company, the interests and short positions of the substantial shareholders of the Company or other persons (other than the Directors or chief executive of the Company) in the Shares and underlying shares of the Company, which have been disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

	Name	Nature of interests	Capacity	Number of Shares held	Percentage (Note 2)
(I)	**Substantial shareholders**				
	Ms. Macy Ng	Corporate interests	Interest of controlled corporation	261,172,919	28.78%
		Family interests	Interest of spouse	267,775,093	29.52%
				528,948,012 (Note 3)	58.30%
	Record High Enterprises Limited ("Record High")	Corporate interests	Interest of controlled corporation	261,172,919 (Note 3)	28.78%
	Fortune Crystal Holdings Limited ("Fortune Crystal")	Personal interests	Beneficial owner	261,172,919 (Note 3)	28.78%
(II)	**Other persons**				
	ITC Holdings Limited ("ITC Holdings")	Corporate interests	Interest of controlled corporation	76,186,279 (Note 4)	8.39%
	Galaxyway Investments Limited ("Galaxyway")	Personal interests	Beneficial owner	76,186,279 (Note 4)	8.39%

Notes:

1. All the interests in the Shares disclosed above were long positions. Also, no underlying shares of the Company were held by the substantial shareholders and other persons of the Company stated above.

2. This represented the approximate percentage of the total number of Shares as at 31 March 2025.

3. Fortune Crystal owned 261,172,919 Shares and was a wholly-owned subsidiary of Record High which in turn was wholly owned by Ms. Macy Ng. As such, Record High and Ms. Macy Ng were deemed to be interested in the 261,172,919 Shares owned by Fortune Crystal by virtue of Part XV of the SFO.

   In addition, Ms. Macy Ng was deemed to be interested in the 76,186,279 Shares owned by Galaxyway set out in Note 4 below and the 191,588,814 Shares beneficially owned by Dr. Charles Chan, an executive Director and Joint Vice Chairman of the Company, by virtue of her being the spouse of Dr. Charles Chan for the purpose of Part XV of the SFO.

   Accordingly, Ms. Macy Ng was deemed to be interested in a total of 528,948,012 Shares by virtue of Part XV of the SFO.

4. Galaxyway owned 76,186,279 Shares and was a wholly-owned subsidiary of ITC Holdings which in turn was wholly owned by Dr. Charles Chan. As such, ITC Holdings and Dr. Charles Chan were deemed to be interested in the 76,186,279 Shares owned by Galaxyway by virtue of Part XV of the SFO.

Save as disclosed above, as at 31 March 2025, the Company had not been notified of any other interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts relating to the management and administration of the whole or any substantial part of the businesses of the Company were entered into or subsisted during the Year.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the aggregate revenue attributable to the five largest customers of the Group was approximately 97% of the total revenue of the Group, and the largest customer accounted for approximately 93% of the Group's total revenue. The aggregate purchases attributable to the five largest suppliers of the Group were approximately 69% of the total purchases of the Group, and the largest supplier accounted for approximately 37% of the Group's total purchases.

None of the Directors and their respective close associates or any Shareholders (who to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in any of the Group's five largest customers or five largest suppliers as at 31 March 2025.

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

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

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Company is aware, there was no material breach of or non-compliance with the applicable laws and regulations that had a significant impact on the businesses and operations of the Group during the Year.

REMUNERATION POLICY

The remuneration policy regarding the Directors, top management and other employees of the Group was formulated and will be reviewed by the Remuneration Committee of the Company from time to time. Directors, top management and employees are remunerated according to their qualifications and experience, job nature and performance and under the pay scales aligned with market conditions. In addition to the contractual remuneration, other benefits including discretionary bonus, medical scheme, insurance coverage, retirement benefits schemes and share options may also be offered upon the determination of the Group. Details of the Group's retirement benefits schemes and the Share Option Scheme are set out in Note 38 to the consolidated financial statements and the section headed "Share Option Scheme" above respectively.

DIVIDEND POLICY

The dividend policy of the Company aims at providing stable and sustainable returns to the Shareholders whilst preserving the liquidity of the Group to capture future growth opportunities. The Company intends to provide the Shareholders with regular dividends and to declare special dividend from time to time, and whenever appropriate, to offer a scrip dividend alternative to the Shareholders. In deciding whether to propose a dividend and determining the dividend amount, the Board will consider the earnings performance, financial and liquidity position, investment requirements and future prospects of the Group, and any other factors that the Board may deem appropriate.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Year. The Company has arranged insurance coverage in respect of legal action against its Directors and officers.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws or the laws of Bermuda, which would oblige the Company to offer new shares of the Company on a pro-rata basis to the existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of its Shares as required under the Listing Rules throughout the Year and as at the date of this report.

AUDITOR

A resolution will be proposed at the Annual General Meeting to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Cheung Hon Kit
Chairman

Hong Kong, 27 June 2025

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining high standard of corporate governance practices and procedures and complying with the statutory and regulatory requirements with an aim to maximising the values and interests of the Shareholders as well as enhancing the transparency and accountability to the stakeholders.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions of the CG Code as its own code of corporate governance. Throughout the Year, the Company has complied with all the code provisions of the CG Code and applied the principles contained therein, except (i) the role of the "chief executive" is vacant, details of which are set out in the section headed "Chairman and Managing Director" below; and (ii) the going concern issue with respect to the consolidated financial statements for the year ended 31 March 2024 of the Company (the "2023-2024 Going Concern Issue") was not discussed in the corporate governance report (the "2023-2024 CG Report") contained in the 2023-2024 Annual Report. As disclosed in the 2023-2024 CG Report, the management's views on the 2023-2024 Going Concern Issue were already discussed in the section headed "Management's views on the Disclaimer of Opinion in relation to going concern" in the Management Discussion and Analysis of the 2023-2024 Annual Report. The Board is of the view that making a cross-reference is sufficient and disclosing the discussion repeatedly in the 2023-2024 CG Report would result in particulars of excessive length.

CORPORATE CULTURE, STRATEGY AND LONG-TERM BUSINESS MODEL

The Company embeds with a strong corporate culture for compliance, corporate governance and corporate social responsibilities, and at the same time, keeps a close eye on opportunities of property markets in different locations and revisits and restructures the property investment portfolio of the Group. The corporate objective of the Group is to maximize returns for the Company and its Shareholders. To achieve this corporate objective, the business strategies of the Group are to maintain continuous growth and profitability by acquiring property sites with good locations at relatively low costs for redevelopment, while sale of property upon completion of development is the primary profit driver. The Group also builds a property investment portfolio with appreciation potential in order to secure a recurring and reliable source of income. Other businesses, including the securities investments and the provision of loan financing services, are part of the Group's treasury management for utilising surplus cash, and supplement to the Group's core businesses of property development and investment.

Forming joint ventures with business partners having similar investment philosophy is a preferred mode of holding structure for the Group's investment as it can on one hand diversify the business risks, and on the other hand share the expertise of business partners. The Group also maintains professional teams and grasps timely information to meet the market changes.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for Directors in their dealings in the securities of the Company. In response to specific enquiries made by the Company, all the Directors confirmed that they complied with the required standards set out in the Model Code throughout the Year. The Company has also adopted the Model Code to regulate the dealings in the securities of the Company by its employees and directors of the subsidiaries who are likely to possess inside information relating to the Company or its securities.

BOARD OF DIRECTORS

Members of the Board are individually and collectively responsible for the leadership and control, and for the promotion of the success, of the Company by operating and developing the Group's business operations, implementing the Group's business strategies, and performing the corporate governance duties. The Board currently has eight members, comprising four executive Directors, one non-executive Director and three independent non-executive Directors. Details of the composition of the Board are set out on page 2 of this annual report. A list containing the names of all the Directors and their role and function is available on the websites of the Stock Exchange and the Company, and will be updated from time to time as and when there are any changes.

The biographical details of the Directors are set out on pages 5 to 8 of this annual report. Except that Dr. Charles Chan, an executive Director and Joint Vice Chairman, is the father of Mr. Alan Chan, an executive Director, there is no financial, business, family or other material relationship among the members of the Board.

The Company has maintained a sufficient number of independent non-executive Directors representing at least one-third of the Board as required under the Listing Rules throughout the Year. With three independent non-executive Directors possessing professional expertise and a diverse range of experience, the Board effectively and efficiently exercises independent judgment, gives independent advice to the management of the Company and makes decisions objectively for the benefits and in the interests of the Company and the Shareholders as a whole.

The Board has delegated the executive Board or other committees with authority and responsibility for handling the management functions and operations of the day-to-day business of the Group while specifically reserving important matters and decisions to the Board for approval, such as annual and interim financial reporting and control, equity fund-raising, declaration of interim dividend, recommendation of final dividend or other distributions, decisions regarding notifiable transactions and connected transactions under Chapter 14 and Chapter 14A of the Listing Rules respectively and making recommendation for capital reorganisation or scheme of arrangement of the Company. The Board has also established the Audit Committee, the Remuneration Committee, the Nomination Committee, the Corporate Governance Committee, the Investment Committee and the ESG Committee each with specific written terms of reference which clearly define their respective roles, authorities and functions. The members of the said committees have full access to minutes, records and materials as well as the personnel of the Company to enable them to fulfil their responsibilities. Further information on each of the committees is set out below in this report.

Regular Board meetings are held at least four times a year with at least 14 days' prior notice being given to all Directors. Additional Board meetings will be arranged and held as and when necessary. The Directors may attend the Board meetings either in person or through electronic means of communication. During the Year, a total of five Board meetings, including four regular meetings, were held and written resolutions of Directors were circulated and passed for approving significant matters. Also, resolutions were passed by the executive Board during the Year for normal course of business and matters under authorisation and/or delegation by the Board.

The Directors are provided with all relevant information in advance to enable them to make informed decisions, and appropriate arrangements are in place to ensure that they are given an opportunity to include matters in the agendas for the regular Board meetings. All Directors have separate and independent access to the advice and services of the Group's senior management and consultants with a view to ensuring that the Board procedures and all applicable laws, rules and regulations are observed and complied with. The chairman of the Board (the "Chairman") meets at least annually with the independent non-executive Directors without the presence of other Directors.

A tentative schedule for regular Board meetings, committee meetings and annual general meeting of each financial year is made available to all Directors prior to the beginning of the year. The attendance records of each Board member, on a named basis, at the meetings held during the Year are as follows:

	Number of Meetings Attended/Eligible to Attend						
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Governance Committee	ESG Committee	2024 Annual General Meeting
Executive Directors:							
Mr. HK Cheung	5/5	–	–	1/1	1/1	–	1/1
Dr. Charles Chan	5/5	–	–	–	–	–	1/1
Mr. Alan Chan	5/5	–	–	–	–	–	1/1
Mr. William Law	5/5	–	–	–	1/1	0/0	1/1
Non-executive Director:							
Ms. Rosanna Chau (Note)	5/5	–	–	–	–	–	1/1
Independent Non-executive Directors:							
Mr. Abraham Shek	5/5	4/4	1/1	1/1	–	–	1/1
Mr. HW Ip	5/5	4/4	1/1	1/1	1/1	0/0	1/1
Mr. Anthony Pang	5/5	4/4	1/1	1/1	–	0/0	1/1

Note: Ms. Rosanna Chau has been appointed as a member of the Nomination Committee with effect from 1 July 2025.

Directors have disclosed to the Company periodically their directorships and offices held in other organisations as well as other significant commitments, and also their time commitments to the Company. In line with the recommended best practice set out in the CG Code, the Board reviewed the performance of the Directors and their contributions to the Company, and is satisfied that the Directors have firm commitments to the Company. Also, the Board is of the view that the Directors have made positive contributions to the Board through active participation in the Company's affairs and the Board's discussion and decisions, as reflected in their attendance rate at the meetings of the Board and committees as well as the annual general meeting held during the Year.

The Company has arranged insurance coverage in respect of legal actions against the Directors and officers arising out of their duties. Such insurance coverage is reviewed periodically to ensure the adequacy of its coverage.

Chairman and Managing Director

Mr. HK Cheung is the Chairman and is principally responsible for the strategic planning of the Group and the management of the operations of the Board. The position of the Managing Director is vacant and the responsibilities for the operations and business development of the Group are shared by the executive Directors. The Board is of the view that as there is a clear division of responsibilities amongst the executive Directors, the current structure is effective in facilitating the operations and business development of Group and enabling the Board to discharge its responsibilities satisfactorily. In addition, the independent non-executive Directors contribute valuable views and proposals independently for the Board's deliberation and decisions.

Non-executive Directors

Pursuant to the Bye-Laws and the CG Code, every Director is subject to retirement by rotation and re-election at least once every three years. All the non-executive Directors are subject to the aforesaid retirement requirements.

The Board has three independent non-executive Directors, and at least one of them has the appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules. After reviewing the independent non-executive Directors' written confirmations of the factors set out in Rule 3.13 of the Listing Rules concerning directors' independence, the Board considered that all the independent non-executive Directors are independent.

Directors' Continuous Professional Development

In order to uphold good corporate governance, every newly appointed Director will be briefed on the Group's businesses and provided with professional development materials to ensure that he/she has sufficient understanding of the Group's businesses and awareness of duties under the Listing Rules and the relevant statutory and regulatory requirements.

In addition, the Company encourages the Directors to enroll in professional development courses and seminars relating to the Listing Rules, the Hong Kong Companies Ordinance and corporate governance practices organised by professional bodies or chambers. Briefings on specific topics of significance and interests with the relevant reading materials are also arranged for the Directors so as to provide continuous professional development (the "CPD") training as required by the CG Code. During the Year, the Company continued to provide the Directors with materials on updates on rules and regulations, market developments, and other relevant topics which enhanced greater awareness and understanding of the Group's businesses and the compliance with regulatory development.

All Directors have provided their training records to the Company and confirmed that during the Year, they had participated in the CPD training on the following topics:

Name of Director	The Group's businesses	Corporate governance and/or others (Note)
Mr. HK Cheung	✓	✓
Dr. Charles Chan	✓	✓
Mr. Alan Chan	✓	✓
Mr. William Law	✓	✓
Ms. Rosanna Chau	✓	✓
Mr. Abraham Shek	✓	✓
Mr. HW Ip	✓	✓
Mr. Anthony Pang	✓	✓

Note: It includes topics on directors' duties and responsibilities, legal and regulatory updates, financial reporting, taxation, anti-corruption and environmental, social and governance ("ESG") issues.

Nomination, Appointment and Re-election of Directors and Diversity

The Board has delegated its authority to the Nomination Committee for the nomination and appointment of new Directors and the nomination of Directors for re-election by the Shareholders at the annual general meeting. Pursuant to the Bye-Laws, the Directors shall have the power from time to time and at any time to appoint any person as a Director, either to fill a casual vacancy on the Board or as an addition to the existing Board, who will be subject to retirement and re-election at the next following annual general meeting.

The Board has expanded its board diversity policy (the "Board Diversity Policy") by including diversity of workforce of the Group and renamed the policy as the "Board and Workforce Diversity Policy" in June 2025. The Board and Workforce Diversity Policy shall be reviewed annually for ensuring a balance of skills, experience and diversity of perspectives appropriate to the requirements of the businesses and strategies of the Group and to the succession planning and development of the Board; and upholding the Group's commitment to a work environment free of harassment or discrimination and to the development of the workforce's potential to build competent, committed and successful teams. The Group believes that the concept of diversity incorporates a number of different aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional and industrial experience, business perspectives, skills, knowledge and length of service. All Board appointments and employment-related decisions shall be based on merit and contribution on an equal-opportunity principle, and selected candidates shall be considered against objective criteria, having due regard to the benefits of diversity on the Board or the workforce as well as the needs of the Board or the workforce without focusing on one single diversity aspect. At the Board level, there shall be a mixed gender Board with at least one Director of a different gender. For succession planning of the Board, there shall be at least 20% of senior executives of a different gender. Furthermore, there shall be at least 20% of the total workforce of a different gender. As at 31 March 2025, 37.5% of the senior executives (excluding Directors) were male and 62.5% were female while 48% of the total workforce were male and 52% were female.

In addition, a candidate to be appointed as an independent non-executive Director must satisfy the independence criteria set out in the Listing Rules and is expected to have independent views and exercise independent judgement and should not solely rely on professional advisers or what is volunteered by the management.

During the Year, no Director was involved in fixing his/her own terms of re-appointment and no independent non-executive Director participated in assessing his own independence. The Board reviewed the implementation and effectiveness of the Board Diversity Policy and measurable objectives set out therein during the Year and is satisfied that all the measurable objectives have been achieved.

Each of the Directors was given a formal letter of appointment setting out the key terms and conditions of his/her appointment. Every Director shall be subject to retirement by rotation at least once every three years at the annual general meeting. Also, pursuant to the Bye-Laws, not less than one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting.

NOMINATION COMMITTEE

The Nomination Committee currently comprises four members, namely Mr. Abraham Shek (committee chairman), Mr. HK Cheung, Mr. HW Ip and Mr. Anthony Pang. Except Mr. HK Cheung who is an executive Director, all the members are independent non-executive Directors. Ms. Rosanna Chau, a non-executive Director, has been appointed as a member with effect from 1 July 2025.

The main responsibilities of the Nomination Committee include making recommendations to the Board on matters relating to the appointment or re-appointment of the Directors and succession planning for the Directors; assessing the independence of the independent non-executive Directors; reviewing the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; assisting the Board in maintaining a board skill matrix; supporting the Company's regular evaluation of the Board's performance and reviewing the nomination policy of the Company (the "Nomination Policy") to ensure its effectiveness and regulatory compliance. The terms of reference of the Nomination Committee have been updated in June 2025 and are available on the websites of the Stock Exchange and the Company. For effective functioning in the course of the Director's nomination process, the Board has also adopted the procedures for the Shareholders to propose a person for election as a Director in accordance with the Bye-Laws, the Nomination Policy and the Board and Workforce Diversity Policy. The Nomination Committee has been provided with sufficient resources to perform its duties.

Under the Nomination Policy, the Nomination Committee shall apply the following selection criteria after identifying and shortlisting the suitable candidates for appointment of Director:

(i) the attributes to complement the Company's corporate strategies;
(ii) the business experience and board expertise and skills;
(iii) the time commitment and attention in the businesses of the Group;
(iv) the integrity, personal ethics, honesty and good reputation;
(v) in case of appointment of independent non-executive Director, the compliance with the independence requirements under the Listing Rules and the possession of independent views and the exercise of independent judgement without solely reliance on professional advisers or what is volunteered by the management; and
(vi) the benefits towards a diversified Board with regards to the Board and Workforce Diversity Policy.

The recommendation of the Nomination Committee on appointment of a new Director shall then be put to the Board for consideration and approval.

For re-election of a retiring Director, the Nomination Committee shall also apply the selection criteria to assess the retiring Director and make recommendations to the Board. A circular containing the requisite information on the Directors standing for re-election shall be sent to the Shareholders. If a retiring independent non-executive Director (i) has served on the Board for more than nine years or (ii) has held directorship in six or more other listed companies, the Board shall explain in the circular the reasons why (i) he is still believed as independent and should be re-elected, including the factors considered, the process and the discussion in arriving at such determination or (ii) he is able to devote sufficient time to the Board, respectively.

During the Year, the Nomination Committee held a meeting. The work performed by the Nomination Committee during the Year included the following:

(i) reviewed the structure, size and composition of the Board;
(ii) assessed the independence of the independent non-executive Directors;
(iii) nominated the retiring Directors for re-election at the 2024 annual general meeting (the "2024 AGM"); and
(iv) reviewed the terms of reference of the Nomination Committee and the Nomination Policy.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee currently has three members, comprising (i) two executive Directors, namely Mr. HK Cheung (committee chairman) and Mr. William Law, and (ii) one independent non-executive Director, namely Mr. HW Ip.

The Board has delegated its corporate governance functions set out in the code provisions of the CG Code to the Corporate Governance Committee. The principal duties of the Corporate Governance Committee include making recommendations to the Board on the Company's policies and practices on corporate governance; and reviewing and monitoring (i) the training and CPD of the Directors and the senior management of the Company, (ii) the Company's policies and practices on compliance with the legal and regulatory requirements, (iii) the code of conduct and compliance manual (if any) applicable to the Company's employees and the Directors, and (iv) the Company's compliance with the CG Code and disclosure in the corporate governance report. The Board has also adopted the corporate governance policy and the code of conduct for internal guidance purpose. The Corporate Governance Committee has been provided with sufficient resources to perform its duties.

During the Year, the Corporate Governance Committee held a meeting. The work performed by the Corporate Governance Committee during the Year included the following:

(i) endorsed the following matters to the Board for approval:
   - the Company's practices and procedures on corporate governance and the compliance with the CG Code; and
   - the 2023-2024 CG Report;

(ii) reviewed the CPD training of the Directors; and

(iii) reviewed the terms of reference of the Corporate Governance Committee, the corporate governance policy, the Shareholders' communication policy, the code of conduct and various procedures for corporate governance matters.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three members, all being independent non-executive Directors, namely Mr. Anthony Pang (committee chairman), Mr. Abraham Shek and Mr. HW Ip.

The main responsibilities of the Remuneration Committee include (i) making recommendations to the Board on the Company's remuneration policy and structure for all the Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy, and (ii) determining the remuneration packages of the executive Directors and senior management of the Company. The terms of reference are available on the websites of the Stock Exchange and the Company. The Remuneration Committee has been provided with sufficient resources to perform its duties.

During the Year, the Remuneration Committee held a meeting and reviewed the terms of reference of the Remuneration Committee and the remuneration policy for the Directors and employees of the Group.

Details of the remuneration packages of the Directors are set out in Note 12(a) to the consolidated financial statements in this annual report. During the Year, no Director or any of his/her associates (as defined in the Listing Rules) was involved in deciding the remuneration package of such Director, and no service contract of any executive Directors or senior management of the Company is required to be approved by the Remuneration Committee.

AUDIT COMMITTEE

The Audit Committee currently comprises three members, all being independent non-executive Directors, namely Mr. Anthony Pang (committee chairman), Mr. Abraham Shek and Mr. HW Ip. Mr. Anthony Pang is a qualified accountant with extensive experience in financial reporting and controls as required by the Listing Rules.

The principal duties of the Audit Committee include reviewing the Group's interim and annual results prior to recommending them to the Board for approval; making recommendation on the appointment of external auditor of the Company (the "Auditor") and acting as the key representative body for overseeing the Company's relations with the Auditor; and reviewing the Group's financial information and financial reporting system. The Audit Committee is also responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems, and the effectiveness of the internal audit function of the Company. Its terms of reference are available on the websites of the Stock Exchange and the Company. The Board has also adopted the risk management and internal control policy and the whistle-blowing policy, and has delegated the Audit Committee with the responsibility for reviewing such policies and related arrangements. The Audit Committee has been provided with sufficient resources to perform its duties.

During the Year, the Audit Committee held four meetings and dealt with certain matters by way of passing written resolutions. The work performed by the Audit Committee during the Year included the following:

(i) discussed and reviewed the audit planning report for the Year;

(ii) endorsed the following matters for the Board's approval:
   - the audited consolidated financial statements for the year ended 31 March 2024, including the 2023-2024 Going Concern Issue and the qualification on investment in an associate;
   - the unaudited consolidated interim financial statements for the six months ended 30 September 2024;
   - the re-appointment of the Auditor for Shareholders' approval at the 2024 AGM;
   - the internal audit checklist and timetable;
   - the cash flows forecast for the periods from 1 April 2024 to 30 June 2025 and from 1 October 2024 to 30 November 2025; and
   - the internal audit reports;

(iii) approved the terms of engagement of the Auditor, including the fee basis, in respect of the consolidated financial statements for the Year;

(iv) discussed and reviewed with the management and the Auditor on the changes in accounting standards and requirements which might affect the Group;

(v) approved the terms of engagement of the Auditor to perform certain non-audit services for the disposal of a subsidiary of the Company; and

(vi) reviewed the terms of reference of the Audit Committee, the risk management and internal control policy and the whistle-blowing policy.

The Board and the members of the Audit Committee did not have any differences in opinion during the Year.

INVESTMENT COMMITTEE

The Investment Committee comprises two members and both of them shall be executive Directors.

The main responsibilities of the Investment Committee include (i) making recommendations to the Board on strategies and risk control policies for the Group's investments and reviewing the efficiency and effectiveness of their implementation, and relevant matters relating to acquisitions and disposals of, investments in assets, companies, businesses or projects, and their funding requirements; (ii) conducting necessary research and gathering necessary information before making any investment decisions; (iii) reviewing financial performance of the investment portfolio of the Group; (iv) reviewing the appropriateness of the investment portfolio and making recommendations to the Board on treasury management and investment of surplus funds; and (v) reviewing the investment policy to ensure its effectiveness and making recommendations to the Board on any proposed changes. The Investment Committee has been provided with sufficient resources to perform its duties.

During the Year, the Investment Committee reviewed the terms of reference of the Investment Committee and the investment policy.

ESG COMMITTEE

The ESG Committee was newly established on 7 March 2025 and currently comprises three members, namely Mr. HW Ip (committee chairman), Mr. William Law and Mr. Anthony Pang. Except Mr. William Law who is an executive Director, all the members are independent non-executive Directors.

The principal duties of the ESG Committee include (i) reviewing and making recommendations to the Board on the Company's ESG and climate-related policies, strategies and performance; (ii) assessing the adequacy, progress and allocation of resources dedicated to ESG initiatives; (iii) overseeing the preparation and accuracy of the Company's annual ESG report; (iv) ensuring appropriate risk management and internal control systems in relation to climate-related risks are in place; and (v) overseeing the establishment of targets related to climate-related risks and opportunities and monitoring progress toward these targets. The ESG Committee has been provided with sufficient resources to perform its duties.

COMPANY SECRETARY

The company secretary of the Company (the "Company Secretary") is responsible for ensuring that Board procedures are followed and Board activities are effectively and efficiently conducted, and the Company complies with the Listing Rules and the other relevant rules and regulations, including but not limited to the preparation, publication and despatch of the Company's annual and interim reports within the prescribed time limit as required by the Listing Rules and the arrangement of Directors' CPD training as required by the CG Code.

In addition, the Company Secretary advises the Directors on their obligations for the disclosure of interests and dealings in the Company's securities, connected transactions and inside information, and ensures that the standards and disclosures as required by the Listing Rules and all other relevant rules and regulations are fulfilled and, if required, disclosures are made in the annual and/or interim reports of the Company.

The Company Secretary is an employee of the Group. She confirmed that she has complied with the qualifications, experience and training requirements as required by the Listing Rules.

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for preparing the financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows of the Group for that period. In preparing the financial statements, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The statement of the Auditor regarding its reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report of this annual report.

The Group has maintained a team of qualified accountants to oversee its financial reporting and other accounting related issues in accordance with the relevant laws, rules and regulations. The management of the Company provides all members of the Board with monthly updates, giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and the Directors to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

The Auditor issued a qualified opinion (the "Qualified Opinion") in the Independent Auditor's Report, addressing qualification on matters related to the opening balance of the Group's interest in an associate, the share of results of the associate and the gain or loss arising on derecognition on the Company's consolidated financial statements for the Year, and raised material uncertainty in relation to going concern, the details of which are described in the sections headed "Basis for Opinions, Including Basis for Qualified Opinion on the Consolidated Financial Performance" and "Material Uncertainty Related to Going Concern" respectively in the Independent Auditor's Report of this annual report.

Management's views on the above are as follows:

(I) Basis for Opinions, Including Basis for Qualified Opinion on the Consolidated Financial Performance

The Group held a 20% equity interest in Rosedale Beijing and accounted for its interests in Rosedale Beijing as an interest in an associate by using the equity method as at 31 March 2024. Since the Group has not received any financial information from Rosedale Beijing or its major shareholder (the "Major Shareholder"), and after considering all circumstances and unfavourable factors, including the potential reclamation of the Land, the lack of co-operation from the Major Shareholder for land redevelopment, and other uncertainties, the Group recognised a full impairment loss of HK$136.2 million for the year ended 31 March 2024.

Thus, the Auditor has to issue the Qualified Opinion in the Independent Auditor's Report for the Year, addressing matters related to the opening balance of the Group's interest in an associate, the share of results of the associate and the gain or loss arising on derecognition. This qualification was issued due to the Auditor's inability to verify the opening balance for the Group's investment in Rosedale Beijing, and thus raising uncertainty about the appropriateness of the reported profit or loss impact arising from Rosedale Beijing for the Year.

However, during the Year, the Group has issued a legal letter but no response was received. Thus, the Group has formally initiated a legal proceeding against Rosedale Beijing and the Major Shareholder and submitted the relevant documents to the PRC Court for the breach of the relevant provisions of the Company Law of the PRC, and demanded for all statutory documents and accounting records. The legal proceeding was duly filed and a case in the PRC Court has been established subsequent to the end of the reporting period. The Group re-assessed its ability to exercise influence over Rosedale Beijing. After re-assessment, it was considered that the Group ceased to have significant influence over Rosedale Beijing and its investment in Rosedale Beijing was classified as an equity investment as at 31 March 2025. After considering the above incidents and ongoing legal proceeding, as the situations of Rosedale Beijing have not improved, the management is of the view that there were no signs of recovering the cost as at 31 March 2025 and therefore kept the carrying amount of the investment in Rosedale Beijing as nil as at 31 March 2025, and the audit issue for the opening balance and the corresponding raising uncertainty about impact on consolidated statement of profit and loss will be removed in next financial year.

(II) Material Uncertainty related to Going Concern

The management has had ongoing discussion with the Auditor when preparing the Group's consolidated financial statements for the Year. The management is of the opinion that taking into account the plans and measures as mentioned below, the liquidity needs of the Group will be managed and the financial position of the Group will be improved. Also, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from the date of approval of the consolidated financial statements for the Year. Accordingly, the management had, at the date of approval of the consolidated financial statements for the Year, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Regarding the significant doubt about the Group's ability to continue as a going concern, the management has taken and is taking the following steps to address its concerns:

(i) Disposal of properties

The Group will sell its properties as a strategic move in order to realise the tied-up capital and value. This strategy will allow the Group to efficiently manage its assets, potentially enhance its liquidity and provide additional financial resources;

(ii) Maintaining business activities

The Group expects to continue to enhance its liquidity and operating cash flows for the next twelve months from sales of stock of properties;

(iii) Seeking refinancing

The Group has been actively seeking to refinance the existing facilities before maturity. Up to the date of this annual report, the Group has not received any demand for immediate repayment of its borrowing of HK$391.3 million which was overdue during the Year. The Group continues to negotiate with the lenders of existing borrowings for refinancing and other lenders for new financing; and

(iv) Control on administrative and operating costs

The Group will continue to take active measures to control administrative and operating costs through various channels.

The management believes that through the implementation of these plans and measures, the Group will effectively address its liquidity needs and enhance its financial position. Accordingly, it is appropriate to prepare the Group's consolidated financial statements for the Year on a going concern basis.

Audit Committee's Views on the Qualified Opinion

The Audit Committee had critically reviewed the Qualified Opinion, the corresponding management's position, the plans and measures of the Group to address the Qualified Opinion and the assessment performed by the Group regarding its investment in Rosedale Beijing. The Audit Committee confirmed and concurred with the management's views with respect to the Qualified Opinion.

AUDITOR'S REMUNERATION

The total remuneration paid or payable to the Auditor for the Year amounted to approximately HK$6,116,000, of which HK$4,390,000 was for audit services and HK$1,726,000 for non-audit services, including tax-related services and ad hoc projects.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board believes that good governance reflects the values and culture of an organisation. It has the overall responsibility for acting with integrity, promoting a strong culture for compliance and corporate governance of the Group, and maintaining a sound and effective system of risk management and internal control for reviewing its effectiveness, particularly in respect of the key controls on finance, operations and compliance through risk management assessment, to integrate into the Group's strategies and business operations, and safeguard the Group's assets and stakeholders' interests.

The Board oversees the Group's risk management process which comprises the identification and assessment of the key risks exposure of the Group, including material environmental, social and governance risks, based on their estimated impact and likelihood of occurrence and formulation of corresponding mitigating controls by the management. The Group's identified risks and associated mitigating controls are recorded in a risk register and are reviewed at least annually in light of internal and external changes. An open and interactive communication channel is maintained to enable timely reporting and ongoing supervision of the identified risks within the Group. The principal risks and uncertainties encountered by the Group and the corresponding mitigating controls are set out in the section headed "Management Discussion and Analysis" of this annual report.

The foundation of strong risk management and internal control systems is dependent on the values and culture developed by the organisation, the direction provided by the Board and compliance with the policies and procedures by the personnel. The Group's risk management and internal control systems include a well-established organisation structure, comprehensive policies and standards, and the Board's periodic reviews on the implementation of the internal control systems by the functional departments in respect of operation, financial function and compliance of all the businesses of the Group, including the corporate transactions and provision of financial assistance, if any, in order to manage the Group's identified risks effectively. The risk management and internal control policy of the Group has been developed with a primary objective of providing general guidance and recommendations on a basic framework of risk management and internal control and for achievement of the Group's purpose. The whistle-blowing mechanism is in place for the employees of the Group and those who deal with the Group to raise concerns in confidence and anonymity about any suspected impropriety, misconducts or malpractices within the Group. The Company has established an anti-corruption policy that promotes and supports all applicable anti-corruption laws and regulations.

The Company has also established and maintained appropriate and effective systems and procedures for handling and dissemination of inside information. The Board has adopted the policy on disclosure of inside information, pursuant to which an internal committee has been established to review and assess any material information which requires to be escalated for the attention of the Board and to be disclosed. Procedures have also been implemented for responding to external and Shareholders' communications so that only designated personnel can respond to enquiries about the Group's affairs.

The internal audit function of the Group is an independent function that reports directly to the Audit Committee. The internal audit team from time to time reviews the Group's business operations, risk management and internal control systems in accordance with the risk-based internal audit work plan, internal audit checklist and timetable as approved by the Audit Committee. Internal audit reports with internal control effectiveness conclusions are also prepared periodically for the Audit Committee's review and the Board's consideration and approval.

The Board is responsible for the design, implementation and monitoring of the Group's risk management and internal control systems on an ongoing basis and a cyclical review has been conducted on their effectiveness. Furthermore, the Board has performed annual review and ensured that adequate resources and budget have been spent on the Company's accounting and financial reporting, internal audit, compliance, and environmental, social and governance performance and reporting functions which are carried out by professional staff with appropriate qualifications, experience and training.

During the Year, the Group's risk management and internal control systems remain unchanged from the prior year. No significant irregularity, deficiency or areas of concern in risk management and internal control systems was required to draw the attention of the Audit Committee. The Board, based on the periodical assessment and confirmation from the management, the internal audit function and the Audit Committee, has reviewed the Group's risk management and internal control systems and considered them to be effective and adequate.

Taking into account the Qualified Opinion, the Group will further enhance the internal controls through closely monitoring the reporting of financial and operational information by its associates, periodically reviewing the shareholders' agreements and constitutional documents, and taking timely action in response to any non-compliance or significant area of concern noted, in order to avoid similar situations happening again.

COMMUNICATION WITH SHAREHOLDERS

The Board has adopted, and reviews from time to time, the Shareholders' communication policy which was designed with the objective of ensuring that the Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company in order to enable them to exercise their rights in an informed manner. During the Year, a review on the implementation and effectiveness of the Shareholders' communication policy was conducted and the policy was considered effective to the Company.

The Company communicates with the Shareholders through the publication of annual and interim reports, announcements and circulars as well as the dissemination of additional information about the Group's activities, business strategies and developments. All such information and the manner adopted by the Company for the dissemination of corporate communications as well as the arrangements for Shareholders to make requests for printed copies of corporate communications of the Company are available on the Company's website at www.itcproperties.com.

The Board strives to maintain an ongoing and transparent communication with all the Shareholders, including posting the contact details of Shareholders' communication channels on the Company's website and, in particular, holding general meetings as a means to communicate with the Shareholders and encourage their participation. An open forum session is always arranged after the conclusion of the annual general meetings in order to provide a face-to-face opportunity for the Shareholders to express their views and for the Company to solicit and get feedback from the Shareholders.

Pursuant to the Bye-Laws, notice of the 2024 AGM was sent to the Shareholders not less than 21 clear days before the meeting. Due to bad weather, the 2024 AGM was postponed to the same day in the following week at the same place and at such time determined by the Board. All Directors and the representatives from the Auditor attended the 2024 AGM in person or by electronic means, and were available to answer questions raised by the Shareholders at the meeting. At the 2024 AGM, a separate resolution in respect of each substantially separate issue put forward for consideration was proposed by the chairman of the meeting, and voting on each resolution was conducted by poll. An explanation of the detailed procedures of conducting a poll was provided to the Shareholders prior to the commencement of the 2024 AGM. The results of the poll were published on the websites of the Stock Exchange and the Company pursuant to the Listing Rules.

The Bye-Laws are available on the websites of the Stock Exchange and the Company.

SHAREHOLDERS' RIGHTS

Proposing a Person for Election as a Director

Pursuant to bye-law 85 of the Bye-Laws, if a Shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, he/she/it can deposit a written notice at the Company's principal place of business in Hong Kong for the attention of the Board or the Company Secretary or at the Branch Share Registrar. The period for lodgment of such notice will commence no earlier than the day after the despatch of the notice of the general meeting and end no later than seven days prior to the date of such general meeting. The procedures for a Shareholder to propose a person for election as a Director at a general meeting are set out in the "Corporate Governance" section of the Company's website.

Convening a Special General Meeting

Pursuant to bye-law 58 of the Bye-Laws, Shareholder(s) holding at the date of deposit of the requisition not less than 10% of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board. The requisition must state the purpose(s) of the meeting, and must be signed by the requisitionist(s) and deposited at the registered office of the Company or its principal place of business in Hong Kong. Such meeting shall be held within two months after the deposit of such requisition.

If the Board does not, within 21 days from the date of the deposit of the requisition, proceed duly to convene a meeting, the requisitionist(s), or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a special general meeting, but any meeting so convened shall not be held after the expiration of three months from the said date of the deposit of the requisition. Any reasonable expenses incurred by the requisitionist(s) by reason of the failure of the Board duly to convene a special general meeting shall be repaid to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

Pursuant to sections 79 and 80 of the Companies Act 1981 of Bermuda (as amended), (i) any number of Shareholders representing not less than 5% of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the general meeting to which the requisition relates; or (ii) not less than 100 Shareholders, can submit a requisition in writing to the Company:

(a) to give to the Shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

(b) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The written requisition must be signed by the requisitionist(s) and deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the general meeting in case of a requisition requiring notice of a resolution and not less than one week before the general meeting in case of any other requisition.

Enquiries to the Board

Shareholders may at any time send their enquiries and comments to the Board by addressing them to the Company Secretary by post to the Company's principal place of business in Hong Kong, or by e-mail to info@itcproperties.com, or by fax at (852) 2858 2697.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company is delighted to present its annual environmental, social and governance ("ESG") Report (the "ESG Report") for the Year which has been reviewed and approved by the Board.

With its mission of "be well-positioned as to location, timing and strategy to maximise returns for the Company and its Shareholders" and "be persistent in excellent development design and execution" as its guiding discipline, the Group is embedded with a strong corporate culture for compliance, corporate governance and corporate social responsibilities that forms an integral part of its values and strategies. The Group endeavors to create a harmonious and sustainable community through cultivating its responsible corporate citizenship and integrating ESG concerns into the businesses and operations with an aim of aligning the interests and benefits of its valuable stakeholders, the society at large and the environment as a whole.

REPORTING FRAMEWORK AND SCOPE

This ESG Report summarises the ESG-related policies, initiatives and performances of the Group's core operations in the property business across its key markets in Hong Kong, the PRC and the United Kingdom ("UK"). It also covers operations over which the Group had major financial and operational controls as well as those with significant ESG implications to the Group and its stakeholders during the Year.

PRINCIPLE PREPARATION BASIS OF THE REPORT

This ESG Report was prepared in accordance with the Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 to the Listing Rules on the Stock Exchange. It also complies with all the requirements of "Comply or Explain" as well as other reporting principles as shown below:

Materiality: This ESG Report provides a comprehensive overview of the materiality assessment conducted to identify and prioritise ESG issues most significant to the Group's business during the Year. The Group has engaged extensively with the Group's key stakeholders and incorporated their perspectives through various channels to ensure transparent disclosure of material ESG topics.

Quantitative: This ESG Report presents quantitative data and key performance indicators ("KPIs") relevant to the Group's environmental and social performance. Each KPI is supported by detailed explanations of measurement standards, methodologies, assumptions, and calculation tools employed. The Group provides transparent disclosure regarding the sources of conversion factors and other relevant data used in the Group's reporting.

Balance: This ESG Report provides an impartial and comprehensive assessment of the Group's ESG performance during the Year, presenting both achievements and areas for improvement through balanced disclosure of positive and negative information. This approach ensures stakeholders receive an objective view of the Group's sustainability performance.

Consistency: This ESG Report maintains consistency in disclosure methodology and presentation format to facilitate meaningful year-on-year comparisons. Where applicable, the Group employs consistent statistical methods and KPIs to ensure data comparability. Any changes in methodology or KPIs are clearly explained to enable stakeholders to track the Group's performance trends over time.

The Group considers this ESG Report an important communication channel with the Group's stakeholders and recognise the significance of ESG disclosure in supporting informed decision-making.

GOVERNANCE

Referring to the keystones of its corporate philosophy, the Group consistently believes that the value of ESG should be embedded in its core businesses and operations. Its sound and systematic corporate governance system and professional working team have enabled the Group to lay a solid foundation for its ESG initiatives to enhance accountability, integrity, transparency and honesty, which drives the Group forward.

The Board is strongly committed to upholding high standards of corporate governance to drive sustainable growth and create long-term value for stakeholders. It takes overall responsibility for continuously overseeing the Group's risk management and internal control systems, particularly concerning ESG and climate-related risks and opportunities. These risks are integrated into the Group's annual risk assessment and are managed alongside other business and operational risks.

The Board ensures that ESG and climate considerations are embedded in the Group's governance and business decision-making processes, including regular reviews of the ESG and climate risk management framework to align with both local and international standards. The impact of ESG and climate-related risks on the Group's financial position, operations, and supply chain management is closely monitored, and ESG risk management is closely coordinated with corporate financial planning.

In addition, the Board is responsible for reviewing the progress and outcomes of ESG initiatives, KPIs, targets, and actions taken to address sustainability issues, thereby supporting strategy development and effective business decisions. The Board also reviews governance practices, policies, and procedures to ensure compliance with legal and regulatory requirements and has conducted an annual review to confirm the adequacy of resources, staff qualifications and experience, training programmes, and budget for ESG performance and reporting functions.

More information on corporate governance is set out in the "Corporate Governance Report" section of this annual report.

ESG Governance Structure

The Group is committed to maintaining a high standard of corporate governance practices and procedures and is embedded with a strong corporate culture of compliance. In this respect, the Group's ESG reporting structure is shown below:

Roles	Responsibilities and Authorities
The Board	The Board holds ultimate responsibility for managing the Group's ESG and climate-related risks, ensuring these are integrated into overall governance and business decision-making. It oversees the formulation and implementation of ESG, and sustainability strategies aligned with the Group's long-term objectives, regularly reviewing and approving ESG targets, KPIs, and action plans. The Board conducts annual risk assessments, monitors the impact of ESG and climate risks on the Group's financial position, operations, and supply chain management, and ensures effective alignment with both local and international standards. By developing and supervising relevant policies, including climate adaptation, environmental compliance, energy management, and carbon reduction, the Board ensures the Group addresses climate challenges, meets regulatory requirements, and enhances sustainable competitiveness.
ESG Committee	The ESG Committee is responsible for implementing the ESG strategies set by the Board and ensuring that ESG-related policies and measures are effectively integrated into daily operations. Its key responsibilities include assisting the Board in identifying and managing significant ESG and climate-related risks and opportunities, developing response plans, and monitoring progress. The ESG Committee regularly reports ESG progress, performance against key targets, and the execution of ESG initiatives to the Board, ensuring alignment with the Group's overall strategy. The ESG Committee establishes mechanisms for risk monitoring and data management, covering areas such as energy use, carbon emissions reporting, waste management, and supply chain sustainability assessments to ensure transparency and measurability of ESG objectives. It also oversees the implementation of ESG policies across functional departments and submits risk management reports and improvement recommendations to the Board. In addition, the Group facilitates internal and external stakeholder engagement, maintaining close communication with functional departments, investors, regulators, suppliers, and business partners. It ensures the effective execution and continuous improvement of ESG risk management mechanisms, the transparency and disclosure of ESG and climate-related information in line with international standards, and the preparation of the annual ESG report. These efforts support regulatory compliance and ensure that ESG objectives remain aligned with the Group's long-term development strategy.
Compliance Department	Compliance Department within the Group is responsible for executing ESG policies and measures, ensuring that ESG objectives are effectively embedded in daily operations and is directly accountable for their achievement. Key responsibilities include environmental management, talent development, supply chain management, and corporate social responsibility, all aimed at aligning ESG risk management with the Group's overall operational strategy. In addition, Compliance Department is required to regularly review ESG performance data to the ESG Committee to ensure the effectiveness and measurability of ESG risk management and to report on ESG matters to the ESG Committee as needed.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder Engagement

The Group is committed to maintaining open and transparent dialogue with the Group's stakeholders to understand their perspectives and integrate their feedback into the Group's business strategies and operations. The Group's stakeholder engagement approach is designed to foster meaningful relationships and ensure the Group address the issues that matter most to the Group's businesses and stakeholders.

The Group regularly engages with a diverse range of stakeholders including investors, customers, employees, suppliers and contractors, business partners and local communities. Through various engagement channels such as interviews and meetings, the Group gathers valuable insights that help shape the Group's strategic priorities and operational decisions. The Group continuously reviews and enhances the Group's engagement methods to ensure they remain effective and responsive to evolving stakeholder expectations. This ongoing dialogue enables the Group to identify emerging trends, address concerns proactively, and create shared value for all the Group's stakeholders while driving sustainable business growth.

Key Stakeholder Groups Identified

The Group has identified and prioritised the Group's key stakeholder groups which shown as follows:

Key Stakeholder Group	Engagement Methods	Key ESG Topics of Concern
Shareholders and Investors	• Annual and interim reports • Announcements and circulars • General meetings • Meetings and interviews • Website • Events	• Financial performance • Corporate transparency • Future growth potential and sustainable development • Crisis management • Social investment
Customers	• Daily operations • Events • Brochures and leaflets	• Quality products and services • Data privacy and information security • Business integrity and conduct
Employees	• Training programmes, seminars and briefing sessions • New hire orientation • Regular performance reviews • Exit interviews • Memos, noticeboard, intranet, WeChat group, meetings and discussions	• Health and safety • Remuneration and benefits • Career development • Talent retention • Gender diversity and equal opportunities • Corporate culture

Key Stakeholder Group	Engagement Methods	Key ESG Topics of Concern
Suppliers and contractors	• Quotations and tendering processes • Periodic performance evaluation • After-sale services • Site inspections, meetings and work review • Industrial seminars and workshops	• Product quality and safety • Corporate reputation • Fair and ethical business practice • Long-term relationship • Supply chain responsibilities
Business partners	• Mutual development and sharing of resources • Joint projects	• Mutual trust and synergies • Long-term partnership relationship • Return on investment
Community	• Community investment • Volunteering activities	• Social contribution • Environmental responsibilities • Community participation
Regulatory bodies and government authorities	• Compliance management • Consultation • Meetings • Seminars	• Compliance • Corporate governance • Laws, regulations and practices • Business ethics

Materiality Assessment

The Group's materiality assessment follows a systematic four-step process with reference to the Stock Exchange's "How to Prepare an ESG Report" and "ESG Reporting Code" requirements:

Step 1: Issue Identification

The Group conducted a comprehensive review of industry trends, peer benchmarking, regulatory requirements, and global sustainability standards to compile an extensive list of potentially material ESG issues relevant to the Group's property operations in Hong Kong, the PRC and the UK.

Step 2: Stakeholder Consultation

Through interviews and feedback analysis, the Group gathered insights from both internal and external stakeholders on the importance of identified ESG issues. Some of the stakeholders participated in this consultation process, providing valuable input on their priorities and concerns.

Step 3: Impact Assessment

Each ESG issue was evaluated based on two dimensions:

- **Importance to stakeholders:** the level of concern expressed by stakeholders and potential impact on their decision-making

- **Importance to business:** the potential impact on the Group's financial performance, operational efficiency, reputation, and long-term value creation

Step 4: Validation and Prioritisation

The material ESG issues were reviewed and validated by the Board and its ESG Committee to ensure alignment with the Group's business strategies and stakeholder expectations.

Material ESG Issues Identified

Following careful deliberation by the Board and its ESG Committee, the Group has refined its material topics during the Year to better align with evolving industry standards and stakeholder expectations. In conducting this review, the Group has referenced leading industry-specific materiality frameworks including the SASB Materiality Map for the Real Estate sector and the MSCI ESG Industry Materiality Map. This benchmarking exercise has enabled the Group to validate the Group's material issues against sector-specific sustainability factors that are most likely to affect financial performance and enterprise value in the property industry. The Board's consideration has resulted in the elevation of "Physical Impacts of Climate Change" to a high priority issue, recognising the increasing importance of climate resilience in property investment and development. In addition, "Opportunities in Green Building" has been included as a high priority issue, reflecting the growing emphasis on sustainable building design and circular economy principles in the real estate sector. This alignment with industry-recognised materiality frameworks ensures the Group's ESG strategies addresses the most financially relevant sustainability issues while meeting investor expectations and maintaining comparability with sector peers.

High Priority Issues:

- Physical Impacts of Climate Change
- Opportunities in Green Building
- Health and Safety
- Anti-corruption

Medium Priority Issues:

- Product Safety and Quality
- Human Capital Development
- Privacy and Data Security
- Supplier Management

The materiality assessment results have been integrated into the Group's ESG strategies formulation, risk management processes, and performance monitoring systems. These material issues guide the Group's resource allocation, target setting, and disclosure priorities throughout this ESG Report.

ENVIRONMENTAL

As a property developer and investor, the Group faces environmental risks, including but not limited to emissions and waste generation, energy conservation, water shortage and pollution, and climate change. Ever since the Group began to collect the environmental data and developed its first ESG report, it has been seeking ways to make improvements in emissions reduction, waste minimization, energy and water saving, and proactively managing climate change through the Group's environmental policies. No confirmed non-compliance or grievance cases were identified during the Year. The Group strives to:

- Ensure compliance with all applicable environmental and related legislations and encourage employees, business partners and other stakeholders to meet their environmental obligations
- Identify environmental impacts associated with its operations, and continually improve the environmental performance
- Provide good indoor environmental quality in its buildings to ensure that the work and living environments are healthy
- Minimise waste generation whenever practical in daily operations through source reduction and recycling
- Measure and report the greenhouse gas ("GHG") emissions, and actively encourage the stakeholders to reduce their carbon footprint
- Improve energy and water efficiency by adopting the best practicable designs and technologies without compromising service
- Embrace green purchasing practices to conserve natural resources
- Adapt to climate change by embedding the physical and transition of climate change risks into the Group's risk management process

Emissions

Air Emissions

During the Year, the Group's operation involved petrol consumption for the use of the Group's vehicles. The material air pollutants emitted were mainly composed of Nitrogen Oxides ("NOx"), Sulphur Oxides ("SOx") and particulate matter ("PM"). Owing to the implementation of appropriate data collection methods, the Group is poised to disclose the amount of air emissions generated by its vehicle fleet during the Year.

Air pollutant	Unit	2025	2024
NOx emission	kg	**18.82**	N/A
SOx emission	kg	**0.41**	N/A
PM emission	kg	**1.39**	N/A

Regular maintenance is conducted on all Group's vehicles to ensure optimal efficiency and environmental performance, and vehicles deemed unsuitable are promptly phased out. Through these initiatives, the Group aims to minimise air emissions and set the Year as the baseline year and is committed to achieving the target of reducing the amount of each air pollutant by 5% compared to the baseline year by the end of 2026.

Greenhouse Gas Emissions

The Group's major sources of carbon emissions were from three aspects: fuels consumed by vehicles (Scope 1), purchased electricity (Scope 2) and Category 1 Purchased Goods and Service and Category 5 Waste Generated in Operations under the "GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)" (Scope 3). The performance of GHG emissions during the Year is summarised as follows:

GHG Emissions	Source of Emission Factors	Unit	2025	2024[1]
Scope 1: Direct GHG Emissions • Petrol	• "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange	tCO_2e	**73.96**	N/A
Scope 2: Indirect GHG Emissions • Purchase Electricity	• The grid emission factors included in "Announcement on the Release of 2023 Electricity Carbon Emission Factor Data" (《關於發佈2023年電力碳足跡因子數據的公告》) issued by the Ministry of Ecology and Environment of the PRC (中國生態環境部) • The "Sustainability Report 2024" published by the HK Electric Investments Limited	tCO_2e	**123.03**	155.87
Scope 3: Other Indirect GHG Emissions	• Please refer to "Scope 3 Reporting Boundary"	tCO_2e	**11.72**	142.26
• Category 1 Purchased Goods and Services		tCO_2e	**1.02**	N/A
• Category 5 Waste Generated in Operations		tCO_2e	**10.70**	N/A
Total GHG Emissions		**tCO_2e**	**208.71**	298.13[2]
GHG Emissions Intensity		**tCO_2e/gross floor area[3]**	**0.04**	N/A

The Group's Approaches

Principles of Approaches	
Standards	• The "GHG Protocol: A Corporate Accounting and Reporting Standard (2004)" (《溫室氣體核算體系:企業核算與報告標準(2004年)》) issued by the World Resources Institute and the World Business Council for Sustainable Development • The "Global Warming Potential Values" from the Sixth Assessment Report issued by the Intergovernmental Panel on Climate Change (AR6) • "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange
Measurement Method	Using operational control, as operational information is accessible
Operational Boundary	Two offices in Hong Kong, seven offices in the PRC, and one development project in the UK

1 The Group has revised its disclosure approach during the Year, rendering last year's disclosed data inapplicable.
2 Due to an adjustment in the statistical method, a correction was applied to the Scope 3 GHG emission calculation, wherein petrol consumption had been erroneously categorised under Scope 3 in last year.
3 The gross floor area during the Year is 5,671 m^2, which will be adapted to other related intensity calculations as well.

Scope 3 Reporting Boundary

Scope 3 Category	Relationships with the Group	Calculation and Emission Factors
Category 1: Purchased Goods and Services		
Upstream emissions from the production of products purchased or acquired by the Group	Upstream emissions, including the use of freshwater and electricity consumed by the Group's contractor	• Assessed using supplier-specific method. • It is calculated by multiplying the amount of freshwater and electricity consumed by the Group's contractor by the corresponding emission factor. • The source of emission factors: "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange, the "2024 UK Government GHG Conversion Factors for Company Reporting" published by the UK government, and the Annual Report 2023/24 by the Water Supplies Department.
Category 5: Waste Generated in Operations		
Emissions from the disposal and treatment of waste generated	Among the waste produced, the most significant sources of emissions are ink cartridges, batteries, plastics, paper sent to landfills, open-loop toner recycling, and wastewater treatment	• Assessed using waste-type-specific method. • It is calculated by multiplying the amount of ink cartridges, batteries, plastics, paper, toner, and wastewater produced by the Group by the corresponding emission factor, considering the method of disposal. • The source of emission factors: "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange, the "2024 UK Government GHG Conversion Factors for Company Reporting" published by the UK government, and the Sustainability Report 2023-24 by the Drainage Services Department.

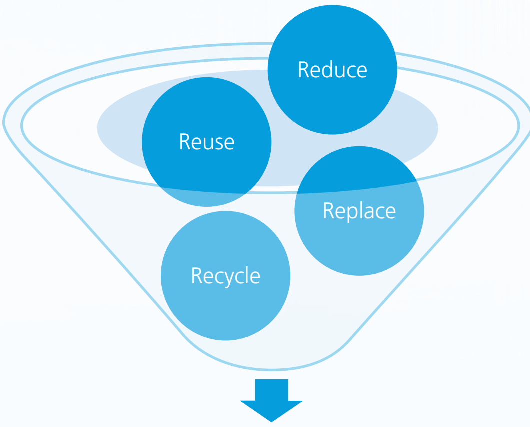
GHG Emissions Target

In a steadfast demonstration of the unwavering commitment to sustainable development and corporate social responsibility, the Group has set the Year as the baseline year and is resolutely dedicated to achieving a 5% reduction in total GHG emissions by the end of 2026, compared to this baseline year. This target reflects the Group's proactive stance in addressing climate challenges, aligning with global decarbonisation imperatives, and embedding emission reduction strategies into its core business operations. By fostering a culture of environmental accountability, the Group reinforces its leadership in driving long-term sustainability and delivering on its promise to balance economic growth with planetary stewardship.

Waste Management

Waste Policy and Management

The Group has established a Waste Management Policy that demonstrates the Group's commitment to environmental stewardship through the implementation of circular economy principles: "reduce", "reuse", "recycle" and "replace". This policy framework ensures systematic minimization of waste generation across the Group's operational portfolio while maintaining strict compliance with all applicable environmental regulations, including the Waste Disposal Ordinance.



The policy's strategic objectives encompass:

- Minimising adverse environmental impacts through the implementation of environmentally responsible waste handling and disposal protocols
- Fostering a culture of resource conservation through comprehensive stakeholder engagement initiatives
- Transitioning from single-use disposables to durable alternatives across all operations
- Integrating waste prevention criteria into the Group's sustainable procurement framework
- Establishing robust waste segregation infrastructure to maximise resource recovery opportunities

The Board conducts periodic reviews to ensure policy effectiveness and alignment with evolving regulatory requirements and industry best practices. The Group generates both hazardous and non-hazardous waste during its operations. The Group has engaged third-party contractors to handle waste streams in strict accordance with the Waste Disposal Ordinance and relevant environmental regulations. During the Year, the hazardous and non-hazardous waste produced by the Group is disclosed below:

	Unit	2025	2024[4]
Hazardous Waste			
• Ink Cartridge	kg	**1.23**	N/A
• Battery	kg	**1.96**	N/A
Total Hazardous Waste	**kg**	**3.19**	N/A
Hazardous Waste Intensity	**kg/gross floor area[5]**	**0.0006**	N/A
Non-hazardous Waste			
• Paper	kg	**2,210.21**	2,660.00
• Plastic Bottles	kg	**51.45**	N/A
Total Non-hazardous Waste	**kg**	**2,261.66**	2,660.00
Non-hazardous Waste Intensity	**kg/gross floor area[5]**	**0.40**	N/A

4 The Group has revised its disclosure approach during the Year, rendering last year's disclosed data inapplicable.

5 The gross floor area during the Year is 5,671 m^2, which will be adapted to other related intensity calculations as well.

Regular Recycling Practices

During the Year, the Group achieved significant recycling milestones across multiple waste streams. Electronic waste management included the recycling of 11 toner cartridge units from copiers and fax machines, with systematic return of used toner bottles to manufacturers. The Group maintained robust paper recycling programs across all offices, segregating confidential and non-confidential paper for appropriate disposal through secure destruction services and building management recycling facilities, with some paper reused for internal drafts and notes. Additional recycling initiatives encompassed systematic collection of plastic bottles through weekly building management partnerships, and weekly battery recycling through building management offices, demonstrating the Group's comprehensive approach to waste minimisation and resource recovery.

Waste Reduction Initiative

The Group has successfully implemented a comprehensive digital infrastructure across all operations to minimise paper consumption. The Group's operational improvements include the replacement of paper-based communications with electronic alternatives, the elimination of fax cover sheets through stick-on labels, and the provision of meeting room technology to facilitate digital presentations.

Resource Conservation and Infrastructure Enhancement

The Group has invested in sustainable infrastructure to minimise disposable waste generation. Key installations include hand dryers replacing paper towels, water fountain systems with reusable bottle programs, and Passive Infra-Red controlled lighting across facilities. The Group has established "guest-only" protocols for disposable items, with staff utilising personal cups and reusable containers for daily operations. These initiatives have resulted in significant reductions in disposable paper cups, hand towels, and plastic food containers across all regional offices.

Sustainable Procurement Excellence

Environmental criteria are integrated throughout the Group's procurement processes, mandating Forest Stewardship Council ("FSC") certified paper from sustainable sources and requiring ISO accreditations from suppliers per the Building Research Establishment Environmental Assessment Method ("BREEAM") requirements. The Group prioritises bulk purchasing of concentrate products to minimise packaging waste, maintains existing products to extend lifecycles, and selects suppliers based on environmental credentials. Regional offices have optimised inventory management, prioritising consumption of existing supplies before new procurement, resulting in efficient resource utilisation and reduced storage requirements. This approach has achieved measurable reductions in packaging waste while enhancing the Group's corporate sustainability profile.

Employee Engagement

Strategic awareness campaigns featuring "Save Paper, Cherish Resources" signage at printer locations and clear operational instructions have fostered strong environmental consciousness. The majority of employees actively participate in waste reduction initiatives, demonstrating high engagement rates and successful adoption of sustainable practices. This cultural transformation has been instrumental in achieving the Group's waste reduction objectives.

Performance Monitoring and Strategic Outcomes

The Group maintains robust monitoring systems, including supply chain compliance reviews, and regular operational assessments. This data-driven approach enables continuous improvement and ensures regulatory compliance across all operations. The Group's comprehensive waste management strategy has delivered substantial results: significant reductions in paper consumption and disposable waste generation, enhanced recycling rates across all waste streams, optimised inventory management, and strengthened corporate reputation. These achievements contribute to circular economy principles while generating operational cost savings and maintaining exemplary regulatory compliance. The Group remains committed to advancing waste management performance through continued investment in infrastructure, technology, and stakeholder engagement. To uphold sustainable development and fulfil corporate social responsibility, the Group set the Year as the baseline year and is committed to achieving the target of reducing total hazardous and non-hazardous waste intensity by 5% compared to the baseline year by the end of 2026.

Use of Resources

The Group is committed to responsible environmental management, leading to sustainable use of resources in building a green environment, ensuring that activities are conducted in an energy-conservative and water-saving manner, and complying with the environmental laws, regulations and codes of practice through the following measures:

- Integrate energy and water consumption efficiency considerations into the planning, design, construction, operation and maintenance of all buildings, facilities and services;
- Utilise energy, water and resources effectively through technology, processes and a green management system;
- Enhance energy conservation and water saving awareness through engagement of those it works with and ongoing communications, including employees, customers, suppliers and contractors; and
- Implement environment-friendly approaches through responsible supply chain management and sustainable working practices, including regular reporting of resource usage, turning off all electrical appliances, office equipment and lights when not in use.

Energy Consumption

The energy consumption of the Group mainly comes from direct energy consumption for the use of the Group's vehicles and indirect energy consumption for purchased electricity. The total energy consumption increased by 75.64% for the Year for the reason that a correction was applied to the Scope 3 GHG emission calculation, wherein petrol consumption had been erroneously categorised under Scope 3 in last year. The performance of the Group's energy consumption during the Year was summarised as follows:

	Unit[6]	2025[7]	2024[8]
Direct Energy Consumption			
• Petrol	kWh	**268,593**	N/A
Indirect Energy Consumption			
• Purchased electricity	kWh	**204,082**	269,121
Total energy consumption	**kWh**	**472,675**	269,121
Energy consumption intensity	**kWh/gross floor area[9]**	**83.35**	N/A

6 The unit conversion method of energy consumption data is formulated according to the "Energy Statistics Manual" released by the International Energy Agency

7 The amounts represented are directly consumed and controlled by the Group, as well as those used and reported by its contractors during the Year.

8 The Group has revised its disclosure approach during the Year, rendering last year's disclosed data inapplicable.

9 The gross floor area during the Year is 5,671 m^2, which will be adapted to other related intensity calculations as well.

The Group is dedicated to reducing energy consumption across its offices and property projects through targeted measures and employee engagement initiatives. To uphold sustainable development and fulfil corporate social responsibility, the Group set the Year as the baseline year and is committed to achieving the target of reducing total energy consumption intensity by 5% compared to the baseline year by the end of 2026.

The Group is dedicated to reducing energy consumption across its offices and property projects through targeted measures and employee engagement initiatives. These include:

- Deploying high-efficiency fans, pumps, and chillers with automated sequencing for optimal performance;
- Conduct inspections regularly and periodic reporting of energy and resource usage to ensure compliance with national emission standards;
- Procuring energy-efficient appliances certified by Energy Star or the Electronic Product Environmental Assessment Tool ("EPEAT");
- Promoting energy-saving practices, such as turning off lights and appliances during non-operational hours, installing light emitting diode ("LED") lighting, and using low-emissivity window film with regular air conditioner maintenance;
- Encouraging sustainable habits through green signage, energy-saving tips, duplex printing, paper recycling, and scrap paper use for notepads; and
- Adopting telephone conferences to minimise travel for meetings.

These efforts reflect the Group's commitment to environmental stewardship and operational efficiency.

Water Consumption

Water consumption of the Group is mainly for daily use in offices. Given the geographical location of the Group's operations, the Group is not aware of any issue in sourcing water that is fit for purpose. The performance of the Group's water consumption during the Year was summarised as follows:

	Unit[10]	**2025[11]**	2024[12]
Water consumption	m^3	**339**	936
Water consumption intensity	m^3/gross floor area[13]	**0.06**	N/A

Water consumption decrease is primarily driven by the impending completion of the UK project, which has streamlined water usage through optimised operational processes. To uphold sustainable development and fulfil corporate social responsibility, the Group set the Year as the baseline year and is committed to achieving the target of reducing water consumption intensity by 5% compared to the baseline year by the end of 2026.

[10] The unit conversion method of energy consumption data is formulated according to the "Energy Statistics Manual" released by the International Energy Agency

[11] The amounts represented the water consumed and controlled by the Group in its offices and property projects, as well as those used and reported by its contractors during the Year.

[12] The Group has revised its disclosure approach during the Year, rendering last year's disclosed data inapplicable.

[13] The gross floor area during the Year is 5,671 m^2, which will be adapted to other related intensity calculations as well.

To consume water responsibly throughout its operations and align with industry's best practices, the Group has formulated the following water conservation strategies across its offices and property projects:

- Conducted regular repair and maintenance of water pipes to prevent water leakage;
- Reused water to maximise utilization;
- Conduct inspections regularly and periodic reporting of water consumption and saving measures; and
- Promoted water-saving awareness and best practices by signage.

The Environment and Natural Resources

The Group aims at constantly improving operational efficiencies and reducing adverse operational impacts on the environment through its Environment and Natural Resources Policy with various initiatives, including the introduction of eco-friendly low-carbon measures to minimise wastage as well as promotion of resource-efficient and environmentally responsible green building design.

The Group advocates a corporate social responsibility to preserve the Group's environment and conserve natural resources that are important for sustainably maintaining biological diversity for the benefit and enjoyment of the present and future generations of the community.

Regular evaluation has been conducted to identify potential environmental risks, and timely mitigating actions are implemented. During the Year, the Group has dedicated its efforts to improving the following environmental issues:

Emissions, Waste, Energy, Water and Materials

The Group is aware that construction work has a huge impact on the environment and natural resources. As such, it has taken initiatives in joining the BREEAM, the world's leading science-based suite of validation and certification systems for the sustainable built environment, for its project in the UK. BREEAM specifies and measures the sustainability performance of buildings, ensuring that projects meet sustainability targets and continue to perform optimally over time. Moreover, the Group strives to reduce the delivery distance of construction materials to minimise the environmental impacts resulting from transportation.

Indoor Air Quality

The Group has recognised the importance of indoor air quality to human health:

- Used ventilating systems with a ventilation rate, which was 30% higher than the standard set by the American Society of Heating, Refrigerating and Air-Conditioning Engineers, in the Group's property projects;
- Committed to using materials with minimal or no Volatile Organic Compound ("VOC") to maintain high air quality;
- Engaged building managers to perform regular cleaning for dust filters, humidifiers and fans in offices;
- Applied photocatalyst and air purifiers to control airborne allergens, viruses, bacteria and odours; and
- Prohibited smoking at the workplace.

Noise Management

Construction activities may generate a significant level of noise, and therefore, the Group's contractors have been required to strictly follow the requirements of relevant regulations, in particular, the Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), the Law of the PRC On the Prevention and Control of Nosie Pollution, and the Environmental Protection Act 1990 and Control of Pollution Act 1974 in the UK.

Climate Change

Climate Change Management

Climate change remains a global challenge and could pose significant risks to the Group's operations and the community at large, particularly those brought about by extreme weather conditions. The Group recognises the need to adopt preventive measures to mitigate and adapt to environmental impacts arising across its operations. The Board and management oversight on climate issues is integrated into the Group's governance and risk management system, and mitigating the Group's impacts on climate change is firmly embedded within the business strategies. The Group also sees climate resilience as an opportunity, for leadership, to help contribute solutions to the climate crisis, and to strengthen relationships with like-minded stakeholders and customers. The Group has developed a Climate Change Policy which outlines its commitment to manage climate change risks and opportunities, and provides formal guidance on mitigation, adaptation, and resilience strategies to address those risks in line with the market practices.

As the Group's largest source of carbon emissions was Scope 2 emissions arising from purchased electricity, its management approaches to climate mitigation and energy saving were closely aligned. Moreover, to improve energy efficiency, the Group has considered climate-related impacts and addressed issues in the building lifecycle, from design and build, financing, and operation to building user engagement stages. The Group targeted to obtain BEAM Plus or BREEAM green building certifications for new buildings where possible, for example, Hyde Park has attained the BEAM Plus GOLD standard. Climate change considerations have also been actively integrated into the Group's procurement decisions, for example, local and regional construction materials with lower carbon footprints are preferred.

Acknowledging the increasing investors' awareness on the impact of climate-related risks and opportunities on businesses, the Group continues to make gradual progress in implementing the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), aiming to build long-term resilience and support the transition towards a low-carbon economy. Environmental risk factors including climate change are assessed annually. Based on the insights from risk assessment, the Group will continuously capture the opportunities to incorporate climate-friendly building and service designs, engage tenants, customers and suppliers to take climate actions, promote innovative technologies to reduce the environmental impact and utilise appropriate resources to accelerate its efforts to combat climate change. More information on the climate-related risks and the mitigation actions taken by the Group is set out in the section headed "Principle Risks and Uncertainties" in the "Management Discussion and Analysis" of this annual report.

SOCIAL

Being a socially responsible corporate citizen, the Group aims to build a mutually beneficial relationship with its key stakeholders.

EMPLOYMENT AND LABOUR PRACTICES

Employment

Employment Practices and Relations

The Group values high-quality talent as an important asset. A comprehensive Employee Handbook and Human Resources Policy has been developed covering various human resources aspects, including recruitment, compensation, promotion, working hours, rest period and equal opportunity as a guiding principle for reinforcing satisfaction, loyalty and commitment of its employees. No confirmed non-compliance or grievance cases were identified during the Year.

The following practices have been continuously adopted by the Group during the Year:

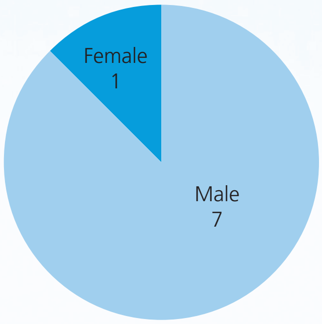
- Offered attractive and competitive remuneration packages to employees and reviewed at least annually with reference to individual performance, contribution, development, inflation and economic or market conditions; aiming at not only reinforcing satisfaction, loyalty and commitment of human capital, but also enhancing financial performance and reputation of the Group;
- Regularly reviewed annual leave policy with reference to the number of years of employment;
- Offered other fringe benefits to staff, including preventive check-up scheme, comprehensive medical and life insurance coverage and retirement fund contribution;
- Administered the procedures to enable the Directors and employees to exercise the granted share options as a motivation and to build a direct correlation between their rewards and the Group's performance;
- Presented long service awards as a token to appreciate the dedication and contribution of the loyal staff members serving the Group;
- Provided seasonal presents to staff members on special days and organised festive luncheons, such as during Chinese New Year;
- Advocate a good work-life balance through working 5 days a week; and
- Closed office early on festive occasions.

The Group is an equal opportunity employer and explicitly against any kind of discrimination on age, gender, marital status, race, nationality, religion, disability and family status. In addition, the Group's Board and Workforce Diversity Policy highlights its commitment to increasing diversity in order to support the attainment of its strategic objectives and sustainable development. In particular, gender diversity targets are set at the Board level (including the potential successors to the Board) and across the workforce. The progress of targets achievement is closely monitored by the Board and management, who will take immediate remedial actions if the targets could not be reached.

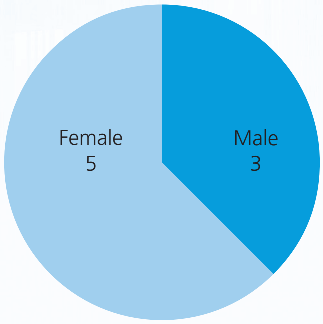
The Group encourages its staff to maintain a well-balanced life and supports its staff to actively pursue their personal development by participating in different roles and activities in the community. Moreover, the Group devotes to strengthen a sense of belonging of its staff by demonstrating care and support in all aspects.

As at 31 March 2025, the total number of employees of the Group was 119 (2024: 130). During the Year, total employee turnover rate was 25% (2024: 26%). Besides, the Group has achieved the target of having a mixed gender Board with at least one Director of a different gender on the Board and at least 20% of senior executives and total workforce of a different gender respectively.

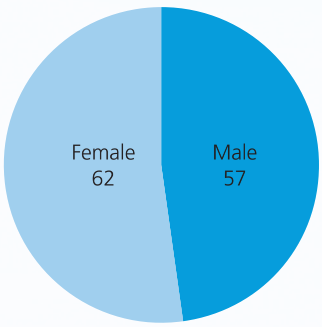
Number of Directors by Gender



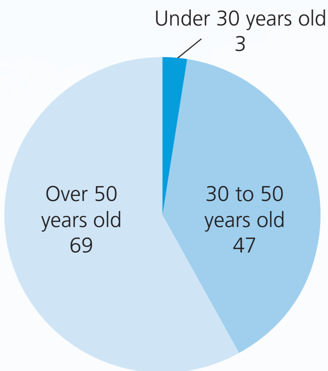
Total Number of Senior Executives by Gender (excluding Directors)



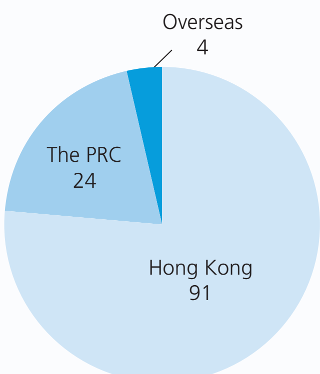
Total Number of Workforce by Gender



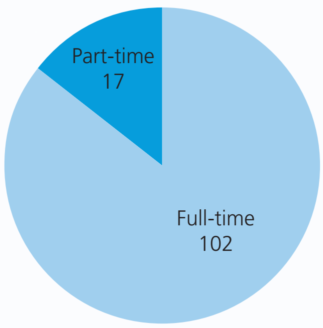
Total Number of Workforce by Age Group



Total Number of Workforce by Region



Total Number of Workforce by Employment Type



During the Year, the detailed turnover information is as follows:

	Unit	2025
Employee Turnover Rates[14]		
Total employee turnover rate	%	**25**
Employees Turnover Rate by Gender		
Male	%	**25**
Female	%	**26**
Employees Turnover Rate by Age Group		
Under 30 years old	%	**33**
30 to 50 years	%	**30**
Over 50 years old	%	**22**
Employees Turnover Rate by Geographical Region		
Hong Kong	%	**25**
The PRC	%	**25**
Overseas	%	**25**

Health and Safety

Workplace Health and Safety

The Group promotes a high degree of awareness and accountability of health and safety at work through its Health and Safety Policy, which consists of regular training, standard codes of practice and various health and safety measures to promote an injury-free culture.

The Group is committed to providing and maintaining a healthy and safe workplace for its staff and other people likely to be affected by its business activities and operations through the new or continuous implementation of the following measures:

- Offered adjustable sit-stand converters that allow the staff to work in a flexible position, with reference to medical advice;
- Applied photocatalyst and air purifiers, carried out periodic air-conditioning systems cleaning, floor care maintenance, pest control, carpet disinfection treatment, and engaged a professional service provider to conduct periodic office residual sanitation coating service for killing of viruses and bacteria to ensure a hygienic working environment;
- Participated in the annual fire and evacuation drill organised by the respective building managers to familiarise with the fire evacuation route and strengthen awareness of fire precaution; and
- Conducted regular inspections of the facilities and safety measures at its workplace.

The occupational safety and health-related policies and practices are regularly reviewed by the Group so that preventive and corrective measures are implemented to minimise occupational health and safety hazards. During the Year, the Group achieved zero work-related fatalities (2023 and 2024: 0) and had zero lost days due to work injury (2024: 0 day).

[14] The Group has changed the disclosure method during the Year for better comparison.

Development and Training

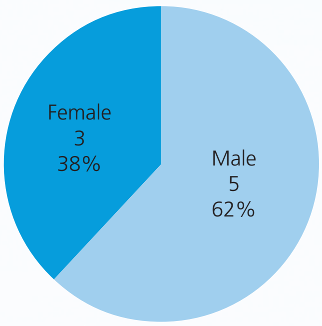
Talent Development

Employee development is an important investment in human capital. The Group has established its Development and Training Policy to reinforce its manpower and develop its human capital by providing in-house and external training and development courses, seminars, workshops and conferences to equip its staff members with knowledge, skills and experience in performing their job duties effectively and efficiently.

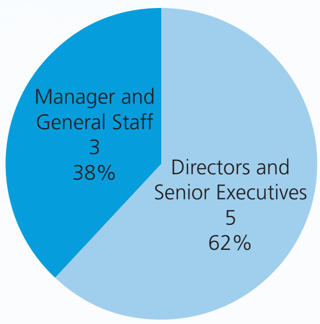
Corporate orientation programmes and briefings have been introduced to new staff to help them to familiarise themselves with the corporate culture and practices. Continuous professional development training programmes and briefings have been provided to the Directors and management of the Group whereas regular internal and external technical training sessions have been offered to the staff to facilitate their work.

During the Year, the total number of employees who attended training courses and webinars provided by the Group directly and indirectly was 8 (2024: 14), and the corresponding total number of training hours completed was 82.55 hours (2024: 113 hours).

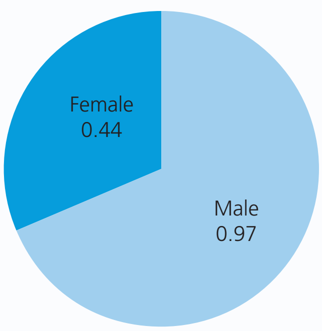
Number of Employees Trained by Gender



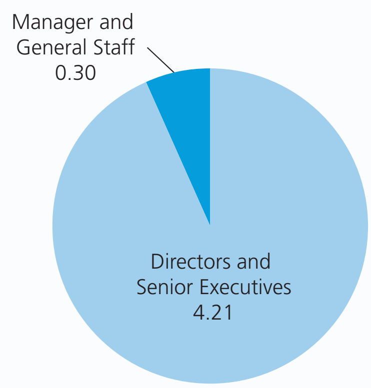
Number of Employees Trained by Employment Category



Average Training Hours by Gender



Average Training Hours by Employment Category



Labour Standards

No Child and Forced Labour

The Group respects human rights and strictly prohibits child and forced labour. A No Child and Forced Labour Policy has been established to ensure that no abuse, physical punishment and assignment of tasks with extremely high risks of all kinds are allowed in its workplace and business operations.

To ensure the Group is legally compliant with local laws and regulations, it has implemented effective controls in the recruitment process, for example, the applicant's identity is checked, including but not limited to his or her age and eligibility for employment. The Group also ensures that employees are given enough rest days and compensated for any overtime work, as required by local regulators. The Group was not aware of any operation or supplier having a significant risk of child labour, young workers exposed to hazardous work, or forced or compulsory labour during the Year.

OPERATING PRACTICES

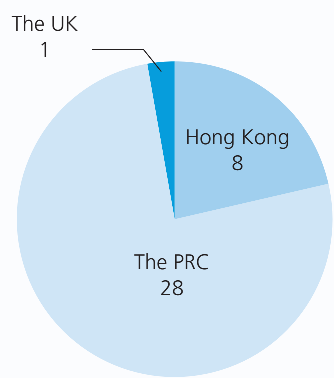
Supply Chain Management

Fair and Green Procurement Practices

The Group believes it is important to work with suppliers who demonstrate sound and ethical business practices and work toward the same sustainability targets. Through its Supply Chain Management Policy, the Group continues to work closely with its supply chain partners to facilitate its effective governance of supply chain practices as well as to execute green procurement for maintaining a high quality for its property projects and customer services, and to enhance responsibilities with its supply chain management system.

With the goals of adopting sustainable purchasing best practices, promoting responsible sourcing, and managing environmental and social risks along the supply chain effectively, the Group has diversified its procurement through different suppliers, and has established stringent procedures and consistent criteria such as cost, quality and life cycle impacts for the selection of suppliers with regular monitoring and review as key assessments of sustainability performance of all the suppliers. Periodic site visits of various suppliers are arranged, and key contractors are required to submit site supervision plans, safety management and quality monitoring proposals for the Group's review of performance. The Group gives priority in the selection process to products and services certified by recognised authorities such as FSC. It has further assured that the Group does not engage suppliers and contractors with known non-compliance with the applicable laws and regulations, including child and forced labour, discrimination, bribery, corruption or other unethical practices and environmental pollution.

Number of Suppliers by Region



Product Responsibility

Products and Services Standards

The Group has established its Products and Services Responsibility Policy to offer socially responsible products and services to the public and utmost business ethics when serving the public through its businesses and operations. During the Year, the recall procedures were not applicable to the Group's business and operations.

Customer Services

According to its Customer Services Policy, the Group strives to enhance customer experience by demonstrating professionalism, responsiveness and caring for its customers and stipulates the principle of delivering a high standard of customer services.

Adhering to its "Consistent, Comfort and Care" motto, the Group has placed customer satisfaction as a priority by enhancing customer satisfaction through various communication channels. There were no substantiated complaints received relating to the provision and use of products and services that have had a significant impact on the Group during the Year.

Data Privacy and Information Security

In view of high public concern over data privacy, especially in recent years, and according to the Data Privacy Policy, the Group strictly adheres to legal requirements relating to data privacy protection to fulfil its key stakeholders' expectations on information security and confidentiality.

The Group has ensured a high standard of security and confidentiality of personal data throughout its businesses and operations. The importance of data protection is emphasised on all employees in the Employee Handbook. The Group requires its staff to fully comply with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and similar overseas regulations in handling information of its Shareholders, business partners, customers and employees in the collection, processing, use and keeping of their data. All personal data collected through marketing activities or online platforms is handled appropriately following local regulatory requirements and can only be accessed by authorised people within the Group on a need-to-know and need-to-use basis. There were no complaints concerning breaches of customer privacy and losses of customer data during the Year.

Fair Marketing

The Group has strictly followed the Residential Properties (First-hand Sales) Ordinance (Chapter 621 of the Laws of Hong Kong) and similar overseas regulations which require provision of true and accurate information in marketing materials of properties, including sales brochures and leaflets, price lists, show flats, promotion advertisements and registers of sales transactions, etc.

Protection of Intellectual Property Rights

The Group observes and protects its intellectual property rights by prolonged use and registration of domain names and trademarks. It has applied and/or registered trademarks in various classes in Hong Kong, the PRC and other relevant jurisdictions. Such domain names and trademarks have been constantly reviewed and renewed upon their expiration. The Group has also maintained proper records of software applications and renewed the corresponding licenses before expiry during the Year. In addition, all employees must respect, not infringe, copyright work and comply with all applicable laws and regulations stipulated in the Employee Handbook.

Anti-corruption

Anti-bribery and Anti-corruption

In order to cultivate an ethical corporate culture and maintain a fair and equitable business environment, the Group has established its Code of Conduct, Anti-corruption Policy, and Anti-Money Laundering and Counter-Terrorist Financing Policy to promote and support the anti-bribery and anti-corruption related laws and regulations in order to counter bribery, corruption, extortion, money-laundering, terrorist financing, competitive activities and other fraudulent activities. Under these policies, the Group is committed to preventing, detecting and reporting any actual or suspected case of fraud, irregularity, misconduct or malpractice, with zero tolerance for any case of corruption and related malpractice.

The Group has required its staff to possess a high ethical standard and demonstrate professional conduct in its businesses and operations. Employees have been reminded not to have any form of corruption including but not limited to request or accept of benefits of material value from any parties having business transactions with the Group. All staff members are required to sign the Code of Conduct Declaration Form upon recruitment to demonstrate their full understanding and compliance with the Group's ethical standard. To further reinforce this message, the Group has provided relevant reference information including anti–fraud, anti-bribery, anti-corruption and anti-money laundering topics to the Directors and employees. The Group also keeps all Directors updated with the latest anti-corruption information, regulatory changes, and best practices. In addition, the Group will provide anti-corruption training to its employees and Directors, actively sourcing materials and sessions to enhance awareness and compliance with these standards.

A Whistle-blowing Policy and mechanism have been established to provide formal channels and guidance to the employees and other parties who deal with the Group on reporting about any possible impropriety, misconduct or malpractice. The Group respects that whistleblowers may wish to file their concerns in confidence and anonymity. It is committed to protecting individuals who make complaints in good faith from any unfair treatment. All whistleblowing cases will be sent to the Group's Compliance Department who will send the reported matters to the Audit Committee when and where appropriate. The Audit Committee will decide appropriate course of action in consequence of the investigation and further report to the Board. There were no cases of bribery or corruption reported, nor were any legal cases regarding corrupt practices brought against the Group or its employees during the Year.

COMMUNITY

Community Investment

Corporate Citizenship

As a long-standing supporter of a number of charity groups, the Group has established its Community Investment Policy which sets out its mission of leveraging its resources to improve the community in which it operates.

The Group is strongly committed to various charitable services, donations, fundraising, sponsorships and volunteering services, for example, it participated in Dress Casual Day organised by The Community Chest where staff members voluntarily made donations of HK$13,300.

STOCK EXCHANGE ESG REPORTING CODE CONTENT INDEX

ESG indicator		Disclosure	Location in the ESG Report
A1 General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	• Emissions
A1.1	The types of emissions and respective emissions data.	Disclosed	• Air Emissions • Greenhouse Gas Emissions
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	• Waste Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	• Waste Management
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Disclosed	• Emissions • Waste Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosed	• Waste Management
A2 General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	• Use of Resources
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	• Energy Consumption
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	• Water Consumption
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	• Energy Consumption
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Disclosed	• Water Consumption
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Disclosed	• The Group did not use packaging materials during the Year due to its business nature.

ESG indicator		Disclosure	Location in the ESG Report
A3 General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	• The Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	• Emissions, Waste, Energy, Water and Materials • Indoor Air Quality • Noise Management
B1 General disclosure	Policies on remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare and compliance with relevant laws and regulations that have a significant impact on issuers.	Disclosed	• Employment
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Disclosed	• Employment Practices and Relations
B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	• Employment Practices and Relations
B2 General disclosure	Policies on providing a safe working environment and protecting employees from occupational hazards and compliance with relevant laws and regulations that have a significant impact on issuers.	Disclosed	• Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	• Workplace Health and Safety
B2.2	Lost days due to work injury.	Disclosed	• Workplace Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	• Workplace Health and Safety
B3 General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	• Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	• Talent Development
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	• Talent Development

ESG indicator		Disclosure	Location in the ESG Report
B4 General disclosure	Policies on preventing child and forced labour and compliance with relevant laws and regulations that have a significant impact on issuers.	Disclosed	• Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	• No Child and Forced Labour
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	• No Child and Forced Labour
B5 General disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	• Supply Chain Management
B5.1	Number of suppliers by geographical regions.	Disclosed	• Fair and Green Procurement Practices
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosed	• Fair and Green Procurement Practices
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	• Fair and Green Procurement Practices
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	• Fair and Green Procurement Practices
B6 General disclosure	Policies on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress and compliance with relevant laws and regulations that have a significant impact on issuers.	Disclosed	• Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosed	• Products and Services Standards
B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	• Customer Services
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	• Protection of Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Disclosed	• Products and Services Standards • Customer Services • Fair Marketing
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	• Data Privacy and Information Security

ESG indicator		Disclosure	Location in the ESG Report
B7 General disclosure	Policies on bribery, extortion, fraud and money laundering and compliance with relevant laws and regulations that have a significant impact on issuers.	Disclosed	• Anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Disclosed	• Anti-bribery and Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	• Anti-bribery and Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	• Anti-bribery and Anti-corruption
B8 General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Disclosed	• Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	• Corporate Citizenship
B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	• Corporate Citizenship

Climate-related Disclosures		Disclosure	Location in the ESG Report
I. Governance **19.** An issuer shall disclose information about:			
(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about;	Disclosed	• Governance • ESG Governance Structure
(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Disclosed	
(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Disclosed	

Climate-related Disclosures		Disclosure	Location in the ESG Report
(iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	Disclosed	• Governance • ESG Governance Structure
(iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and	Disclosed	
(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about;	Disclosed	
(i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Disclosed	
(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Disclosed	
II. Strategy **20.** An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:			
(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Disclosed	• Climate Change
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Disclosed	• Climate Change
(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.

Climate-related Disclosures		Disclosure	Location in the ESG Report
Business model and value chain **21.** An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:			
(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Disclosed	• Climate Change
(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
Strategy and decision making **22.** An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:			
(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;		
(ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);		
(iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and		
(iv)	how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Disclosed	• Greenhouse Gas Emissions • Climate Change
(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.

Climate-related Disclosures		Disclosure	Location in the ESG Report
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).		Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
Financial position, financial performance and cash flows **24.** An issuer shall disclose qualitative and quantitative information about:			
(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.		
25. The issuer shall provide qualitative and quantitative disclosures about:			
(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration;	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(i)	its investment and disposal plans; and		
(ii)	its planned sources of funding to implement its strategy; and		
(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.		

Climate-related Disclosures		Disclosure	Location in the ESG Report
Climate resilience **26.** An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:			
(a)	the issuer's assessment of its climate resilience at the reporting date, which shall enable an understanding of:	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(i)	the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;		
(ii)	the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and		
(iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; and		
(b)	how and when the climate-related scenario analysis was carried out, including:		
(i)	information about the inputs used, including:		
(1)	which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;		
(2)	whether the analysis included a diverse range of climate-related scenarios;		
(3)	whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;		
(4)	whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;		
(5)	why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;		
(6)	time horizons the issuer used in the analysis; and		

Climate-related Disclosures		Disclosure	Location in the ESG Report
(7)	what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(ii)	the key assumptions the issuer made in the analysis; and		
(iii)	the reporting period in which the climate-related scenario analysis was carried out.		
III. Risk Management **27.** An issuer shall disclose information about:			
(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about;	Disclosed	• Governance • ESG Governance Structure
(i)	the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;		
(iii)	how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);		
(iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;		
(v)	how the issuer monitors climate-related risks; and	Disclosed	• Governance • ESG Governance Structure
(vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and		
(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Disclosed	• Governance • ESG Governance Structure

Climate-related Disclosures		Disclosure	Location in the ESG Report
IV. Metrics and Targets **Greenhouse gas emissions** **28.** An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:			
(a)	Scope 1 greenhouse gas emissions;	Disclosed	• Greenhouse Gas Emissions
(b)	Scope 2 greenhouse gas emissions; and		
(c)	Scope 3 greenhouse gas emissions.		
29. An issuer shall:			
(a)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Disclosed	• Greenhouse Gas Emissions
(b)	disclose the approach it uses to measure its greenhouse gas emissions including:		
(i)	the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;		
(ii)	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and		
(iii)	any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;		
(c)	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and		
(d)	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).		

Climate-related Disclosures	Disclosure	Location in the ESG Report
Climate-related transition risks **30.** An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
Climate-related physical risks **31.** An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Not yet disclosed	
Climate-related opportunities **32.** An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Not yet disclosed	
Capital deployment **33.** An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Not yet disclosed	
Internal Carbon prices **34.** An issuer shall disclose:		
(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;		
Remuneration **35.** An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Not yet disclosed	
Industry-based metrics **36.** An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Not yet disclosed	• The Group will review and adopt industry-based metrics when applicable.

Climate-related Disclosures		Disclosure	Location in the ESG Report
Climate-related targets **37.** An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:		Disclosed	• Greenhouse Gas Emissions
(a)	the metric used to set the target;		
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);		
(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);		
(d)	the period over which the target applies;		
(e)	the base period from which progress is measured;		
(f)	milestones or interim targets (if any);		
(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.		
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:		Disclosed	• Greenhouse Gas Emissions
(a)	whether the target and the methodology for setting the target has been validated by a third party;	Not yet disclosed	• The Group remains committed to transparency and will disclose related information once appropriate.
(b)	the issuer's processes for reviewing the target;	Disclosed	• Greenhouse Gas Emissions
(c)	the metrics used to monitor progress towards reaching the target; and		
(d)	any revisions to the target and an explanation for those revisions.		
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.		Disclosed	

<table>
<tr><th colspan="2">Climate-related Disclosures</th><th>Disclosure</th><th>Location in the ESG Report</th></tr>
<tr><td colspan="4">40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</td></tr>
<tr><td>(a)</td><td>which greenhouse gases are covered by the target;</td><td rowspan="3">Disclosed</td><td rowspan="3">• Greenhouse Gas Emissions</td></tr>
<tr><td>(b)</td><td>whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;</td></tr>
<tr><td>(c)</td><td>whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;</td></tr>
<tr><td>(d)</td><td>whether the target was derived using a sectoral decarbonisation approach; and</td><td rowspan="6">Not yet disclosed</td><td rowspan="6">• The Group remains committed to transparency and will disclose related information once appropriate.</td></tr>
<tr><td>(e)</td><td>the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:</td></tr>
<tr><td>(i)</td><td>the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;</td></tr>
<tr><td>(ii)</td><td>which third-party scheme(s) will verify or certify the carbon credits;</td></tr>
<tr><td>(iii)</td><td>the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and</td></tr>
<tr><td>(iv)</td><td>any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).</td></tr>
<tr><td colspan="2">Applicability of cross-industry metrics and industry-based metrics
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</td><td>Not yet disclosed</td><td>• The Group will adopt cross-industry metrics and industry-based metrics when applicable based on the business nature.</td></tr>
</table>

Deloitte. 德勤

TO THE MEMBERS OF ITC PROPERTIES GROUP LIMITED
德祥地產集團有限公司
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of ITC Properties Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 84 to 184, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Qualified Opinion on the Consolidated Financial Performance

In our opinion, except for the possible effects of the matters described in the Basis for Opinions, Including Basis for Qualified Opinion on the Consolidated Financial Performance section of our report, the consolidated financial statements give a true and fair view of the consolidated financial performance of the Group for the year ended 31 March 2025 in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Opinion on the Financial Position and Consolidated Cash Flows

In our opinion, the consolidated statement of financial position gives a true and fair view of the consolidated financial position of the Group as at 31 March 2025 and of its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the HKICPA and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINIONS, INCLUDING BASIS FOR QUALIFIED OPINION ON THE CONSOLIDATED FINANCIAL PERFORMANCE

The Group held a 20% equity interest in Rosedale Hotel Beijing Co., Ltd. ("Rosedale Beijing") as at 31 March 2024 and 2025.

The Group's interest in Rosedale Beijing was classified as an associate in the consolidated financial statements as at 31 March 2024. Given the circumstances as detailed in Note 19(a) to the consolidated financial statements, the Group did not account for any results of Rosedale Beijing shared by the Group for the year ended 31 March 2024 and recognised a full impairment of HK$136,223,000 in relation to its interest in Rosedale Beijing in profit or loss during the year ended 31 March 2024, in which the carrying amount of its interest in Rosedale Beijing was reduced to nil in the consolidated statement of financial position as at 31 March 2024. As set out in our auditor's report dated 28 June 2024 on the Group's consolidated financial statements for the year ended 31 March 2024, we have previously qualified our opinion due to the limitation on the scope of our audit as we were unable to obtain sufficient appropriate audit evidence to assess the financial performance and financial position of Rosedale Beijing and assess impairment on interest in Rosedale Beijing, and we were unable to determine whether any adjustments to interest in Rosedale Beijing as at 31 March 2024, any share of the results of Rosedale Beijing and impairment loss of Rosedale Beijing for the year ended 31 March 2024 recorded in the consolidated financial statements of the Group for the year ended 31 March 2024 were necessary. In addition, we were also unable to determine whether the related disclosures in the consolidated financial statements of the Group for the year ended 31 March 2024 were sufficient and appropriate.

BASIS FOR OPINIONS, INCLUDING BASIS FOR QUALIFIED OPINION ON THE CONSOLIDATED FINANCIAL PERFORMANCE *(Continued)*

During the year ended 31 March 2025, the Group has initiated legal actions against Rosedale Beijing and the Major Shareholder (as defined in Note 4 to the consolidated financial statements) as detailed in Note 19(a) to the consolidated financial statements, and given the situations of Rosedale Beijing have not improved, the Group determined that the carrying amount of its interest in Rosedale Beijing remained as nil as at the date of derecognition of Rosedale Beijing as an associate (the "Date of Derecognition") when the Group ceased to have significant influence over Rosedale Beijing. The Group's interest in Rosedale Beijing was accounted for as an equity investment measured at fair value through profit or loss upon derecognition of Rosedale Beijing as an associate and as at 31 March 2025, as detailed in Notes 4 and 17 to the consolidated financial statements. Given the lack of sufficient appropriate audit evidence to support the carrying amount of the Group's interest in Rosedale Beijing classified as an associate as at 31 March 2024 in the previous year's management's assessment, as of the date of this report, we were unable to determine whether any adjustments were necessary to the opening balance of the Group's interests in associates as at 1 April 2024, which would consequentially impact whether (a) share of results of Rosedale Beijing during the period from 1 April 2024 to the Date of Derecognition or (b) any gain or loss arising on derecognition of Rosedale Beijing as an associate or (c) any fair value change on Rosedale Beijing accounted for as financial assets measured at fair value through profit or loss for the period upon the Date of Derecognition to the year ended 31 March 2025 should be recognised in the consolidated financial statements of the Group for the year ended 31 March 2025. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves concerning the loss for the year ended 31 March 2025. In addition, we were also unable to determine whether the related disclosures in the consolidated financial statements of the Group for the year ended 31 March 2025 were sufficient and appropriate.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the consolidated financial position and our qualified opinion on the consolidated financial performance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 1 to the consolidated financial statements, which indicates that during the year ended 31 March 2025, the Group reported a loss of HK$909,768,000 and, as of that date, the Group's current liabilities exceeded its current assets by HK$56,482,000. As at 31 March 2025, the Group's aggregate bank and other borrowings amounted to HK$926,241,000, of which balance of HK$759,571,000 were due for settlement within twelve months and were classified as current liabilities while the Group had cash and cash equivalents amounting to HK$47,652,000. As at 31 March 2025, certain of the Group's secured bank and other borrowings with carrying amounts of HK$391,300,000 was overdue. The Group's ability to continue as a going concern is highly dependent on its ability to have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. To continue mitigating the liquidity risk of the Group and to improving the financial position of the Group, the Group has taken plans and measures on an ongoing basis, including disposal of properties, maintaining business activities, seeking refinancing and control on administrative and operating costs, with details as described in Note 1 to the consolidated financial statements, in order to ensure that the Group has sufficient financial resources to finance its operations and to meet its financial obligations as and when they fall due at least twelve months from the date of approval of the consolidated financial statements. The directors of the Company have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors of the Company continue to adopt the going concern basis of accounting in preparing the consolidated financial statements of the Group. However, these conditions, along with other matters as set forth in Note 1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Opinions, Including Basis for Qualified Opinion on the Consolidated Financial Performance section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties We identified the valuation of investment properties of the Group as a key audit matter due to the significant management estimates involved in the valuation of investment properties. As at 31 March 2025, the investment properties of the Group were carried at their fair value amounting to HK$417,000,000. Referring to Notes 4 and 16 to the consolidated financial statements, the fair value of the investment properties was determined based on valuation on these properties conducted by an independent professional valuer engaged by the Group using direct comparison method based on comparable market transactions of similar properties with adjustments to reflect the conditions and locations of the subject properties.	Our procedures in relation to valuation of investment properties included: • Evaluating the competence, capabilities and objectivity of the independent professional valuers; • Understanding management's process for reviewing the work of the independent professional valuers; and • Evaluating the valuation techniques and assessing the reasonableness of key inputs used in the valuation by checking to relevant information of market sale transactions of comparable properties and other market data with the involvement of our internal valuation specialists.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Opinions, Including Basis for Qualified Opinion on the Consolidated Financial Performance section of our report above, we were unable to obtain sufficient appropriate evidence about (a) share of results of associates or (b) any gain or loss arising on derecognition of Rosedale Beijing as an associate or (c) any fair value change on Rosedale Beijing accounted for as financial assets measured at fair value through profit or loss should be recognised in the consolidated financial statements of the Group for the year ended 31 March 2025 which would have a consequential impact to the loss for the year ended 31 March 2025. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is WONG, Kuen (practising certificate number: P05742).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
Revenue	5 & 6	**398,064**	111,078
Property income	6	**389,527**	100,081
Direct cost for property income		**(735,820)**	(156,770)
Gross loss for property income		**(346,293)**	(56,689)
Interest revenue from loan financing	6	**8,537**	10,997
Net fair value loss on financial instruments	7	**(11,185)**	(21,776)
Other income, gains and losses	8	**(41,570)**	(50,841)
Gain on compensation on resumption of land use rights	22	**223,544**	–
Impairment losses under expected credit loss model, net	33(b)	**(28,093)**	(1,409)
Loss on disposal of interest in a joint venture	18	**(220,073)**	–
Loss on partial disposal of interests in joint ventures	18	**(101,899)**	–
Loss on disposal of interest in an associate	19	**–**	(13,750)
Impairment loss of interest in an associate	19	**–**	(136,223)
Decrease in fair value of investment properties	16	**(52,000)**	(134,000)
Administrative and general expenses		**(186,740)**	(229,187)
Finance costs	9	**(126,159)**	(85,489)
Share of results of associates		**99,896**	40,628
Share of results of joint ventures		**(68,595)**	(78,763)
Loss before taxation		**(850,630)**	(756,502)
Taxation	10	**(59,138)**	74,199
Loss for the year	11	**(909,768)**	(682,303)
Loss for the year attributable to:			
Owners of the Company		**(812,982)**	(644,886)
Non-controlling interests		**(96,786)**	(37,417)
		(909,768)	(682,303)
Loss per share	14		
– Basic (HK dollar)		**(0.90)**	(0.71)
– Diluted (HK dollar)		**(0.90)**	(0.71)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 *HK$'000*	2024 *HK$'000*
Loss for the year	**(909,768)**	(682,303)
Other comprehensive (expense) income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(25,322)**	(42,892)
Exchange differences arising on translation for associates and joint ventures	**2,160**	(1,843)
Reclassification of cumulative translation reserve upon disposal of foreign operations	**30,535**	4,691
Reclassification of cumulative translation reserve upon reduction of capital of a foreign operation	**49,387**	–
Other comprehensive income (expense) for the year	**56,760**	(40,044)
Total comprehensive expense for the year	**(853,008)**	(722,347)
Total comprehensive expense for the year attributable to:		
Owners of the Company	**(754,599)**	(673,897)
Non-controlling interests	**(98,409)**	(48,450)
	(853,008)	(722,347)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	NOTES	**2025** ***HK$'000***	2024 *HK$'000*
Non-current assets			
Property, plant and equipment	15	**133,812**	430,089
Investment properties	16	**417,000**	469,000
Equity and fund investments	17	**28,486**	34,942
Interests in joint ventures	18	**56,885**	366,534
Amounts due from joint ventures	18	**718,548**	890,350
Interests in associates	19	**1,007,916**	908,025
Amount due from an associate	19	**46,002**	36,802
Other non-current assets	21	**18,260**	58,334
		2,426,909	3,194,076
Current assets			
Deposits paid for acquisition of leasehold land	22	**–**	280,087
Stock of properties	23	**390,300**	1,001,426
Other loan receivables	20	**79,105**	120,977
Debtors, deposits and prepayments	24	**566,228**	68,573
Amounts due from associates	19	**35,657**	35,630
Equity and fund investments	17	**19,463**	24,385
Cash and cash equivalents	25	**47,652**	24,743
		1,138,405	1,555,821
Current liabilities			
Creditors, deposits and accrued charges	26	**288,752**	236,678
Amount due to a joint venture	18	**20,773**	20,323
Tax payables		**117,278**	58,670
Lease liabilities	27	**8,513**	1,876
Bank and other borrowings	28	**759,571**	1,037,910
		1,194,887	1,355,457
Net current (liabilities) assets		**(56,482)**	200,364
Total assets less current liabilities		**2,370,427**	3,394,440

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	NOTES	**2025** **HK$'000**	2024 HK$'000
Non-current liabilities			
Lease liabilities	27	**2,251**	1,422
Bank and other borrowings	28	**166,670**	324,258
		168,921	325,680
		2,201,506	3,068,760
Capital and reserves			
Share capital	30	**9,072**	9,072
Reserves		**2,149,362**	2,921,034
Equity attributable to owners of the Company		**2,158,434**	2,930,106
Non-controlling interests		**43,072**	138,654
		2,201,506	3,068,760

The consolidated financial statements on pages 84 to 184 were approved and authorised for issue by the board of directors on 27 June 2025 and are signed on its behalf by:

CHEUNG HON KIT
DIRECTOR

LAW HON WA, WILLIAM
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company												
	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000 (note i)	Capital redemption reserve HK$'000	Share-based payment reserve HK$'000	Investment revaluation reserve HK$'000	Other reserve HK$'000	Special reserve HK$'000 (note ii)	Translation reserve HK$'000	Retained profits (accumulated losses) HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2023	9,126	3,326,979	113,020	9,845	1,546	(323,235)	3,348	(8,908)	(76,222)	552,860	3,608,359	187,104	3,795,463
Loss for the year	–	–	–	–	–	–	–	–	–	(644,886)	(644,886)	(37,417)	(682,303)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	–	(31,859)	–	(31,859)	(11,033)	(42,892)
Exchange differences arising on translation for associates and joint ventures	–	–	–	–	–	–	–	–	(1,843)	–	(1,843)	–	(1,843)
Reclassification of cumulative translation reserve upon disposal of foreign operations	–	–	–	–	–	–	–	–	4,691	–	4,691	–	4,691
Total comprehensive expense for the year	–	–	–	–	–	–	–	–	(29,011)	(644,886)	(673,897)	(48,450)	(722,347)
Recognition of equity-settled share-based payments (Note 31)	–	–	–	–	99	–	–	–	–	–	99	–	99
Transfer on lapse of share options	–	–	–	–	(99)	–	–	–	–	99	–	–	–
Repurchase and cancellation of shares (Note 30)	(54)	(4,401)	–	54	–	–	–	–	–	(54)	(4,455)	–	(4,455)
At 31 March 2024	9,072	3,322,578	113,020	9,899	1,546	(323,235)	3,348	(8,908)	(105,233)	(91,981)	2,930,106	138,654	3,068,760
Loss for the year	–	–	–	–	–	–	–	–	–	(812,982)	(812,982)	(96,786)	(909,768)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	–	(23,699)	–	(23,699)	(1,623)	(25,322)
Exchange differences arising on translation for associates and joint ventures	–	–	–	–	–	–	–	–	2,160	–	2,160	–	2,160
Reclassification of cumulative translation reserve upon disposal of foreign operations	–	–	–	–	–	–	–	–	30,535	–	30,535	–	30,535
Reclassification of cumulative translation reserve upon reduction of capital of a foreign operation (Note 8)	–	–	–	–	–	–	–	–	49,387	–	49,387	–	49,387
Total comprehensive income (expense) for the year	–	–	–	–	–	–	–	–	58,383	(812,982)	(754,599)	(98,409)	(853,008)
Transfer on lapse of share options	–	–	–	–	(196)	–	–	–	–	196	–	–	–
Acquisition of additional interest in a subsidiary	–	–	–	–	–	–	(3,348)	–	–	–	(3,348)	2,947	(401)
Partial disposal of a subsidiary without loss of control	–	–	–	–	–	–	(13,725)	–	–	–	(13,725)	(120)	(13,845)
At 31 March 2025	9,072	3,322,578	113,020	9,899	1,350	(323,235)	(13,725)	(8,908)	(46,850)	(904,767)	2,158,434	43,072	2,201,506

Notes:

(i) The contributed surplus of ITC Properties Group Limited (the "Company") and its subsidiaries (collectively the "Group") represents the credit arising from capital reduction pursuant to the capital reorganisation on 13 March 2010.

(ii) Special reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal amount of the share capital of the Company issued as consideration under the group reorganisation in prior years.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES			
Loss before taxation		**(850,630)**	(756,502)
Adjustments for:			
Net decrease in fair values of financial assets at fair value through profit or loss ("FVTPL")		**6,263**	16,216
Decrease in fair value of investment properties		**52,000**	134,000
Depreciation of property, plant and equipment		**16,028**	24,556
Finance costs		**126,159**	85,489
Interest income		**(27,031)**	(31,829)
Loss on disposal of interest in an associate	19	**–**	13,750
Loss on tax indemnity asset written off		**–**	66,744
Loss (gain) on disposal of property, plant and equipment		**302**	(36)
Loss on disposal of subsidiaries	21	**4,556**	–
Loss on disposal of interest in a joint venture	18	**220,073**	–
Loss on partial disposal of interests in joint ventures	18	**101,899**	–
Gain on compensation on resumption of land use rights		**(223,544)**	–
Decrease in fair value of an amount due from a joint venture		**6,415**	7,957
Net foreign exchange loss (gain)		**55,666**	(231)
Impairment loss of property, plant and equipment		**34,305**	46,407
Impairment loss of interest in an associate		**–**	136,223
Impairment loss of deposits paid for acquisition of leasehold land		**–**	59,928
Impairment losses under expected credit loss model, net		**28,093**	1,409
Share-based payment expenses		**–**	99
Share of results of associates		**(99,896)**	(40,628)
Share of results of joint ventures		**68,595**	78,763
Operating cash flows before movements in working capital		**(480,747)**	(157,685)
Decrease in stock of properties		**620,042**	33,634
Decrease in other loan receivables		**–**	29,547
(Increase) decrease in debtors, deposits and prepayments		**(36,447)**	40,307
Decrease in equity investments held for trading		**4,922**	6,412
Increase (decrease) in creditors, deposits and accrued charges		**18,768**	(14,053)
Cash from (used in) operations		**126,538**	(61,838)
Interest received		**8,537**	12,615
Income tax (paid) refunded		**(70)**	2,730
NET CASH FROM (USED IN) OPERATING ACTIVITIES		**135,005**	(46,493)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		**261,065**	117
Compensation on resumption of land use rights		**106,054**	–
Proceeds from disposal of a joint venture		**34,482**	–
Proceeds from partial disposal of joint ventures		**28,053**	–
Refund of refundable earnest money		**21,598**	–
Repayment from joint ventures		**19,491**	3,200
Proceeds from disposal of a subsidiary	21	**15,000**	–
Withdrawal of restricted bank balance		**10,090**	–
Dividend received from a joint venture		**8,270**	–
Interest received		**749**	1,257
Distribution from an associate		**7**	–
Proceeds from redemption of an unlisted investment fund		**–**	1,147
Dividend received from an associate		**–**	2,143
Return of capital from an unlisted investment fund		**–**	4,357
Capital repatriation from a joint venture	18	**–**	29,005
Proceeds from disposal of an associate	19	**–**	49,841
Purchase of property, plant and equipment		**(120)**	(2,135)
Investments in joint ventures		**(2,344)**	(3,625)
Advances to associates		**(9,227)**	(34,026)
Placement of restricted bank balance		**(19,959)**	–
Advances to joint ventures		**(21,949)**	(30,380)
NET CASH FROM INVESTING ACTIVITIES		**451,260**	20,901
FINANCING ACTIVITIES			
Repayment of bank and other borrowings		**(747,720)**	(208,386)
Interest paid		**(107,465)**	(87,887)
Net cash outflow on acquisition of non-controlling interests		**(20,159)**	–
Repayment of lease liabilities, including related interests		**(8,570)**	(2,644)
Repayment to non-controlling interests		**(7,738)**	–
Repurchase of shares		**–**	(4,455)
Advances from an associate		**–**	141,986
Advances from joint ventures		**450**	12,033
Proceeds from partial disposal of a subsidiary without loss of control		**8,000**	–
Advances from non-controlling interests		**28,809**	4,813
New bank and other borrowings raised		**293,673**	133,736
NET CASH USED IN FINANCING ACTIVITIES		**(560,720)**	(10,804)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**25,545**	(36,396)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**24,743**	61,073
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(2,636)**	66
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash		**47,652**	24,743

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Company was incorporated in Bermuda with limited liability and its issued shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock Code: 199). The ultimate controlling shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) of the Company (the "Controlling Shareholders") are Dr. Chan Kwok Keung, Charles ("Dr. Chan") and his associates (as defined in the Listing Rules). The addresses of the registered office and the principal place of business in Hong Kong of the Company are disclosed in the "Corporate Information" section of this annual report.

The consolidated financial statements have been presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

The Company is an investment holding company. The Company and its subsidiaries (collectively the "Group") together with joint ventures and associates are principally engaged in development of, selling of and investment in properties in Macau Special Administrative Region of the PRC (as defined below) ("Macau"), Hong Kong Special Administrative Region of the PRC ("Hong Kong"), the People's Republic of China (the "PRC") and Canada; securities investments and provision of loan financing services. The principal activities of the Company's principal subsidiaries are set out in Note 42.

Going concern assessment

In preparing the consolidated financial statements, the directors of the Company (the "Directors") have given careful consideration to the future liquidity, the financial position, and the available sources of financing of the Group in assessing the Group's ability to continue as a going concern. As detailed in Note 33(b), based on the plans and measures undertaken by the Group during the year ended 31 March 2025, the Group has improved considerably its liquidity position. However, as a result of recognising gross loss for property income of HK$346,293,000, decrease in fair value of investments properties of HK$52,000,000, loss on partial disposal and disposal of its interests in joint ventures of HK$321,972,000 in aggregate, impairment loss of property, plant and equipment of HK$34,305,000, gain on compensation on resumption of land use rights of HK$223,544,000, net of tax of HK$59,114,000, and together with other items as disclosed in the consolidated financial statements, during the year ended 31 March 2025, the Group reported a loss of HK$909,768,000 and, as of that date, the Group's current liabilities exceeded its current assets by HK$56,482,000. As at 31 March 2025, the Group's aggregate bank and other borrowings amounted to HK$926,241,000, of which balance of HK$759,571,000 were due for settlement within twelve months and were classified as current liabilities while the Group had cash and cash equivalents amounting to HK$47,652,000. As further set out in Note 28, as at 31 March 2025, certain of the Group's bank borrowings with carrying amounts of HK$391,300,000 was overdue.

In view of the above circumstances, in order to continue mitigating the Group's liquidity risk and its financial position, the Group has taken the following plans and measures on an ongoing basis:

(i) *Disposal of properties*
The Group will sell its properties as a strategic move in order to realise the tied-up capital and value. This strategy will allow the Group to efficiently manage its assets, potentially enhance its liquidity and provide additional financial resources.

(ii) *Maintaining business activities*
The Group expects to continue to enhance its liquidity and operating cash flows for the next twelve months from sales of stock of properties.

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Going concern assessment *(Continued)*

(iii) Seeking refinancing

The Group has been actively seeking to refinance the existing facilities before maturity. Up to the date of approval of the consolidated financial statements, the Group has not received any demand for immediate repayment of its borrowing of HK$391,300,000 which was overdue during the year ended 31 March 2025. As at 31 March 2025, such bank borrowing was secured by the Group's properties of HK$537,000,000. The Group continues to negotiate with the lenders of existing borrowings for refinancing and other lenders for new financing.

(iv) Control on administrative and operating costs

The Group will continue to take active measures to control administrative and operating costs through various channels.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from the date of approval of the consolidated financial statements. The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the liquidity needs of the Group will be managed and the financial position of the Group will be improved. Also, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from the date of approval of the consolidated financial statements. Accordingly, the Directors have, at the date of approval of the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements of the Group.

Significant uncertainties exist as to whether the Group will be able to achieve its plans and measures as described above. If the above-mentioned plans and measures could not be implemented successfully as planned, the Group would be unable to finance its operations or meet its financial obligations as and when they fall due during its ordinary course of business. The above events and conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current liabilities as current liabilities with consideration of the contractual terms, or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)" (the "2020 Amendments") and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year. The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within twelve months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 "*Financial Instruments: Presentation*".

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year *(Continued)*

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

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the Directors anticipate that the application of all the other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 "Presentation and Disclosure in Financial Statements" ("HKFRS 18")

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "*Presentation of Financial Statements*" ("HKAS 1"). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 "*Accounting Policies, Changes in Accounting Estimates and Errors*" and HKFRS 7 "*Financial Instruments: Disclosures*". Minor amendments to HKAS 7 "*Statement of Cash Flows*" and HKAS 33 "*Earnings per Share*" are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "*Share-based Payment*", leasing transactions that are accounted for in accordance with HKFRS 16 *"Lease"* ("HKFRS 16"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "*Inventories*" ("HKAS 2") or value in use in HKAS 36 "*Impairment of Assets*" ("HKAS 36").

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs are unobservable inputs for the asset or liability.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities that require unanimous consent of the parties sharing control.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Investments in associates and joint ventures *(Continued)*

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Investments in associates and joint ventures *(Continued)*

Changes in the Group's interests in associates and joint ventures

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Details of accounting policy information for revenue recognition set out in Note 6(ii).

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Sale and leaseback transactions

The Group applies the requirements of HKFRS 15 "*Revenue from Contracts with Customers*" ("HKFRS 15") to assess whether sale and leaseback transaction constitutes a sale by the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Leases *(Continued)*

Sale and leaseback transactions (Continued)

The Group as a seller-lessee

For a transfer that satisfies the requirements as a sale, the Group as a seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee, and recognises any gain or loss that relates to the rights transferred to the buyer-lessor only. Right-of use asset and lease liability with fixed payments are subsequently measured in accordance with the general requirements under HKFRS 16. In measuring the lease liability, the Group determines "lease payments" or "revised lease payments" (including both lease payments that are fixed or variable) in a way that the Group would not recognise any amount of the gain or loss that relates to the right-of-use assets retained by the Group.

If the fair value of the consideration for the sale does not equal the fair value of the asset, or if the payments for the lease are not at market rates, the Group makes the following adjustments to measure the sale proceeds at fair value:

(a) any below-market terms is accounted for as a prepayment of lease payments; and
(b) any above-market terms is accounted for as additional financing provided by the buyer-lessor to the seller-lessee.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which is derived from the Group's ordinary course of business is presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Leases *(Continued)*

The Group as a lessor (Continued)

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 *"Financial Instruments"* ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans, state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages, salaries and annual leave) after deducting any amount already paid.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits (accumulated losses).

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before taxation as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, interests in associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Property, plant and equipment

Property, plant and equipment, including leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Impairment losses on property, plant and equipment (including right-of-use assets) and intangible asset other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment (included in right-of-use assets) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. Intangible asset with indefinite useful life is tested for impairment at least annually, and whenever there is an indication that it may be impaired.

The recoverable amount of property, plant and equipment (included in right-of-use assets) are estimated individually.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Stock of properties

Properties under development which are intended to be sold upon completion of development and properties for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties under development/properties for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Properties under development for sale are transferred to properties for sale upon completion.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised in profit or loss and is included in other income, gains and losses except for interest income on other loan receivables, which is derived from the Group's ordinary course of business are presented as interest revenue from loan financing.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets

Classification and subsequent measurement of financial assets
Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "*Business Combinations*" applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income ("FVTOCI") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income
Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Classification and subsequent measurement of financial assets *(Continued)*

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits (accumulated losses).

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the net fair value loss on financial instruments line item in profit or loss.

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including debtors and deposits, amounts due from joint ventures, amounts due from associates, other loan receivables and bank balances), and other items (undrawn loan commitments to joint ventures and financial guarantee contracts) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within twelve months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *(Continued)*
The Group always recognises lifetime ECL for trade debtors. The ECL on the trade debtors are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk
In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *(Continued)*

(i) Significant increase in credit risk *(Continued)*

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *(Continued)*

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event; or
(c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses are the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *(Continued)*

(v) Measurement and recognition of ECL *(Continued)*

For ECL on financial guarantee contracts or on loan commitments for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Lifetime ECL for trade debtors are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Except for loan commitments and financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade debtors, amount(s) due from joint venture(s)/associate(s) and other loan receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits (accumulated losses).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities (including creditors and deposits, amounts due to joint ventures, and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are initially measured at their fair values. It is subsequently measured at the higher of:

(i) the amount of loss allowance as determined in accordance with HKFRS 9; and

(ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligation are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment properties portfolios and concluded that the Group's investment properties in Hong Kong are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on the Group's investment properties in Hong Kong, the Directors have determined the presumption that the carrying amount of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred tax on changes in fair value of investment properties in Hong Kong as the Group is not subject to any income taxes on the fair value changes of the investment properties in Hong Kong on disposal.

Revenue from sales of properties through disposal of subsidiaries

When the Group sells properties through disposal of subsidiaries which contain stock of properties as the predominate assets, the Group considers several factors in determining whether the contracts fall into the scope of HKFRS 15 and recognise the consideration from such disposal as revenue of the Group. Factors considered include:

- The Group contracts with a customer for goods or services that are an output of the Group's ordinary activities in exchange for consideration;
- The subsidiary contains only inventory as defined in HKAS 2 and any related income tax asset or liability as defined in HKAS 12 *"Income Taxes"*; and
- The entity retains no interest in the inventory transferred to the customer.

The management of the Group considered that disposal of subsidiaries set out in Note 6 has met all characteristics and account for revenue from sales of properties.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Critical judgements in applying accounting policies *(Continued)*

Significant influence over Rosedale Hotel Beijing Co., Ltd. ("Rosedale Beijing")

The Group achieves significant influence of its associates through board representation and by having the power to participate in the investee's operating and financial policy decisions. During the year ended 31 March 2025, the Group re-assessed its ability to exercise significant influence over Rosedale Beijing in which the Group has 20% equity interests. After re-assessment, the Directors are of the opinion that the Group has lost significant influence as its repeated requests to receive financial information of Rosedale Beijing have been ignored by Rosedale Beijing and the other shareholder holding 80% interest in Rosedale Beijing (the "Major Shareholder"), and a lawsuit has been initiated by the Company as detailed in Note 19(a), therefore the Group considered its significant influence over Rosedale Beijing has been constrained. The management of the Company considered it can no longer exercise significant influence. As a result, Rosedale Beijing is accounted for as an equity investment measured at FVTPL in accordance with HKFRS 9.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment loss on other loan receivables

The Group recognises impairment loss on other loan receivables by applying the ECL model to individual exposures by considering the financial background of the debtors and measuring the impairment loss based on the probability of default and loss given default with reference to international credit-rating agencies' data adjusted for forward-looking factors. The measurement of ECL is a function of the exposure at default, probability of default and loss given default, which involves key estimates from the management. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

The provision of ECL is sensitive to changes in estimates. Due to greater financial uncertainty in the macroeconomic environment, there is a higher degree of uncertainty in terms of estimation in term of how forward-looking factors affect the probability of default. The information about the ECL on other loan receivables and the key estimation uncertainty are disclosed in Note 33(b).

As at 31 March 2025, the carrying amount of the Group's other loan receivables was HK$79,105,000 (2024: HK$120,977,000), net of credit loss allowance of HK$398,156,000 (2024: HK$356,284,000) and out of which, the carrying amount of HK$9,025,000 (2024: nil), net of credit loss allowance of HK$366,895,000 (2024: HK$336,991,000) was credit-impaired.

Valuation of investment properties

As at 31 March 2025, the carrying amount of the Group's investment properties was HK$417,000,000 (2024: HK$469,000,000). The major non-current assets of a joint venture represented investment properties in the PRC amounting to Renminbi ("RMB") 625,000,000 (equivalent to HK$669,165,000) (2024: RMB770,000,000 (equivalent to HK$833,333,000)) as at 31 March 2025.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Valuation of investment properties *(Continued)*

The valuations of investment properties were based on valuation of these properties conducted by independent professional valuers using property valuation techniques which involve certain assumptions of market conditions as disclosed in Notes 16 and 18. Favourable or unfavourable changes to these assumptions would result in changes in the valuations of the Group's investment properties and corresponding adjustments to the fair value changes reported in the consolidated statement of profit or loss.

Impairment of interest in Rosedale Beijing

The Group relies on the financial information provided by Rosedale Beijing and the Major Shareholder to account for the Group's share of results and share of net assets of Rosedale Beijing and to assess the impairment of its interest in Rosedale Beijing. However, since the financial information of Rosedale Beijing has not been provided by the Rosedale Beijing nor Major Shareholder to the Group, and therefore the Group was unable to obtain the financial information of Rosedale Beijing. In view of the unfavorable situation as set out in Note 19(a), an impairment loss of HK$136,223,000 was recognised in profit or loss for the year ended 31 March 2024, resulting in interest in Rosedale Beijing of nil value as at 31 March 2024.

5. SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of the goods and services delivered or provided by the Group's operating divisions and is consistent with the internal information that is regularly reviewed by the executive Directors, the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around differences in products and services.

The Group's reportable and operating segments are as follows:

Property	–	development of, selling of and investment in properties
Hotel and leisure	–	investment in hotels
Securities investments	–	trading and investment of securities
Finance	–	provision of loan financing services

5. SEGMENT INFORMATION *(Continued)*

Information regarding these segments is reported below:

For the year ended 31 March 2025

	Segment revenue *HK$'000* (note (a))	Operating loss *HK$'000*	Gain on compensation on resumption of land use rights *HK$'000*	Loss on disposal of interest in a joint venture *HK$'000*	Loss on partial disposal of interests in joint ventures *HK$'000*	Share of results of associates *HK$'000*	Share of results of joint ventures *HK$'000*	Finance costs *HK$'000*	Segment results: loss before taxation *HK$'000* (note (b))
Property (note (c))	**389,527**	**(526,791)**	**223,544**	**–**	**(101,899)**	**99,896**	**(56,922)**	**(101,536)**	**(463,708)**
Hotel and leisure	**–**	**(11)**	**–**	**(220,073)**	**–**	**–**	**(5,203)**	**–**	**(225,287)**
Securities investments	**–**	**(12,374)**	**–**	**–**	**–**	**–**	**–**	**–**	**(12,374)**
Finance	**8,537**	**(41,226)**	**–**	**–**	**–**	**–**	**–**	**–**	**(41,226)**
SEGMENT TOTAL	**398,064**	**(580,402)**	**223,544**	**(220,073)**	**(101,899)**	**99,896**	**(62,125)**	**(101,536)**	**(742,595)**
Unallocated	**–**	**(76,942)**	**–**	**–**	**–**	**–**	**(6,470)**	**(24,623)**	**(108,035)**
GROUP TOTAL	**398,064**	**(657,344)**	**223,544**	**(220,073)**	**(101,899)**	**99,896**	**(68,595)**	**(126,159)**	**(850,630)**

For the year ended 31 March 2024

	Segment revenue *HK$'000* (note (a))	Operating (loss) profit *HK$'000*	Loss on disposal of interest in an associate *HK$'000*	Impairment loss of interest in an associate *HK$'000*	Share of results of associates *HK$'000*	Share of results of joint ventures *HK$'000*	Finance costs *HK$'000*	Segment results: (loss) profit before taxation *HK$'000* (note (b))
Property (note (c))	100,081	(321,693)	–	–	64,248	(90,309)	(57,896)	(405,650)
Hotel and leisure	–	(67,096)	(13,750)	(136,223)	(23,620)	9,928	(8)	(230,769)
Securities investments	–	(22,753)	–	–	–	–	–	(22,753)
Finance	10,997	9,426	–	–	–	–	–	9,426
SEGMENT TOTAL	111,078	(402,116)	(13,750)	(136,223)	40,628	(80,381)	(57,904)	(649,746)
Unallocated	–	(80,789)	–	–	–	1,618	(27,585)	(106,756)
GROUP TOTAL	111,078	(482,905)	(13,750)	(136,223)	40,628	(78,763)	(85,489)	(756,502)

5. SEGMENT INFORMATION *(Continued)*

Notes:

(a) Segment revenue as set out above comprised income from leases, income from sales of properties, properties commission income, building management fee income and loan financing income. All segment revenue is from external customers.

(b) The aggregate of the segment results as set out above comprised the (loss) profit before taxation from each segment without allocation of certain other income, gains and losses, certain administrative and general expenses, share of results of certain joint ventures and certain finance costs.

(c) The segment revenue of property segment included income from leases, income from sales of properties, properties commission income and building management fee income. During the year ended 31 March 2025, the segment result of property segment included decrease in fair value of investment properties of HK$52,000,000 (2024: HK$134,000,000), impairment loss of certain property, plant and equipment of HK$34,305,000 (2024: HK$46,407,000) and share of decrease of fair value of investment properties, net of tax, of RMB59,813,000 (equivalent to HK$64,592,000) of a joint venture included in share of results of joint ventures (2024: decrease in fair value of investment properties, net of tax, of RMB89,100,000 (equivalent to HK$97,805,000)).

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. The CODM assesses the performance of the operating segments based on the (loss) profit before taxation of the group entities engaged in the respective segment activities which represents the segment results. Segment results are analysed before taxation whereas tax payable is allocated to operating segment liabilities. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment. Financial information provided to the CODM is measured in a manner consistent with the accounting policies adopted in the preparation of the consolidated financial statements.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Segment assets		Segment liabilities	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Property	**3,255,597**	4,145,040	**963,248**	1,211,936
Hotel and leisure	**67,938**	302,930	**1,993**	6,583
Securities investments	**47,953**	59,327	**951**	951
Finance	**111,683**	152,863	**48**	48
Segment total	**3,483,171**	4,660,160	**966,240**	1,219,518
Unallocated:				
Cash and cash equivalents	**47,652**	24,743	**–**	–
Bank and other borrowings	**–**	–	**364,351**	436,451
Others	**34,491**	64,994	**33,217**	25,168
Total	**3,565,314**	4,749,897	**1,363,808**	1,681,137

5. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, certain other non-current assets, certain debtors, deposits and prepayments of the corporate offices, interests in certain joint ventures, amounts due from certain joint ventures and cash and cash equivalents; and

- all liabilities, including tax payables, are allocated to operating segments other than certain lease liabilities, certain bank and other borrowings, certain creditors, deposits and accrued charges and certain tax payables.

Other segment information

	Additions to property, plant and equipment and investment properties		Depreciation of property, plant and equipment		Impairment loss of property, plant and equipment		Decrease in fair value of investment properties		Interest income	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Property	**16,575**	2,078	**(7,618)**	(21,553)	**(34,305)**	(46,407)	**(52,000)**	(134,000)	**17,745**	19,575
Hotel and leisure	**–**	–	**–**	(101)	**–**	–	**–**	–	**–**	–
Finance	**–**	–	**–**	–	**–**	–	**–**	–	**8,537**	10,997
	16,575	2,078	**(7,618)**	(21,654)	**(34,305)**	(46,407)	**(52,000)**	(134,000)	**26,282**	30,572
Unallocated	**120**	4,045	**(8,410)**	(2,902)	**–**	–	**–**	–	**749**	1,257
Total	**16,695**	6,123	**(16,028)**	(24,556)	**(34,305)**	(46,407)	**(52,000)**	(134,000)	**27,031**	31,829

Geographical information

The Group's revenue from external customers based on location of properties and/or goods delivered or services delivered, and information about its non-current assets, excluding financial assets, by physical location of the assets are detailed as below:

	Revenue from external customers		Carrying amount of non-current assets	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**23,280**	63,033	**799,781**	1,172,374
Macau	**–**	–	**821,548**	707,857
United Kingdom	**372,763**	–	**–**	–
PRC	**–**	45,215	**10,610**	13,182
Canada	**2,021**	2,830	**1,934**	299,303
Others	**–**	–	**–**	39,266
	398,064	111,078	**1,633,873**	2,231,982

For the year ended 31 March 2025

5. SEGMENT INFORMATION *(Continued)*

Information about major customers

During the year, the Group had one (2024: two) customer(s) with whom transactions have exceeded 10% of the Group's total revenue.

	2025	2024
	HK$'000	*HK$'000*
Customer A – Property	**369,424**	–
Customer B – Property	**–**	45,000
Customer C – Property	**–**	45,000

6. REVENUE

(i) Disaggregation of revenue

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
Property		
Revenue from building management fee income		
– recognised over time	**752**	544
Revenue from properties commission income		
– recognised at a point in time	**2,490**	3,725
Revenue from sales of properties		
– recognised at a point in time	**377,424**	90,000
	380,666	94,269
Revenue from other sources:		
Fixed lease income	**8,861**	5,812
Interest revenue from loan financing	**8,537**	10,997
Total revenue	**398,064**	111,078

Revenue from contracts with customers of HK$380,666,000 (2024: HK$94,269,000) for the year ended 31 March 2025 includes property commission income of HK$2,021,000 (2024: HK$2,805,000) deriving from Canada, sales of properties of nil (2024: HK$45,000,000) deriving from the PRC, sales of properties of HK$369,424,000 (2024: nil) deriving from the United Kingdom and the remaining of HK$9,221,000 (2024: HK$46,464,000) was derived in Hong Kong.

6. REVENUE *(Continued)*

(ii) Performance obligations for contracts with customers

Revenue from building management fee income

The Group provides building management services to customers. Such services are recognised as a performance obligation satisfied over time as the customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs.

The Group receives payment of building management fee at the beginning of each month according to contract terms.

Revenue from properties commission income

Revenue from properties commission income is recognised at a point in time and the Group has the right for receipt of payment when the related sale and purchase agreements are signed.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Revenue from sales of properties

Revenue is recognised at a point in time when the control of the properties are transferred to the customers.

The Group sells properties directly to customers or through disposal of subsidiaries which contain stock of properties as the predominate assets.

The Group receives certain percentage of the contract value as deposits from customers when they sign the sale and purchase agreements for the sales of properties. Full payment of the remaining consideration is collected prior to the transfer of control of the properties to the customers.

During the years ended 31 March 2025 and 2024, the Group disposed of the entire interests in certain subsidiaries which were principally engaged in development of properties held for sale. In these transactions, the Group was principally selling and the buyers were principally acquiring the properties held for sale which were the single predominant asset of the subsidiaries. Accordingly, the Group had accounted for the disposal of the entire interests in these subsidiaries as disposal of the underlying properties held for sale. The consideration from the sale of the entire equity interests were recognised as revenue generated from sales of properties by the Group.

The revenue is recognised at a point in time when the control of disposed subsidiaries are transferred to customers.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All the revenue from contracts with customers is for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. NET FAIR VALUE LOSS ON FINANCIAL INSTRUMENTS

	2025 HK$'000	2024 HK$'000
Net decrease in fair values of financial assets at FVTPL:		
– held at the end of the reporting period	**(11,185)**	(21,835)
– disposed during the year	**–**	59
	(11,185)	(21,776)

8. OTHER INCOME, GAINS AND LOSSES

	2025 HK$'000	2024 HK$'000
Other income:		
Bank interest income	**749**	1,257
Interest income on amounts due from joint ventures (Note 39(i))	**17,745**	19,575
Others	**1,538**	2,383
	20,032	23,215
Other gains and losses:		
Loss on tax indemnity asset written off (note (a))	**–**	(66,744)
Decrease in fair value of an amount due from a joint venture (note (b))	**(6,415)**	(7,957)
Net foreign exchange (loss) gain	**(5,800)**	645
Exchange loss upon reduction of capital of a foreign operation (note (c))	**(49,387)**	–
	(61,602)	(74,056)
	(41,570)	(50,841)

Notes:

(a) Prior to the Group's acquisition of Makerston Limited ("Makerston") from Rosedale Hotel Group Limited ("RHGL") in 2014, DS Eastin Limited ("DS Eastin"), a subsidiary of Makerston, completed a deemed disposal of 80% equity interests in Rosedale Beijing. As such, there was a potential tax liability for the capital gain on the deemed disposal of Rosedale Beijing to be borne by DS Eastin or Rosedale Beijing. Accordingly, a tax provision amounting to HK$66,744,000 was recognised.

Pursuant to the sale and purchase agreement, RHGL undertook to Silver Infinite Limited ("Silver Infinite"), a wholly-owned subsidiary of the Company, Makerston and DS Eastin (collectively known as the "Makerston Group") and Rosedale Beijing that RHGL will fully indemnify Silver Infinite, the Makerston Group and Rosedale Beijing against any taxation under the PRC Enterprise Income Tax Law arising from the deemed disposal, when the same is payable by the Makerston Group and/or Rosedale Beijing, and all demands, claims, proceedings, actions, liabilities, costs and expenses. Accordingly, a tax indemnity asset of HK$66,744,000 was recognised upon the completion of the acquisition of Makerston.

During the year ended 31 March 2024, a reversal of HK$66,744,000 was recognised as the relevant accounting tax provision was made in prior years that is beyond the statutory time bar period. Therefore, the respective tax indemnity asset had been derecognised as the Group loss the right to collect it.

8. OTHER INCOME, GAINS AND LOSSES *(Continued)*

Notes: (Continued)

(b) During the year ended 31 March 2025, a decrease in fair value of HK$6,415,000 (2024: HK$7,957,000) has been recognised on an amount due from a joint venture and the fair value of such amount has been measured with reference to a quoted price of the underlying asset held by the joint venture in a market that is not active.

(c) The amount represented the proportionate share of exchange losses previously recognised in the translation reserve and reclassified to profit or loss by the Group upon reduction of capital of a PRC subsidiary during the year ended 31 March 2025.

9. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**125,342**	90,911
Interest on lease liabilities	**817**	235
Total borrowing costs	**126,159**	91,146
Less: amounts capitalised in qualifying assets	**–**	(5,657)
	126,159	85,489

10. TAXATION

	2025	2024
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
Current tax	**–**	–
Overprovision in prior years	**–**	(26)
	–	(26)
PRC Enterprise Income Tax:		
Current tax	**59,114**	–
Overprovision in prior years	**–**	(74,286)
	59,114	(74,286)
Canadian Corporate Tax:		
Current tax	**24**	113
	59,138	(74,199)

For the year ended 31 March 2025

10. TAXATION *(Continued)*

Hong Kong Profits Tax of the qualified entity of the Group was calculated in accordance with the two-tiered profits tax rates regime (i.e. the first HK$2 million of profits of a qualifying group entity to be taxed at 8.25%, and profits above HK$2 million to be taxed at 16.5%), while the profits of group entities not qualifying for the two-tiered profits tax rates regime continued to be taxed at a flat rate of 16.5%.

Taxation arising in other jurisdictions was calculated at the rates prevailing in the relevant jurisdictions.

The tax charge/credit for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Loss before taxation	**(850,630)**	(756,502)
Tax at the Hong Kong Profits Tax rate at 16.5%	**(140,354)**	(124,823)
Tax effect of share of results of joint ventures and associates	**(5,165)**	6,292
Tax effect of expenses not deductible for tax purpose	**126,224**	57,866
Tax effect of deductible temporary difference not recognised	**45,449**	40,022
Tax effect of income not taxable for tax purpose	**(7,856)**	(3,659)
Overprovision in prior years	**–**	(74,312)
Tax effect of tax losses not recognised	**26,686**	25,877
Utilisation of tax losses previously not recognised	**(5,327)**	(165)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**19,481**	(1,297)
Tax charge (credit) for the year	**59,138**	(74,199)

Details of deferred taxation are set out in Note 29.

During the year ended 31 March 2025, tax provision of HK$59,114,000 was recognised arising from taxation in the PRC in relation to the taxation on gain on compensation on resumption of land use rights.

During the year ended 31 March 2024, reversal of tax provisions of HK$66,744,000 set out in Note 8(a) and HK$7,542,000 were recognised as relevant accounting tax provisions were made in prior years that are beyond the statutory time bar period.

11. LOSS FOR THE YEAR

	2025 *HK$'000*	2024 *HK$'000*
Loss for the year has been arrived at after charging (crediting):		
Auditors' remuneration		
– current year	**4,501**	4,664
– underprovision in previous years	**92**	8
	4,593	4,672
Directors' emoluments (Note 12(a))	**13,702**	13,744
Other staff costs:		
Salaries and other benefits	**42,876**	54,985
Equity-settled share-based payment expense	**–**	57
Retirement benefits scheme contributions	**2,046**	2,544
Total staff costs	**58,624**	71,330
Gross rental income	**(8,861)**	(5,812)
Less: direct operating expenses that generated rental income during the year	**4,023**	3,882
	(4,838)	(1,930)
Cost of inventories recognised as an expense (including write-down of stock of properties of HK$170,527,000 (2024: impairment loss of deposits paid for acquisition of leasehold land of HK$59,928,000))	**720,607**	149,928
Depreciation of property, plant and equipment	**16,028**	24,556
Impairment loss of property, plant and equipment (included in administrative and general expenses)	**34,305**	46,407
Loss (gain) on disposal of property, plant and equipment	**302**	(36)

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND HIGHEST PAID INDIVIDUALS

(a) Directors' and chief executive's emoluments

Details of the emoluments paid or payable to each of the eight (2024: nine) Directors including chief executive for their services rendered for the Group are as follows:

		Other emoluments			
	Fees *HK$'000*	Salaries and other benefits *HK$'000*	Equity-settled share-based payment expense *HK$'000*	Retirement benefits scheme contributions *HK$'000*	Total emoluments *HK$'000*
2025					
Executive Directors					
Cheung Hon Kit	10	3,480	–	–	3,490
Dr. Chan	10	3,480	–	–	3,490
Chan Yiu Lun, Alan	10	2,640	–	18	2,668
Law Hon Wa, William	10	2,880	–	144	3,034
Non-executive Director					
Chau Mei Wah	120	–	–	–	120
Independent Non-executive Directors					
Shek Lai Him, Abraham	300	–	–	–	300
Ip Hon Wah	300	–	–	–	300
Pang, Anthony Ming-tung	300	–	–	–	300
	1,060	12,480	–	162	13,702

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND HIGHEST PAID INDIVIDUALS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

		Other emoluments			
	Fees	Salaries and other benefits	Equity-settled share-based payment expense	Retirement benefits scheme contributions	Total emoluments
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2024					
Executive Directors					
Cheung Hon Kit	10	3,480	23	–	3,513
Dr. Chan	10	3,480	–	–	3,490
Chan Yiu Lun, Alan	10	2,640	9	18	2,677
Law Hon Wa, William (note i)	10	2,880	–	144	3,034
Non-executive Director					
Chau Mei Wah (note ii)	120	–	–	–	120
Independent Non-executive Directors					
Shek Lai Him, Abraham	300	–	4	–	304
Chan Pak Cheong Afonso (note iii)	139	–	3	–	142
Ip Hon Wah	300	–	3	–	303
Pang, Anthony Ming-tung (note iv)	161	–	–	–	161
	1,060	12,480	42	162	13,744

Notes:

(i) Mr. Law Hon Wa, William was appointed as an executive Director and the Chief Financial Officer both with effect from 1 April 2023. His emoluments disclosed above include those for services rendered by him as the Chief Financial Officer.

(ii) Ms. Chau Mei Wah was retired as an executive Director and was re-designated as a non-executive Director both with effect from 1 April 2023.

(iii) Mr. Chan Pak Cheong, Afonso resigned as an independent non-executive Director with effect from 18 September 2023.

(iv) Mr. Pang, Anthony Ming-tung, was appointed as an independent non-executive Director with effect from 18 September 2023.

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12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND HIGHEST PAID INDIVIDUALS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

The executive Directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The emoluments of the non-executive Director and independent non-executive Directors shown above were for their services as directors of the Company.

There was no arrangement under which a Director or the chief executive waived or agreed to waive any remuneration during both years.

(b) Employees' emoluments

The employees' emoluments are based on their qualifications and experience, job nature and performance, and under the pay scales aligned with market conditions.

The five highest paid individuals of the Group for the year ended 31 March 2025 included four (2024: four) Directors, whose emoluments are disclosed above, and the remaining one (2024: one) is an employee of the Group, details of whose emolument are as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Employee:		
Salaries and other benefits	**1,931**	2,280
Retirement benefits scheme contribution	**–**	18
	1,931	2,298

Their emoluments were within the following bands:

	Number of employees **2025**	 2024
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$2,500,000	**–**	1

During both years, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DISTRIBUTION

The Group has not declared or paid any interim and final dividends during the years ended 31 March 2025 and 2024.

The board of Directors (the "Board") decided not to declare a dividend for the year ended 31 March 2025.

14. LOSS PER SHARE

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

	2025 ***HK$'000***	2024 *HK$'000*
Loss:		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(812,982)**	(644,886)

	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**907,198,410**	908,951,459

The effect of the exercise of the Company's share options was not taken into consideration for computing the diluted loss per share for the years ended 31 March 2025 and 2024 as the exercise price of those share options was higher than the average market price for shares.

For the year ended 31 March 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST					
At 1 April 2023	661,836	2,964	9,292	13,405	687,497
Exchange adjustments	(639)	(141)	(88)	(125)	(993)
Additions	6,066	–	57	–	6,123
Disposals/written off	(17,832)	–	(97)	(1,052)	(18,981)
At 31 March 2024	**649,431**	**2,823**	**9,164**	**12,228**	**673,646**
Exchange adjustments	**(22)**	**(28)**	**(24)**	**(13)**	**(87)**
Additions	**15,583**	**–**	**992**	**120**	**16,695**
Disposals/written off	**(399,133)**	**(728)**	**(2,837)**	**(5,968)**	**(408,666)**
At 31 March 2025	**265,859**	**2,067**	**7,295**	**6,367**	**281,588**
DEPRECIATION AND IMPAIRMENT					
At 1 April 2023	171,989	2,571	6,779	9,563	190,902
Exchange adjustments	(529)	(121)	(80)	(105)	(835)
Charge for the year	22,628	167	608	1,153	24,556
Impairment loss recognised in profit or loss	45,877	–	530	–	46,407
Eliminated on disposals/written off	(16,405)	–	(80)	(988)	(17,473)
At 31 March 2024	**223,560**	**2,617**	**7,757**	**9,623**	**243,557**
Exchange adjustments	**(4)**	**(25)**	**(19)**	**(11)**	**(59)**
Charge for the year	**14,691**	**2**	**368**	**967**	**16,028**
Impairment loss recognised in profit or loss	**34,305**	**–**	**–**	**–**	**34,305**
Eliminated on disposals/written off	**(137,889)**	**(527)**	**(1,741)**	**(5,898)**	**(146,055)**
At 31 March 2025	**134,663**	**2,067**	**6,365**	**4,681**	**147,776**
CARRYING VALUES					
At 31 March 2025	**131,196**	**–**	**930**	**1,686**	**133,812**
At 31 March 2024	425,871	206	1,407	2,605	430,089

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis, taking into account their residual values, as follows:

Leasehold land and buildings	50 years or the remaining term of the relevant lease, if shorter
Leasehold improvements	3 years or the remaining term of the relevant lease, if shorter
Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	5 years

As at 31 March 2025, the Group has pledged leasehold land and buildings with carrying values of HK$120,000,000 (2024: HK$420,345,000) to secure general banking facilities granted to the Group.

During the year ended 31 March 2025, the Group entered into an agreement to dispose of a leasehold land and building to an independent third party at the consideration of HK$260 million. Pursuant to the terms of the agreement, the purchaser agrees to let, upon completion date, the leasehold land and building to the Group at the rent of HK$650,000 per calendar month for an initial term of one year commencing from the completion date with an option for renewal for a further term of one year at the same rent. The Group as a seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the leasehold land and building of HK$260,000,000 that relates to the right retained by the Group and there is no gain or loss being recognised. Right-of-use asset and lease liability of HK$14,621,000 and HK$14,621,000, respectively have been recognised upon completion date.

During the year ended 31 March 2025, the Group recognised impairment loss of HK$34,305,000 for a leasehold land and building (2024: HK$45,877,000 for two leasehold land and buildings) by considering their recoverable amounts having regard to the change in the property market conditions in Hong Kong.

The recoverable amounts of leasehold land and buildings are estimated individually.

As at 31 March 2025 and 2024, the recoverable amounts of leasehold land and buildings have been determined based on their fair value less costs of disposal and the valuations of leasehold land and buildings were performed by independent professional valuers. The independent professional valuers use direct comparison to estimate the fair value less costs of disposal of the assets which is based on comparable market transactions of similar properties with adjustments to reflect the conditions and locations of the subject properties. The fair value measurement is categorised into Level 3 fair value hierarchy.

For the year ended 31 March 2025

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The Group as lessee

Right-of-use assets (included in the property, plant and equipment)

	Leasehold land and buildings *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Total *HK$'000*
As at 31 March 2025			
Carrying amounts	**9,701**	**794**	**10,495**
As at 31 March 2024			
Carrying amounts	3,191	–	3,191
For the year ended 31 March 2025			
Depreciation charge	**7,811**	**198**	**8,009**
Expense relating to short-term leases	**1,214**	**–**	**1,214**
Exchange adjustments	**(18)**	**–**	**(18)**
Total cash outflow for leases	**9,552**	**232**	**9,784**
Additions to right-of-use assets	**15,583**	**992**	**16,575**
Adjustments arising from lease modification	**(1,244)**	**–**	**(1,244)**
For the year ended 31 March 2024			
Depreciation charge	2,473	–	2,473
Expense relating to short-term leases	2,459	–	2,459
Exchange adjustments	(110)	–	(110)
Total cash outflow for leases	5,103	–	5,103
Addition to right-of-use assets	3,988	–	3,988
Adjustments arising from lease modification	(1,427)	–	(1,427)

For both years, the Group leased various offices and equipment for its operations. Lease contracts were entered into for fixed terms of 1 year to 5 years. Lease terms were negotiated on an individual basis and contained a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applied the definition of a contract and determined the period for which the contract is enforceable.

The Group regularly enters into short-term leases for office premises. As at 31 March 2025 and 2024, the portfolio of short-term leases was similar to the portfolio of short-term leases to which the short-term lease expense is disclosed above.

In respect of the entire balance of right-of-use assets and the associated lease liabilities, the lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 April 2023	603,000
Decrease in fair value recognised in profit or loss	(134,000)
At 31 March 2024	**469,000**
Decrease in fair value recognised in profit or loss	**(52,000)**
At 31 March 2025	**417,000**

Notes:

(a) The investment properties shown above are located in Hong Kong and held under a long lease.

The valuations of investment properties as at 31 March 2025 and 2024 were performed by Asset Appraisal Limited, an independent professional valuer.

(b) At 31 March 2025 and 2024, all of the Group's investment properties had been pledged to secure banking facilities granted to the Group.

(c) A decrease in fair value recognised in profit or loss for the year ended 31 March 2025 amounting to HK$52,000,000 (2024: HK$134,000,000) arose from the investment properties held at the end of the reporting period.

The Group leases out various commercial properties under operating leases with rentals payable monthly. The leases typically run for an initial period of 2 years.

The key inputs used in valuing the investment properties as at 31 March 2025 and 2024 are as follows:

Category	Fair value hierarchy	Fair value as at 31.3.2025 *HK$'000*	Fair value as at 31.3.2024 *HK$'000*	Valuation techniques	Key unobservable inputs	Range	Relationship of unobservable inputs to fair value
Commercial properties in Hong Kong	Level 3	**417,000**	469,000	Direct Comparison Method based on comparable market transactions of similar properties with adjustments to reflect the conditions and locations of the subject properties	Adjusted price per square foot taking into account of conditions and locations of the subject properties	HK$7,639 to HK$9,397 (2024: HK$8,240 to HK$14,884)	The higher the adjusted price per square foot, the higher the fair value

In determining the fair value of the relevant properties, there was no change in valuation technique compared to that used in the prior year. The management has determined the appropriate valuation techniques and inputs for fair value measurements and based on the highest and best use of the properties is their current use.

There were no transfers into or out of Level 3 during the year.

17. EQUITY AND FUND INVESTMENTS

	2025 HK$'000	2024 HK$'000
Listed equity securities in Hong Kong (note (a))	**19,463**	24,385
Unlisted investment in the PRC (note (b))	**–**	–
Unlisted investment funds in overseas	**28,486**	34,942
	47,949	59,327
Analysed as:		
Current	**19,463**	24,385
Non-current	**28,486**	34,942
	47,949	59,327
Classified as:		
FVTPL	**47,949**	59,327

Notes:

(a) The fair values of the listed securities are determined based on the closing prices quoted in active markets in Hong Kong except for the suspended listed securities as disclosed in Note 33(c)(iii).

(b) The unlisted investment represents the Group's 20% equity interests in Rosedale Beijing. Details of the fair value measurement are set out in Notes 19(a) and 33(c)(iv).

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES

	2025 HK$'000	2024 HK$'000
Cost of unlisted investment in joint ventures	**645,111**	1,219,465
Share of post-acquisition results and other comprehensive expense, net of dividend	**(588,226)**	(852,931)
	56,885	366,534
Amounts due from joint ventures at amortised cost (note (a))	**793,574**	888,364
Less: Allowance for credit loss	**(11,022)**	(11,022)
Less: Share of post-acquisition losses that are in excess of cost of investment	**(64,004)**	(8,036)
	718,548	869,306
Amounts due from joint ventures measured at FVTPL	**67,076**	251,798
Less: Share of post-acquisition losses that are in excess of cost of investment	**(67,076)**	(230,754)
	–	21,044
	718,548	890,350
Amount due to a joint venture (note (b))	**(20,773)**	(20,323)

Notes:

(a) The amounts were non-trade in nature, unsecured, interest-free and repayable on demand, except for an amount of Canadian dollars ("CAD") 22,108,000 (equivalent to HK$120,157,000) (2024: CAD32,384,000 (equivalent to HK$186,436,000)) which carried interest at a fixed rate of 15% (2024: 15%) per annum, and would be repayable on 1 March 2026. The Directors are of the view that the Group will not demand for repayment within the next twelve months from the end of the current reporting period. Thus, the amount is classified as non-current.

(b) The amount was non-trade in nature, unsecured, non-interest bearing and repayable on demand. During the year ended 31 March 2024, the amount due to a joint venture of HK$5,509,000 had been offset with the dividend distributed by a joint venture (2025: nil).

During the year ended 31 March 2024, a joint venture paid CAD5,000,000 (equivalent to HK$29,005,000) to the Group as a return of capital (2025: nil).

All of the Group's joint ventures were accounted for using the equity method in these consolidated financial statements.

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18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES *(Continued)*

Details of the Group's material joint ventures at the end of the reporting period are as follows:

Name of entity	Place of incorporation/ establishment	Class of shares held	Value of issued and fully paid share capital	Proportion of ownership interest held by the Group		Proportion of voting power held		Principal activity
				2025 %	2024 %	**2025** %	2024 %	
1488 Alberni Development Holdings Limited Partnership ("1488 Alberni LPDH") (note (i))	Canada	N/A	N/A	**18**	28	**18**	28	Property development
1488 Alberni Investment Limited Partnership ("1488 Alberni LPI") (note (i))	Canada	N/A	N/A	**18**	28	**18**	28	Property development
Bayshore Ventures JV Ltd. ("Bayshore") (note (ii))	British Virgin Islands	Ordinary	CAD115,200,000	**–**	50	**–**	50	Investment holding
Guangzhou Jiang Nan Property Co., Ltd. ("Jiang Nan Property") (note (iii))	PRC	Registered capital	RMB72,624,000	**75**	75	**75**	75	Property holding

Notes:

(i) During the year ended 31 March 2025, the Group disposed of 10% interests in 1488 Alberni LPDH and 1488 Alberni LPI, being limited partnerships established in British Columbia, Canada, with an aggregate carrying amount of CAD121,000 (equivalent to HK$692,000), together with the amounts due from joint ventures of CAD22,118,000 (equivalent to HK$126,512,000), to the joint venture partner, who was an independent third party, at an aggregate consideration of CAD5,360,000 (equivalent to HK$29,935,000) (excluding transaction costs of HK$2,928,000). Upon the disposal, cumulative translation loss of HK$1,702,000 was reclassified to profit or loss. The disposal resulted in a loss on partial disposal of interests in joint ventures of HK$101,899,000. Upon the completion of disposal, the Group retains an 18% equity interests in each 1488 Alberni LPDH and 1488 Alberni LPI and continues to have joint control over the relevant activities of 1488 Alberni LPDH and 1488 Alberni LPI, as the major decisions regarding the relevant activities of 1488 Alberni LPDH and 1488 Alberni LPI require unanimous consent of their respective shareholders according to the shareholders' agreements.

(ii) The principal activities of its subsidiaries are holding of a hotel property and hotel operation in Vancouver, Canada. During the year ended 31 March 2025, the Group disposed of its entire 50% equity interests in Bayshore with an aggregate carrying amount of CAD50,865,000 (equivalent to HK$293,586,000), together with the amount due from this joint venture of CAD376,000 (equivalent to HK$2,169,000), to the joint venture partner, who was an independent third party, at a consideration of CAD18,500,000 (equivalent to HK$106,781,000) (excluding transaction costs of HK$2,266,000). Upon the disposal, cumulative translation loss of HK$28,833,000 was reclassified to profit or loss. The disposal resulted in a loss on disposal of interest in a joint venture of HK$220,073,000. The first instalment of consideration of CAD6,000,000 (equivalent to HK$34,631,000) was settled in full while the second instalment of consideration of CAD6,000,000 (equivalent to HK$32,610,000) was received by the Group in April 2025 and the remaining consideration of CAD6,500,000 (equivalent to HK$35,328,000) will be received by the Group subsequent to the end of the reporting period.

(iii) The principal activity of Jiang Nan Property is holding of investment properties in Guangzhou City, the PRC. According to the shareholder agreement of Jiang Nan Property dated 11 April 2012, the board of directors of Jiang Nan Property comprises four directors. Two of them were appointed by the wholly-owned subsidiary of More Cash Limited ("More Cash") and the other two were appointed by another joint venture partner and the major decisions regarding the relevant activities were decided by simple majority of directors' voting. Therefore, More Cash has no control over Jiang Nan Property but has joint control over Jiang Nan Property.

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18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES *(Continued)*

Notes: *(Continued)*

(iii) *(Continued)*

The major non-current assets of Jiang Nan Property represent investment properties in the PRC amounting to RMB625,000,000 (equivalent to HK$669,165,000) (2024: RMB770,000,000 (equivalent to HK$833,333,000)) as at 31 March 2025. The following table shows the valuation techniques and inputs used in the determination of fair values for investment properties of Jiang Nan Property as well as fair value hierarchy in which the fair value measurement categorised (Levels 1 to 3) based on the degree to which significant inputs used in the fair value measurements is observable.

Category	Fair value hierarchy	Fair value as at 31.3.2025 HK$'000	Fair value as at 31.3.2024 HK$'000	Valuation techniques	Key unobservable inputs	Range	Relationship of unobservable inputs to fair value
Commercial properties in the PRC	Level 3	**669,165**	833,333	Direct Comparison Method based on comparable market transactions of similar properties with adjustments to reflect the conditions and locations of the subject properties	Adjusted price per square meter taking into account of conditions and locations of subject properties	Retail portion: RMB20,750 to RMB31,840 (2024: RMB34,500 to RMB39,187) Office portion: RMB13,888 to RMB16,102 (2024: RMB16,576 to RMB17,587) Hotel portion: RMB14,193 to RMB15,678 (2024: RMB15,551 to RMB17,249)	The higher the adjusted price per square meter, the higher the fair value

The financial year end date for Bayshore is 31 December. For the purpose of applying the equity method of accounting for the year ended 31 March 2024, the consolidated financial statements of Bayshore for the year ended 31 December 2023 have been used. Appropriate adjustment have been made for the effects of significant transactions between that date and 31 March 2024.

The above table lists the joint ventures of the Group which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. Disclosing the details of other joint ventures would, in the opinion of the Directors, result in particulars of excessive length.

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES *(Continued)*

The financial information in respect of each of the Group's material joint ventures is summarised as below. The summarised financial information below represents the amount shown in the joint ventures' financial statements prepared in accordance with HKFRS Accounting Standards.

	2025				2024				
	1488 Alberni LPDH	1488 Alberni LPI	Jiang Nan Property	Total	1488 Alberni LPDH	1488 Alberni LPI	Bayshore	Jiang Nan Property	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Current assets	**1,756,641**	**92,455**	**22,309**	**1,871,405**	1,717,127	90,375	80,416	16,640	1,904,558
Non-current assets	**–**	**–**	**673,814**	**673,814**	–	–	1,589,844	833,333	2,423,177
Current liabilities	**(1,746,449)**	**(92,019)**	**(472,035)**	**(2,310,503)**	(471,063)	(24,899)	(96,940)	(475,165)	(1,068,067)
Non-current liabilities	**–**	**–**	**(302,191)**	**(302,191)**	(1,242,559)	(65,398)	(977,290)	(385,523)	(2,670,770)
The above amounts of assets and liabilities include the following:									
Cash and cash equivalents	**36,292**	**1,910**	**16,863**	**55,065**	34,680	1,825	61,928	11,498	109,931
Current financial liabilities (excluding trade and other payables and provisions)	**(1,745,787)**	**(91,884)**	**(445,263)**	**(2,282,934)**	(469,891)	(24,731)	–	(448,313)	(942,935)
Non-current financial liabilities (excluding trade and other payables and provisions)	**–**	**–**	**(302,191)**	**(302,191)**	(1,242,559)	(65,398)	(977,290)	(319,605)	(2,604,852)

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES *(Continued)*

	2025				2024				
	1488 Alberni LPDH	1488 Alberni LPI	Jiang Nan Property	Total	1488 Alberni LPDH	1488 Alberni LPI	Bayshore	Jiang Nan Property	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**8,720**	**459**	**50,221**	**59,400**	9,653	504	466,580	55,226	531,963
(Loss) profit for the year	**(2,989)**	**(242)**	**(68,084)**	**(71,315)**	(6,567)	(494)	19,309	(118,668)	(106,420)
Dividends received from joint ventures during the year	**–**	**–**	**–**	**–**	–	–	–	–	–
The above (loss) profit for the year include the following:									
Depreciation and amortisation	**–**	**–**	**–**	**–**	–	–	(30,715)	–	(30,715)
Interest income	**34**	**2**	**–**	**36**	35	2	2,222	–	2,259
Interest expenses	**–**	**–**	**(18,479)**	**(18,479)**	–	–	(79,764)	(21,755)	(101,519)
Income tax credit (expense)	**–**	**–**	**70,464**	**70,464**	–	–	(11)	106,696	106,685

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES *(Continued)*

The reconciliation of the above summarised financial information to the carrying amount of the interests in the material joint ventures recognised in the consolidated financial statements is as below:

	2025				2024				
	1488 Alberni LPDH	**1488 Alberni LPI**	**Jiang Nan Property**	**Total**	1488 Alberni LPDH	1488 Alberni LPI	Bayshore	Jiang Nan Property	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Net assets (liabilities) of the joint ventures attributable to the owners of the joint ventures	**10,192**	**436**	**(78,103)**	**(67,475)**	3,505	78	596,030	(10,715)	588,898
Proportion of the Group's ownership interests in the joint ventures	**18%**	**18%**	**75%**	**N/A**	28%	28%	50%	75%	N/A
Net assets (liabilities) of interests in joint ventures attributable to the Group	**1,835**	**78**	**(58,577)**	**(56,664)**	981	22	298,015	(8,036)	290,982
Loss allocated in excess of investment costs	**–**	**–**	**58,577**	**58,577**	–	–	–	8,036	8,036
Carrying amount of the Group's interests in the joint ventures	**1,835**	**78**	**–**	**1,913**	981	22	298,015	–	299,018

Aggregate information of joint ventures that are not individually material:

	2025	2024
	HK$'000	*HK$'000*
The Group's share of (loss) profit	**(16,858)**	2,561
Aggregate carrying amount of the Group's interests in these joint ventures	**54,972**	67,516

19. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES

	2025 HK$'000	2024 HK$'000
Cost of unlisted investment in associates	**512,147**	780,129
Share of post-acquisition results and other comprehensive income, net of dividend or other return	**495,769**	264,119
Impairment loss (note (a))	**–**	(136,223)
	1,007,916	908,025
Amounts due from associates (note (b))	**81,659**	72,432

Notes:

(a) The Group was unable to obtain financial information of Rosedale Beijing to assess the financial performance of Rosedale Beijing during the year ended 31 March 2024 and financial position of Rosedale Beijing as at 31 March 2024. Therefore the Group did not account for any results of Rosedale Beijing shared by the Group for the year ended 31 March 2024.

In addition, given the situations including (i) a prolonged property market slowdown together with the uncertainties surrounding the assets of Rosedale Beijing which may no longer be utilised efficiently or effectively and (ii) the ongoing material issues in relation to the Major Shareholder and management of Rosedale Beijing, the Group determined that a full impairment of HK$136,223,000 should be recognised in relation to the Group's interest in Rosedale Beijing during the year ended 31 March 2024 with this resulting in the carrying amount of its interest in Rosedale Beijing being reduced to nil in the consolidated statement of financial position as at 31 March 2024, and a full impairment loss of HK$136,223,000 being recognised in profit or loss for the year ended 31 March 2024.

During the year ended 31 March 2025, the Group has issued a legal letter but no response was received. Thus, the Group has formally initiated a legal proceeding against Rosedale Beijing and the Major Shareholder and submitted the relevant documents to the Chaoyang District Court in Beijing (the "PRC Court") for breach of the relevant provisions of the Company Law of the PRC, and demanded for all statutory documents and accounting records. The legal proceeding was duly filed and a case in the PRC Court has been established subsequent to the end of the reporting period. The Group re-assessed its ability to exercise influence over Rosedale Beijing. After re-assessment, it was concluded that the Group has lost significant influence as its repeated requests to receive financial information from Rosedale Beijing have been ignored by both Rosedale Beijing and its Major Shareholder. Therefore the Group considered its significant influence over Rosedale Beijing has been constrained and considered the Group can no longer exercise significant influence. As a result, Rosedale Beijing ceased to be classified as an associate. Instead, it is accounted for as an equity investment measured at FVTPL (Note 17). As the situations of Rosedale Beijing have not improved, the Group determined that the carrying amount of its investment in Rosedale Beijing remained as nil as at the date of derecognition when the Group ceased to have significant influence over Rosedale Beijing.

(b) The amounts due from associates were non-trade in nature, unsecured and non-interest bearing. As at 31 March 2025, except for an amount of HK$46,002,000 (2024: HK$36,802,000) which was not expected to be received within twelve months from the end of the reporting period, the remaining balances of HK$35,657,000 (2024: HK$35,630,000) had no fixed repayment date.

During the year ended 31 March 2024, the associates of the Group distributed dividends of HK$169,333,000, of which an amount of HK$141,986,000 was offset with the advance received from the associate during the year (2025: nil).

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19. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES *(Continued)*

All of the Group's associates were accounted for using the equity method in these consolidated financial statements.

Details of the Group's material associates at the end of the reporting period are as follows:

Name of entity	Place of incorporation/ establishment	Class of shares/ capital held	Nominal value of issued and fully paid share capital	Proportion of ownership interest held by the Group		Proportion of voting power held		Principal activity
				2025 %	2024 %	**2025** %	2024 %	
Orient Town Limited ("Orient Town")	Hong Kong	Ordinary	HK$700	**45**	45	**45**	45	Investment holding (note (i))
Empresa de Fomento Industrial e Comercial Concordia, S.A. ("Concordia")	Macau	Quota capital (note (ii))	Macau Patacas 100,000,000	**8.7** (note (iii))	8.7 (note (iii))	**8.7** (note (iii))	8.7 (note (iii))	Property development
Premier Maker Limited ("Premier Maker")	British Virgin Islands	Ordinary	United States Dollar ("US$") 100	**N/A**	–	**N/A**	–	Investment holding (note (iv))
Rosedale Beijing	PRC	Registered capital	US$86,000,000	**N/A**	20	**N/A**	20	Property holding in Beijing
True Fame Enterprises Limited ("True Fame")	British Virgin Islands	Ordinary	US$1,000	**20**	20	**20**	20	Investment holding

Notes:

(i) The principal activities of its subsidiaries are mainly property development and property management in Macau.

(ii) Quota capital represents the Portuguese equivalence of registered capital as Portuguese is the official language of Macau.

(iii) As at 31 March 2025 and 2024, Orient Town held 59.5% effective interests in Concordia and a wholly-owned subsidiary of the Company held 8.7% direct interests in Concordia, thereby leading to the Group holding an effective equity interest of 35.5% in Concordia.

(iv) The principal activity of its subsidiary is holding a 50% interests in a sino-foreign cooperative joint venture, which holds a hotel in Shanghai, the PRC. During the year ended 31 March 2024, the Group disposed of its entire interests in Premier Maker with aggregate carrying amount of HK$63,750,000 to the major shareholder of Premier Maker at an aggregate consideration of HK$50,000,000 (including transaction cost of HK$159,000), resulting in a loss on disposal of interest in an associate of HK$13,750,000. Upon completion of the disposal, the Group does not held any interest in Premier Maker. The consideration was settled in full in cash during the year ended 31 March 2024.

19. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES *(Continued)*

The above table lists the associates of the Group which, in the opinion of the Directors, principally affected the results for the year or form a substantial portion of the net assets of the Group. Disclosing the details of other associates would, in the opinion of the Directors, result in particulars of excessive length.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents the amount shown in the associates' financial statements prepared in accordance with HKFRS Accounting Standards.

	2025				2024				
	Orient Town HK$'000	Concordia HK$'000	True Fame HK$'000	Total HK$'000	Orient Town HK$'000	Concordia HK$'000	Rosedale Beijing HK$'000	True Fame HK$'000	Total HK$'000
Current assets	4,796,699	4,774,319	2,582,504	12,153,522	5,405,065	5,246,768	16,405	2,537,128	13,205,366
Non-current assets	353,427	353,408	20,073	726,908	395,445	395,418	870,511	6,877	1,668,251
Current liabilities	(435,307)	(550,608)	(1,532,836)	(2,518,751)	(933,816)	(925,423)	(205,802)	(1,509,403)	(3,574,444)
Non-current liabilities	(2,927,826)	(2,927,826)	(100,000)	(5,955,652)	(3,388,743)	(3,388,744)	–	–	(6,777,487)
Revenue	855,430	855,430	–	1,710,860	713,860	713,860	–	243,933	1,671,653
Profit (loss) for the year	182,628	321,273	(64,862)	439,039	168,014	176,888	–	11,636	356,538
Dividends received from associates during the year	–	–	–	–	150,750	18,583	–	–	169,333

19. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES *(Continued)*

The reconciliation of the above summarised financial information to the carrying amount of the interests in the material associates recognised in the consolidated financial statements is as below:

	2025				2024				
	Orient Town	**Concordia**	**True Fame**	**Total**	Orient Town	Concordia	Rosedale Beijing	True Fame	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Net assets of the associates attributable to the owners of the associates	**1,236,884**	**1,649,293**	**969,741**	**3,855,918**	1,054,257	1,328,019	681,114	1,034,602	4,097,992
Proportion of the Group's direct ownership interests in the associates	**45%**	**8.7%**	**20%**	**N/A**	45%	8.7%	20%	20%	N/A
Net assets of interests in associates attributable to the Group	**556,598**	**143,489**	**193,948**	**894,035**	474,416	115,538	136,223	206,920	933,097
Goodwill	**–**	**127,945**	**–**	**127,945**	–	127,945	–	–	127,945
Capitalisation of imputed interest of non-interest bearing loans (note)	**(12,854)**	**–**	**–**	**(12,854)**	(15,684)	–	–	–	(15,684)
Impairment loss	**–**	**–**	**–**	**–**	–	–	(136,223)	–	(136,223)
Other adjustments	**–**	**(1,210)**	**–**	**(1,210)**	–	(1,210)	–	–	(1,210)
Carrying amount of the Group's interests in the associates	**543,744**	**270,224**	**193,948**	**1,007,916**	458,732	242,273	–	206,920	907,925

Note: On initial recognition, the fair value adjustment of the non-interest bearing loans was treated as a capital contribution to Orient Town and recognised as part of the investment cost. Subsequent to the initial recognition, the imputed interest expense of Orient Town was capitalised in its properties under development.

Aggregate information of associates that are not individually material:

	2025	2024
	HK$'000	*HK$'000*
The Group's share of loss	**(95)**	(23,632)
Aggregate carrying amount of the Group's interests in these associates	**–**	100

20. OTHER LOAN RECEIVABLES

	2025 HK$'000	2024 HK$'000
Unsecured fixed-rate loan receivables (note (a))	**405,084**	405,084
Secured fixed-rate loan receivable (note (b))	**38,929**	38,929
Unsecured variable-rate loan receivable (note (c))	**33,248**	33,248
	477,261	477,261
Less: Allowance for credit loss	**(398,156)**	(356,284)
	79,105	120,977
Analysed as:		
Current	**79,105**	120,977

A maturity profile of the loan receivables as at 31 March 2025 and 2024, based on the maturity date is as follows:

	2025 HK$'000	2024 HK$'000
On demand and due within 1 year	**79,105**	120,977

The Group is principally engaged in provision of loan financing services in Hong Kong which is carried out by ITC Properties Finance Limited ("ITCPF"), an indirect wholly-owned subsidiary of the Company, with money lenders licence granted under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group sources its customers, who are either individuals or private companies, through ongoing business relationships with the Group or Directors.

Before granting any new loans and approving credit limits, the Group carries out a detailed review of the credit quality of the borrowers. Under the risk assessment and approval process, the Group conducts an in-depth due diligence to (i) assess the borrowers' background by conducting background searches, (ii) understand the purposes of the loans by discussing with the borrowers about their businesses, operation and financial status, and (iii) assess their repayment ability by evaluating the sources of funds for repayment, the availability and value of collaterals, if any, and any other pertinent information. For loans that are secured with collaterals, the Group will further assess the pledged assets based on their market values and marketability, and the rights to repossess the assets. This assessment is essential for determining the terms of the loans. All new loans are approved by the directors of ITCPF.

Exposure to credit risk is managed through regular analysis of the ability of borrowers to meet the loan principal and interest repayment obligations. The Group performs ongoing evaluation of collectability in assessing the ultimate realisation of other loan receivables. The dedicated team implements monitoring procedures, which allows the Group to evaluate the potential losses. If the other loan receivables and/or the related interest receivables become overdue, the Group initiates actions such as issuing reminder letters and legal demand letters to address the situation. The dedicated team ensures appropriate follow-up actions are undertaken to recover the overdue debts, thereby minimising the potential credit risk.

20. OTHER LOAN RECEIVABLES *(Continued)*

In addition, the Group performs ongoing evaluation of loss rates in assessing ECL, including the repayment history, financial conditions, current creditworthiness and underlying collaterals, if any, of each borrower and the forward-looking information.

The Group performs impairment assessment under ECL model by individual assessment. The Group recognises impairment loss on other loan receivables by applying the ECL model to individual exposures by considering the financial background of the debtors and measuring the impairment loss based on the probability of default and loss given default with reference to international credit-rating agencies' data, if applicable, adjusted for forward-looking factors. The measurement of ECL is a function of the exposure at default, probability of default and loss given default, which involves key estimates from the management. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information which has been incorporated into the determination of expected credit losses, including the use of macroeconomic information. The management has assessed the impact of economic environment on default rate by taking into consideration the gross domestic growth rate under different situations, including economic upturn and downturn.

The credit policy is dynamically reviewed and updated to reflect the current credit environment, business landscape and economic conditions, in order to minimise the credit risk of the Group.

Notes:

(a) At 31 March 2025, one of the fixed-rate loan receivables was nil (2024: nil), net of credit loss allowance for ECL of HK$320,000,000 (2024: HK$320,000,000). It represented the unsecured and unlisted loan notes issued by a company incorporated in Bermuda prior to the delisting of its shares from the Stock Exchange and carried interest at the fixed rate of 9.5% per annum (2024: fixed rate of 9.5% per annum) and were due to repay on 27 November 2019. Such company was ordered to be wound up by the High Court of Hong Kong in June 2020 and its shares were delisted from the Stock Exchange with effect from 8 February 2021. The other fixed-rate loan receivables of HK$51,410,000 (2024: HK$64,327,000), net of credit loss allowance for ECL of HK$33,674,000 (2024: HK$20,757,000), were unsecured, carried interest at fixed rates ranging from 7% to 12% per annum (2024: fixed rates ranging from 7% to 12% per annum) and were repayable on demand.

(b) At 31 March 2025, the Group's secured fixed-rate loan receivable of HK$9,025,000 (2024: HK$36,775,000), net of credit loss allowance for ECL of HK$29,904,000 (2024: HK$2,154,000), was secured by two residential properties and carparks located in Hong Kong, carried interest at a fixed rate of 7% per annum (2024: fixed rate of 7% per annum) and was repayable on 13 September 2024. As at 31 March 2025, the secured fixed-rate loan receivable has been overdue.

(c) At 31 March 2025, the Group's unsecured variable-rate loan receivable of HK$18,670,000 (2024: HK$19,875,000), net of credit loss allowance for ECL of HK$14,578,000 (2024: HK$13,373,000), was unsecured, carried interest at a variable rate of Hong Kong Prime Rate plus 2% per annum (2024: a variable rate of Hong Kong Prime Rate plus 2% per annum) and was repayable on demand.

The above loan receivables are accounted for as financial assets carried at amortised cost. At 31 March 2025, there were 5 borrowers (2024: 5 borrowers) and the effective interest rate of the variable-rate loan receivables was 7.61% per annum (2024: 7.53% per annum). The management of the Group has concluded that an additional impairment loss of HK$41,872,000 (2024: HK$341,000) under ECL model for other loan receivables was recognised during the year ended 31 March 2025. Details of ECL assessment of other loan receivables were set out in Note 33(b).

21. OTHER NON-CURRENT ASSETS

	2025 HK$'000	2024 HK$'000
Deposits paid (note)	–	39,166
Others	**18,260**	19,168
	18,260	58,334

Note: As at 31 March 2024, the amount mainly represented a deposit of HK$39,166,000 paid to an independent third party for setting up a joint venture in Vietnam which was proposed to hold and develop a parcel of land in Vietnam. During the year ended 31 March 2025, the Group disposed of 50% interests in a subsidiary, which holds the deposit with an aggregate carrying amount of net assets of HK$39,113,000 to an independent third party, at a consideration of HK$15,000,000. The disposal resulted in a loss on disposal of HK$4,556,000. The cash consideration of HK$15,000,000 was settled in full during the year ended 31 March 2025.

22. DEPOSITS PAID FOR ACQUISITION OF LEASEHOLD LAND

The amount represented deposits paid for acquisition of leasehold land for a property development project situated in the PRC. During the year ended 31 March 2024, the Group recognised an impairment loss of HK$59,928,000 by considering the recoverable amount having regard to the change in the property market conditions in the PRC.

The recoverable amount of the deposits paid for acquisition of leasehold land have been determined based on their fair value less costs of disposal and impairment assessment was performed by an independent professional valuer. The independent professional valuer uses benchmark land price coefficient correction method to estimate the fair value less costs of disposal of the leasehold land which is based on benchmark land price with adjustments to reflect the conditions, locations, timing and size of the subject leasehold land. The fair value measurement is categorised into Level 3 fair value hierarchy.

As detailed in the Company's announcement dated 23 December 2024, the Group received the "Decision Letter for Resumption of State-Owned Construction Land Use Rights in Public Interests" ("Decision Letter") from The People's Government of Sanya City (the "Sanya Government") regarding resumption with compensation of the leasehold land. Pursuant to the Decision Letter, the Sanya Government has resolved to resume the leasehold land with the Group being entitled to a compensation of RMB477,758,000 (equivalent to HK$511,518,000) for the surrender of the Group's land use rights in respect of the leasehold land. The first instalment of compensation of RMB100,000,000 (equivalent to HK$106,054,000) was received during the year ended 31 March 2025 and the second instalment of compensation of RMB120,000,000 (equivalent to HK$128,480,000) was received subsequent to the end of the reporting period. The remaining third and fourth instalments of RMB100,000,000 (equivalent to HK$107,066,000) and RMB157,758,000 (equivalent to HK$168,906,000) will be received by the Group by June 2025 and September 2025 or may be extended to December 2025, respectively, based on the proposed payment schedule as agreed with the Sanya Government.

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23. STOCK OF PROPERTIES

	2025 HK$'000	2024 HK$'000
Properties under development for sale	**354,300**	935,021
Completed properties held for sale	**36,000**	66,405
	390,300	1,001,426

At 31 March 2025, stock of properties included an amount of approximately HK$354,300,000 (2024: HK$428,640,000) which is expected to be realised after more than twelve months from the end of the reporting period.

24. DEBTORS, DEPOSITS AND PREPAYMENTS

	2025 HK$'000	2024 HK$'000
Trade debtors	**915**	1,811
Refundable earnest money (note (a))	**21,740**	23,028
Consideration receivables	**91,797**	–
Compensation receivable on resumption of land use rights (Note 22)	**404,452**	–
Other debtors, deposits and prepayments (note (b))	**47,324**	43,734
	566,228	68,573

As at 1 April 2023, trade debtors from contracts with customers amounted to HK$1,695,000.

Notes:

(a) This represented the amount paid by the Group for the possible acquisition of interests in properties located in Canada.

(b) The other debtors, deposits and prepayments mainly represented interest receivables generated from other loan receivables.

24. DEBTORS, DEPOSITS AND PREPAYMENTS *(Continued)*

The Group's credit terms are negotiated at terms determined and agreed with its trade customers. The Group allows an average credit period of 60 days (2024: 60 days) to its trade customers. The following is an aged analysis of trade debtors, net of loss allowance, presented based on the invoice date at the end of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Trade debtors aged:		
0 – 60 days	**615**	1,811
61 – 90 days	**300**	–
	915	1,811

Details of ECL assessment of trade debtors and other debtors and deposits are set out in Note 33(b).

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates ranging from 0.01% to 3.30% (2024: 0.01% to 4.60%).

Details of impairment assessment of bank balances are set out in Note 33(b).

26. CREDITORS, DEPOSITS AND ACCRUED CHARGES

	2025	2024
	HK$'000	*HK$'000*
Creditors, deposits and accrued charges	**288,752**	236,678

As at 31 March 2025, other creditors, deposits and accrued charges include advances from non-controlling interests of HK$221,080,000 (2024: HK$193,423,000) which are non-trade in nature, unsecured, interest-free and repayable on demand.

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27. LEASE LIABILITIES

	2025 **HK$'000**	2024 *HK$'000*
Lease liabilities payable:		
Within one year	**8,513**	1,876
Within a period of more than one year but not more than two years	**1,817**	1,422
Within a period of more than two years but not more than five years	**434**	–
	10,764	3,298
Less: Amount due for settlement within 12 months shown under current liabilities	**(8,513)**	(1,876)
Amount due for settlement after 12 months shown under non-current liabilities	**2,251**	1,422

The weighted average incremental borrowing rate applied to lease liabilities is 6.21% (2024: 5.82%) per annum.

28. BANK AND OTHER BORROWINGS

	2025 **HK$'000**	2024 *HK$'000*
Bank and other borrowings		
Secured	**886,735**	1,298,835
Unsecured	**39,506**	63,333
	926,241	1,362,168
Carrying amount of bank borrowings repayable:		
Within one year	**324,845**	262,793
More than one year but not exceeding two years	**–**	324,258
Carrying amount of bank borrowings that contain a repayment on demand clause:		
On demand or within one year (note (a))	**395,220**	711,784
	720,065	1,298,835
Carrying amount of other borrowings repayable:		
Within one year	**39,506**	63,333
More than one year but not exceeding two years	**166,670**	–
	926,241	1,362,168
Less: Amounts due within one year shown under current liabilities	**(759,571)**	(1,037,910)
Amounts shown under non-current liabilities	**166,670**	324,258

28. BANK AND OTHER BORROWINGS *(Continued)*

Notes:

(a) As at 31 March 2025, the Group's certain bank borrowings with carrying amounts of HK$391,300,000 (2024: nil) were overdue. Up to the date of approval of these consolidated financial statements, the Group has not received any demand for immediate repayment of all or part of the outstanding amount of the bank borrowing.

(b) Subsequent to the end of the reporting period, the Group has made repayments of HK$124,465,000.

Bank borrowings comprise	Carrying amount	
	2025	2024
	HK$'000	*HK$'000*
Variable-rate borrowings:		
Hong Kong Interbank Offered Rate ("HIBOR") plus 2.0% (2024: HIBOR plus 1.5% to 2.0%) per annum for HK$ bank loan	**324,845**	1,080,959
Hong Kong Prime Rate plus 8% per annum for HK$ bank loan	**391,300**	–
Secured Overnight Financing Rate ("SOFR") plus 1.61% per annum for US$ bank loan	**3,920**	3,943
Sterling Overnight Index Average ("SONIA") plus 2.85% per annum for Great British Pound ("GBP") bank loan	**–**	213,933
	720,065	1,298,835

Other borrowings comprise	Carrying amount	
	2025	2024
	HK$'000	*HK$'000*
Fixed-rate borrowings:		
7% to 15% (2024: 5% to 7%) per annum for HK$ borrowings	**203,985**	46,761

As at 31 March 2025, an amount of HK$2,191,000 (2024: HK$16,572,000) of other borrowings was interest-free.

At 31 March 2025, the range of effective interest rate of bank borrowings was from 5.83% to 13.25% (2024: 6.50% to 8.06%).

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29. DEFERRED TAXATION

The followings are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation *HK$'000*	Tax losses recognised *HK$'000*	Total *HK$'000*
At 1 April 2023	21,372	(21,372)	–
Charged (credited) to profit or loss	1,506	(1,506)	–
At 31 March 2024	**22,878**	**(22,878)**	**–**
(Credited) charged to profit or loss	**(4,575)**	**4,575**	**–**
At 31 March 2025	**18,303**	**(18,303)**	**–**

At 31 March 2025, the Group has unused tax losses of HK$2,954,734,000 (2024: HK$2,996,834,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$110,937,000 (2024: HK$138,664,000) of such losses. No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK$2,843,797,000 (2024: HK$2,858,170,000) due to the unpredictability of future profit streams. Included in unused tax losses are tax losses of HK$2,724,182,000 (2024: HK$2,757,753,000) which may be carried forward indefinitely under current tax regulation in Hong Kong and the remaining tax losses of HK$230,552,000 (2024: HK$239,081,000) will expire from 2026 to 2030 (2024: 2025 to 2029).

At 31 March 2025, the Group has deductible temporary differences of HK$551,316,000 (2024: HK$275,868,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

There was no other material unrecognised deferred taxation for the year or at the end of the reporting period.

30. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024 and 31 March 2025	40,000,000,000	400,000
Issued and fully paid:		
At 1 April 2023	912,634,410	9,126
Shares repurchased and cancelled (note)	(5,436,000)	(54)
At 31 March 2024 and 31 March 2025	907,198,410	9,072

Note:

During the year ended 31 March 2024, the Company repurchased its ordinary shares on the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares repurchased	Purchase price per share Highest	Purchase price per share Lowest	Aggregate consideration paid
		HK$	*HK$*	*HK$'000*
July 2023	4,956,000	0.85	0.76	4,086
August 2023	480,000	0.80	0.71	356
	5,436,000			4,442

The above ordinary shares were cancelled upon repurchase. The aggregate consideration incurred in the repurchases, including direct expenses, was HK$4,455,000.

31. SHARE-BASED PAYMENT TRANSACTIONS

On 10 September 2021, the share option scheme was approved and adopted by the shareholders of the Company (the "Shareholders") pursuant to an ordinary resolution passed at the annual general meeting (the "Share Option Scheme"). The primary purpose of the Share Option Scheme is to retain, reward, motivate and give incentives to eligible persons. The Share Option Scheme shall be valid and effective for a period of 10 years commencing from 10 September 2021 to 9 September 2031.

Under the Share Option Scheme, the Directors may grant share options to the following eligible persons to subscribe for the new shares of the Company:

(i) any employee or proposed employee (whether full-time or part-time) or executive, including executive director, of any member of the Group; or

(ii) any non-executive director (including independent non-executive director) of any member of the Group; or

(iii) any consultant, adviser or agent (legal, financial or professional) engaged by any member of the Group, who, under the terms of the relevant engagement with the Group, is eligible to participate in a share option scheme of the Company; or

(iv) any executive, including executive director, of any entity in which any member of the Group, directly or indirectly, holds 30% or more equity interests.

Under the Share Option Scheme, share options granted should be accepted within 21 days after the date of grant, upon payment of HK$1.0 per each grant of the share options. The exercise price shall be determined by the Board and shall be at least the highest of (i) the closing price of the shares on the date of grant of the share options; or (ii) the average closing price of shares for the five business days immediately preceding the date of grant; or (iii) the nominal value of a share on the date of grant.

There is no specific requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The period during which an option may be exercised is determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant.

The total number of shares of the Company which may be issued upon exercise of all the share options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue as at the adoption date (the "Scheme Limit"). The Scheme Limit may be refreshed by an ordinary resolution of the Shareholders in general meeting provided that the Scheme Limit so refreshed shall not exceed 10% of the total number of shares in issue as at the date of such Shareholders' approval. Furthermore, the maximum aggregate number of shares of the Company which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time.

31. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

The maximum number of shares issued and to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled or outstanding) to each eligible person in any 12-month period shall not exceed 1% of the total number of shares in issue unless approval of the Shareholders is obtained. Any grant of share options to a Director, the chief executive of the Company, a substantial shareholder of the Company, or a Controlling Shareholder or any of their respective associates (as defined in the Listing Rules) is subject to approval by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the share options). In addition, where the Board proposes to grant any share options to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates (as defined in the Listing Rules), and such share options, if exercised in full, would result in the total number of shares of the Company issued and to be issued upon exercise of all the share options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the past 12-month period up to and including the date of grant in excess of 0.1% of the total number of shares in issue on the date of grant and with an aggregate value (based on the closing price of the shares on the date of grant) in excess of HK$5,000,000, such grant of share options is subject to the Shareholders' approval in general meeting.

On 28 September 2021, the Company granted a total of 16,660,000 share options to the eligible participants to subscribe for the shares of the Company under the Share Option Scheme with vesting period ranging from 0.5 year to 2 years. A total of 16,320,000 share options were duly accepted by the grantees. During the year ended 31 March 2025, the Group recognised the total expense of nil (2024: HK$99,000) in relation to the share options granted by the Company on 28 September 2021.

The fair values of the share options granted to Directors, employees and other participants on 28 September 2021 were HK$1,175,000, HK$990,000 and HK$152,000, respectively. The fair values were determined at the grant date on the basis of a valuation carried out by an independent professional valuer using Binomial Model and the following data and assumptions were used to calculate the fair values of the share options as at the grant date:

Closing price of the shares on the date of grant	HK$1.01
Exercise price	HK$1.03
Expected volatility	26.85%
Expected option life	4 years
Risk-free rate	0.66%
Expected dividend yield	3.96%

The expected volatility measured at the standard deviation is based on the historical data of the daily share price movement of the Company.

The value of a share option varies with different variables of certain subjective assumptions.

31. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

The following table sets out the details of the Company's share options held by Directors, employees and other participants under the Share Option Scheme, and movements in such holdings during the current year and prior year:

					Number of share options						
Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price per share (Subject to adjustment) HK$	Outstanding at 1.4.2023	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at 31.3.2024	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at 31.3.2025
Directors:											
28.9.2021	25%	28.9.2021 – 31.3.2022	1.4.2022 – 30.9.2025	1.03	1,475,000	–	–	1,100,000 (note (iii))	–	–	1,100,000
	25%	28.9.2021 – 30.9.2022	1.10.2022 – 30.9.2025	1.03	1,475,000	–	–	1,100,000 (note (iii))	–	–	1,100,000
	25%	28.9.2021 – 31.3.2023	1.4.2023 – 30.9.2025	1.03	1,475,000	–	–	1,100,000 (note (iii))	–	–	1,100,000
	25%	28.9.2021 – 30.9.2023	1.10.2023 – 30.9.2025	1.03	1,475,000	–	–	1,100,000 (note (iii))	–	–	1,100,000
Employees:											
28.9.2021	25%	28.9.2021 – 31.3.2022	1.4.2022 – 30.9.2025	1.03	1,220,000	–	(115,000)	1,405,000	–	(350,000)	1,055,000
	25%	28.9.2021 – 30.9.2022	1.10.2022 – 30.9.2025	1.03	1,220,000	–	(115,000)	1,405,000	–	(350,000)	1,055,000
	25%	28.9.2021 – 31.3.2023	1.4.2023 – 30.9.2025	1.03	1,220,000	–	(115,000)	1,405,000	–	(350,000)	1,055,000
	25%	28.9.2021 – 30.9.2023	1.10.2023 – 30.9.2025	1.03	1,220,000	–	(115,000)	1,405,000	–	(350,000)	1,055,000
Other participants:											
28.9.2021	25%	28.9.2021 – 31.3.2022	1.4.2022 – 30.9.2025	1.03	275,000 (note (i) and (ii))	–	(75,000) (note (iii))	275,000 (note (i) and (ii))	–	–	275,000
	25%	28.9.2021 – 30.9.2022	1.10.2022 – 30.9.2025	1.03	275,000 (note (i) and (ii))	–	(75,000) (note (iii))	275,000 (note (i) and (ii))	–	–	275,000
	25%	28.9.2021 – 31.3.2023	1.4.2023 – 30.9.2025	1.03	275,000 (note (i) and (ii))	–	(75,000) (note (iii))	275,000 (note (i) and (ii))	–	–	275,000
	25%	28.9.2021 – 30.9.2023	1.10.2023 – 30.9.2025	1.03	275,000 (note (i) and (ii))	–	(75,000) (note (iii))	275,000 (note (i) and (ii))	–	–	275,000
					11,880,000	–	(760,000)	11,120,000	–	(1,400,000)	9,720,000
Exercisable at the end of year					5,940,000			11,120,000			9,720,000
Weighted average exercise price per share (HK$)					1.03	N/A	1.03	1.03	N/A	1.03	1.03

Notes:

The other participants are:

(i) a consultant of the Group, who held 800,000 outstanding share options;

(ii) a senior executive of a principal associate of the Company, who held 300,000 outstanding share options. He is also a director of certain associates of the Company; and

(iii) Mr. Chan Pak Cheong Afonso, a former Director, who resigned with effect from 18 September 2023 and still held 300,000 outstanding share options after his resignation pursuant to the Share Option Scheme. The outstanding share options were reallocated to other participants and eventually lapsed during the year ended 31 March 2024.

The share options outstanding at 31 March 2025 had a weighted average remaining contractual life of less than one year (2024: 1.5 years).

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of amounts due to joint ventures, advances from non-controlling interests, lease liabilities and bank and other borrowings disclosed in Notes 18, 26, 27 and 28, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a semi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 ***HK$'000***	2024 *HK$'000*
Financial assets		
FVTPL	**47,949**	80,371
Amortised cost (including cash and cash equivalents)	**1,488,408**	1,152,557
Financial liabilities		
Amortised cost	**1,219,782**	1,599,671

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity and fund investments, debtors and deposits, other loan receivables, amounts due from joint ventures, amounts due from associates, cash and cash equivalents, creditors and deposits, amount due to a joint venture and bank and other borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk

The carrying amounts of the Group entities' foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

(i) *Currency risk*

Several subsidiaries of the Company have certain foreign currency bank balances and refundable earnest money, which expose the Group to foreign currency risk. Management has closely monitored foreign exchange exposure and will undertake procedures necessary to mitigate the currency risk.

	Monetary assets	
	2025	2024
	HK$'000	*HK$'000*
US$	**178**	18
EURO ("EUR")	**71**	20
GBP	**2**	2
RMB	**5**	6
CAD	**21,746**	23,033

Sensitivity analysis

The Group is mainly exposed to effects of fluctuation in US$, EUR, GBP, RMB and CAD.

The functional currency of the respective group entities is HK$. The Group's exposure to the currency risk of US$ is limited because HK$ is pegged to US$. The Group's exposure to the currency risk of RMB, EUR and GBP is not material.

The following table details the Group's sensitivity to a 5% (2024: 5%) increase or decrease in HK$ against CAD. 5% (2024: 5%) is the sensitivity rate used and represents management's assessment of the reasonably possible change in foreign exchange rates.

	Impact of CAD	
	2025	2024
	HK$'000	*HK$'000*
5% appreciation of the functional currency:		
Increase in post-tax loss for the year	**(908)**	(962)
5% depreciation of the functional currency:		
Decrease in post-tax loss for the year	**908**	962

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the fixed-rate amounts due from joint ventures, fixed-rate other loan receivables, fixed-rate lease liabilities and fixed-rate other borrowings as set out in Notes 18, 20, 27 and 28, respectively.

The Group is also exposed to cash flow interest rate risk in relation to bank balances, variable-rate other loan receivables and variable-rate bank borrowings as set out in Notes 25, 20 and 28, respectively. It is the Group's policy to keep its bank borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR, Hong Kong Prime Rate, SOFR and SONIA.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period which carried floating market interest rate. The analysis is prepared assuming the amount of asset and liability outstanding at the end of the reporting period was outstanding for the whole year. Bank balances are excluded from the analysis as the management considers the change in interest rate is not significant. A 100 basis points (2024: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2025 would increase/decrease by HK$6,014,000 (2024: HK$10,852,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate other loan receivables and bank borrowings.

(iii) Other price risk

The Group is exposed to equity price risk solely arising from equity and fund investments. Management manages this exposure by maintaining a portfolio of investments with different risks. The Group's other price risk is concentrated on listed equity and fund investments. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below includes equity investments that are carried at fair values and has been determined based on the exposure to equity price risk at the end of the reporting period.

If the prices of the respective listed equity instruments had been 10% (2024: 10%) higher/lower, post-tax loss for the year ended 31 March 2025 would decrease/increase by HK$1,625,000 (2024: HK$2,036,000) as a result of the changes in fair value of listed equity investments measured at FVTPL.

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade debtors, other debtors and deposits, other loan receivables, amounts due from joint ventures, amounts due from associates, bank balances, undrawn loan commitments to joint ventures and financial guarantee contracts.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade debtors arising from contracts with customers

The management of the Group considers the balance of trade debtors under lifetime ECL as at 31 March 2025 and 2024 was insignificant and accordingly no allowance for credit losses is provided.

Other debtors and deposits

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group performs impairment assessment under ECL model on other debtors and deposits by individual assessment on 12m ECL basis where there had been no significant increase in credit risk since initial recognition. The 12m ECL on other debtors and deposits is considered to be insignificant and no loss allowance was recognised. During the year ended 31 March 2025, a reversal of loss allowance of HK$21,598,000 (2024: nil) was recongised in profit or loss up on receipt of refundable earnest money with a gross carrying amount of HK$21,598,000.

Other loan receivables and related interest receivables included in other debtors and deposits

Exposure to credit risk is managed through regular analysis of the ability of borrowers to meet principal and interest repayment obligations. For a loan receivable and its related interest receivables amounting to HK$10,600,000 (2024: HK$37,092,000) are secured by two residential properties and carparks situated in Hong Kong. The exposure to credit risk is mitigated through realisation of the collaterals in event of their default. There were no loan receivables and interest receivables in respect of which a loss allowance has not been recognised because of the collaterals. As at 31 March 2025, such loan receivable and its interest receivable with collaterals held as security are credit-impaired. The Group performs impairment assessment under ECL model by individual assessment. Key sources of estimation uncertainty include forward-looking factors. Forward-looking information has been incorporated into the determination of expected credit losses, including the use of macroeconomic information. The management of the Group has assessed the impact of economic environment on default rate by taking into consideration of gross domestic growth rate under different situations, including economic upturn and downturn. As at 31 March 2025, all other loan receivables and interest receivables are assessed on lifetime ECL basis because the credit risks have increased significantly since initial recognition. As at 31 March 2024, for certain other loan receivables and interest receivables with no significant increase in credit risk since initial recognition, the ECL were assessed on 12m ECL basis and certain other loan receivables and interest receivables were assessed on lifetime ECL basis because the credit risks had increased significantly since initial recognition.

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Other loan receivables and related interest receivables included in other debtors and deposits (Continued)

For other loan and associated interest receivables measured at lifetime ECL, which are considered to be credit-impaired as the amounts have been overdue for over 90 days and there was significant financial difficulties of the borrowers, management updated their inputs into ECL measurement with respect to probability of default and loss given default. The Group has performed an internal assessment of ECL provision taking into account the financial position, related negative facts and circumstances for the borrowers.

Bank balances

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Therefore, the 12m ECL on bank balances is considered to be insignificant and no loss allowance was recognised.

Amounts due from joint ventures and associates, undrawn loan commitments to joint ventures and financial guarantees to joint ventures and an associate

The Directors monitor that the credit risk in relation to amounts due from joint ventures and associates on a revolving basis. The Group performs impairment assessment under ECL model by individual assessment on 12m ECL basis where there had been no significant increase in credit risk since initial recognition and for an amount due from a joint venture assessing on lifetime ECL basis for the balance in which credit risk has increased significantly since initial recognition.

For amounts due from joint ventures and associates assessed on 12m ECL basis, the management of the Group considers the credit risk in these balances to be low after considering the financial performance and future cash flow generated from respective joint ventures and associates. The ECL of these balances are considered insignificant and no loss allowance has been recognised. For amount due from a joint venture with gross carrying amount of HK$11,022,000 (2024: HK$11,022,000) assessed under lifetime ECL, the management of the Group considers the amount is credit-impaired due to the significant financial difficulties of the joint venture.

For financial guarantee contracts, the aggregate amount of outstanding financial guarantees issued to banks in respect of bank facilities granted to joint ventures and an associate that the Group could be required to pay amounting to HK$439,763,000 (2024: HK$1,096,997,000) as at 31 March 2025. HK$343,481,000 (2024: HK$911,121,000) of the outstanding financial guarantees has been utilised by joint ventures and an associate. The fair value of these financial guarantees, as at dates of initial recognition, were considered insignificant. At the end of the reporting period, the management of the Group has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. In view that the borrowings of the joint ventures and an associate are secured by respective underlying assets and the realisable values of underlying assets could fully cover the borrowings, no charge for expected credit losses recognised in profit or loss and no loss allowance made in the consolidated statement of financial position.

For the year ended 31 March 2025

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

***Credit risk and impairment assessment** (Continued)*

Amounts due from joint ventures and associates, undrawn loan commitments to joint ventures and financial guarantees to joint ventures and an associate (Continued)

For undrawn loan commitments to joint ventures, the ECL is assessed on 12m basis as the Directors consider there is no significant increase in credit risk since initial recognition after considering the risk of default occurring on the loan to which the loan commitments relates is low. With the expected profitability of the future sales of properties, the Directors believe the present value of expected cash inflows from the sales of properties will be greater than the cash flows due under the expected loan amounts drawn down and the loss allowance under ECL is not expected to be material.

The Group's concentration of credit risk in trade debtors by geographical locations is mainly in Hong Kong (2024: Canada), which accounted for 65% (2024: 73%) of the trade debtors as at 31 March 2025.

The Group has concentration of credit risk in other loan receivables as disclosed in Note 20, as three borrowers accounted for 100% of the total other loan receivables as at 31 March 2025 and 2024. At 31 March 2025 and 2024, the majority of borrowers of the other loan receivables are private companies or individuals.

The Group does not have any other significant concentration of credit risk, other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, amounts due from associates as set out in Note 19, other loan receivables as set out in Note 20, debtors as disclosed above, refundable earnest money as set out in Note 24, undrawn loan commitments to joint ventures as set out in Note 35 and financial guarantee contracts as set out in Note 40. The Group assesses the credit risk by reviewing and monitoring the financial performance of the counterparties and the management considers the default risk is not significant.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade debtors	Other financial assets and other items
Low risk	The counterparty has a low risk of default	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays in full amount after due dates but usually settles after due date	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	Amount is >30 days past due or there have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

The tables below detail the credit risk exposures of the Group's trade debtors, other debtors and deposits, other loan receivables, amounts due from joint ventures, amounts due from associates, bank balances, undrawn loan commitments to joint ventures and financial guarantee contracts which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount 2025 HK$'000	Gross carrying amount 2024 HK$'000
Financial assets at amortised costs						
Amounts due from joint ventures (note (a))	18	N/A	Low risk	12m ECL	**782,552**	877,342
		N/A	Loss	Lifetime ECL – credit-impaired	**11,022**	11,022
					793,574	888,364
Amounts due from associates (note (a))	19	N/A	Low risk	12m ECL	**81,659**	72,432
Other loan receivables	20	N/A	Low risk	12m ECL	**–**	107,022
		N/A	Doubtful	Lifetime ECL – not credit-impaired	**101,341**	33,248
		N/A	Loss	Lifetime ECL – credit-impaired	**375,920**	336,991
					477,261	477,261
Trade debtors (note (c))	24	N/A	Low risk	Lifetime ECL – not credit-impaired	**915**	1,811
Other debtors and deposits	24	N/A	Low risk	12m ECL	**527,951**	59,309
		N/A	Doubtful	Lifetime ECL – not credit-impaired	**44,081**	9,238
		N/A	Loss	Lifetime ECL – credit-impaired	**30,017**	50,087
					602,049	118,634
Bank balances	25	Baa2 – Aaa	Low risk	12m ECL	**47,589**	24,639
Other items						
Undrawn loan commitments to joint ventures (note (b))	35	N/A	Low risk	12m ECL	**–**	10,817
Financial guarantee contracts (note (b))	40	N/A	Low risk	12m ECL	**439,763**	1,096,997

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

***Credit risk and impairment assessment** (Continued)*

Notes:

(a) For the amounts due from joint ventures and associates, the Directors consider the ECL are insignificant with reference to the estimation of the amount and timing of future cash flows and underlying asset values of respective joint ventures and associates, except for an amount due from a joint venture which is credit-impaired.

(b) For undrawn loan commitments to joint ventures and financial guarantee contracts, the gross carrying amount represents the maximum amount the Group guaranteed under the respective contracts. The Directors consider no significant increase in credit risk since initial recognition of undrawn loan commitments and financial guarantee contracts. The 12m ECL on undrawn loan commitments and financial guarantee contracts is considered to be insignificant and no loss allowance was recognised.

(c) For trade debtors, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The ECL on the trade debtors are assessed collectively using a provision matrix, grouped by shared credit risk characteristics and the loss allowance is not material.

The following table shows the movements in ECL that have been recognised for other loan receivables, other debtors and deposits and amount due from a joint venture:

	Other loan receivables				Other debtors and deposits (note)				Amount due from a joint venture	
	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Sub-total	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Sub-total	Lifetime ECL (credit-impaired)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2023	5,765	13,187	336,991	355,943	1,562	2,629	51,299	55,490	11,022	422,455
Changes due to financial instruments recognised as at 1 April:										
– Impairment losses recognised	2,095	186	–	2,281	–	37	–	37	–	2,318
– Impairment losses reversed	(1,940)	–	–	(1,940)	(300)	–	–	(300)	–	(2,240)
– Exchange adjustments	–	–	–	–	–	–	(1,212)	(1,212)	–	(1,212)
Financial assets newly originated	–	–	–	–	281	1,050	–	1,331	–	1,331
At 31 March 2024	**5,920**	**13,373**	**336,991**	**356,284**	**1,543**	**3,716**	**50,087**	**55,346**	**11,022**	**422,652**
Changes due to financial instruments recognised as at 1 April:										
– Transfer to doubtful	**(5,920)**	**5,920**	**–**	**–**	**(1,543)**	**1,543**	**–**	**–**	**–**	**–**
– Transfer to credit-impaired	**–**	**(2,154)**	**2,154**	**–**	**–**	**(19)**	**19**	**–**	**–**	**–**
– Impairment losses recognised	**–**	**14,122**	**27,750**	**41,872**	**–**	**5,560**	**–**	**5,560**	**–**	**47,432**
– Impairment losses reversed	**–**	**–**	**–**	**–**	**–**	**–**	**(21,617)**	**(21,617)**	**–**	**(21,617)**
– Exchange adjustments	**–**	**–**	**–**	**–**	**–**	**–**	**(47)**	**(47)**	**–**	**(47)**
Financial assets newly originated	**–**	**–**	**–**	**–**	**–**	**2,278**	**–**	**2,278**	**–**	**2,278**
At 31 March 2025	**–**	**31,261**	**366,895**	**398,156**	**–**	**13,078**	**28,442**	**41,520**	**11,022**	**450,698**

Note: Other debtors and deposits with ECL provided mainly included interest receivables generated from other loan receivables and refundable earnest money.

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Changes in the ECL provision of other loan receivables are mainly due to:

	Increase (decrease) in ECL					
	2025			2024		
	12m ECL *HK$'000*	Lifetime ECL (not credit-impaired) *HK$'000*	Lifetime ECL (credit-impaired) *HK$'000*	12m ECL *HK$'000*	Lifetime ECL (not credit-impaired) *HK$'000*	Lifetime ECL (credit-impaired) *HK$'000*
Transfer to lifetime ECL upon reaching doubtful status and increase in allowance of other loan receivables with a gross carrying amount of HK$107,022,000 (2024: nil)	**(5,920)**	**18,837**	**–**	–	–	–
Transfer to credit-impaired upon reaching loss status and increase in allowance of other loan receivables with a gross carrying amount of HK$38,929,000 (2024: nil)	**–**	**(2,154)**	**29,904**	–	–	–
Settlement of other loan receivable with a gross carrying amount of nil (2024: HK$35,000,000)	**–**	**–**	**–**	(1,937)	–	–
Further impairment loss recognised of other loan receivables with a gross carrying amount of nil (2024: HK$72,177,000)	**–**	**–**	**–**	2,095	186	–

For the year ended 31 March 2025

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Changes in the ECL provision of other debtors and deposits are mainly due to:

	Increase (decrease) in ECL					
	2025			2024		
	12m ECL *HK$'000*	**Lifetime ECL (not credit-impaired)** *HK$'000*	**Lifetime ECL (credit-impaired)** *HK$'000*	12m ECL *HK$'000*	Lifetime ECL (not credit-impaired) *HK$'000*	Lifetime ECL (credit-impaired) *HK$'000*
Refund of refundable earnest money with a gross carrying amount of HK$21,598,000 (2024: nil)	**–**	**–**	**(21,598)**	–	–	–
New other loan interest receivables with a gross carrying amount of HK$7,298,000 (2024: HK$2,608,000)	**–**	**2,278**	**–**	–	1,050	–
Transfer to lifetime ECL upon reaching doubtful status and increase in allowance of other loan interest receivables with a gross carrying amount of HK$27,881,000 (2024: nil)	**(1,543)**	**6,768**	**–**	–	–	–
Transfer to credit-impaired upon reaching default and increase in allowance of other loan interest receivables with a gross carrying amount of HK$336,000 (2024: nil)	**–**	**(19)**	**19**	–	–	–
New other loan interest receivables with a gross carrying amount of nil (2024: HK$8,032,000)	**–**	**–**	**–**	281	–	–
Settlement of other loan interest receivable with a gross carrying amount of nil (2024: HK$5,406,000)	**–**	**–**	**–**	(300)	–	–

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

During the year ended 31 March 2025, the Group has given careful consideration to its future liquidity, its financial position and its available sources of financing to ensure the Group has sufficient financial resources to continue as a going concern. The Group successfully implemented the following plans and measures:

(a) the Group disposed of a property in Hong Kong which generated cash inflows of HK$260,000,000 (less transaction costs of HK$569,000) during the year ended 31 March 2025, details of which are set out in Note 15;

(b) the Group sold its stock of properties in the Hong Kong and United Kingdom which generated revenue of HK$377,424,000 during the year ended 31 March 2025, details of which are set out in Notes 5 and 6;

(c) the Group partial disposed of and disposed of its interests in certain of its joint ventures, including partial disposed of 10% interests in 1488 Alberni LPDH, partial disposed of 10% interests in 1488 Alberni LPI and disposed of its entire 50% interests in Bayshore, which generated net cash inflows of HK$62,535,000 in aggregate during the year ended 31 March 2025, details of which are set out in Note 18;

(d) the Group raised new bank and other borrowings of HK$293,673,000 in aggregate during the year ended 31 March 2025, details of bank and other borrowings are set out in Note 28; and

(e) the Sanya Government has resolved to resume the leasehold land with a compensation of RMB477,758,000 (equivalent to HK$511,518,000) for the surrender of the Group's land use rights in respect of the leasehold land, in which the first instalment of compensation amounting to RMB100,000,000 (equivalent to HK$106,054,000) was received by the Group during the year ended 31 March 2025, the second instalment of compensation of RMB120,000,000 (equivalent to HK$128,480,000) was received subsequent to the end of the reporting period and the remaining third and fourth instalments of RMB100,000,000 (equivalent to HK$107,066,000) and RMB157,758,000 (equivalent to HK$168,906,000) will be received by the Group by June 2025 and September 2025 or may be extended to December 2025, respectively, based on the proposed payment schedule as agreed with the Sanya Government, details of which are set out in Note 22.

Accordingly, the Group generated net cash of HK$135,005,000 from its operating activities (2024: net cash used in operating activities of HK$46,493,000) during the year ended 31 March 2025, and resulted in a net increase in cash and cash equivalents of HK$25,545,000 (2024: net decrease in cash and cash equivalents of HK$36,396,000) for the year ended 31 March 2025.

For the year ended 31 March 2025

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

It is the intention of the Group to improve its liquidity position. As a result, the Directors are taking active steps, which include potential disposal of properties, maintaining business activities, seeking refinancing and control on administrative and operating costs, to manage the Group's liquidity risk. Details of these plans and measures are set out in Note 1.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms and has been drawn up according to the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity tables

	Weighted average interest rate %	On demand or less than 3 months *HK$'000*	3 months to 1 year *HK$'000*	1 year to 2 years *HK$'000*	Total undiscounted cash flows *HK$'000*	Carrying amount at 31.3.2025 *HK$'000*
2025						
Non-derivative financial liabilities						
Creditors and deposits	–	(272,768)	–	–	(272,768)	(272,768)
Amount due to a joint venture	–	(20,773)	–	–	(20,773)	(20,773)
Lease liabilities (Note 27)	6.21	(2,242)	(6,666)	(2,309)	(11,217)	(10,764)
Bank borrowings						
– variable rate	9.86	(399,957)	(326,619)	–	(726,576)	(720,065)
Other borrowings						
– fixed rate	14.22	(37,084)	(22,877)	(178,314)	(238,275)	(203,985)
– interest free	–	(2,191)	–	–	(2,191)	(2,191)
		(735,015)	(356,162)	(180,623)	(1,271,800)	(1,230,546)
Financial guarantee contracts (Note 40)		439,763	–	–	439,763	–
Undrawn loan commitments to joint ventures (Note 35)		–	–	–	–	–

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

Liquidity tables (Continued)

	Weighted average interest rate %	On demand or less than 3 months *HK$'000*	3 months to 1 year *HK$'000*	1 year to 2 years *HK$'000*	Total undiscounted cash flows *HK$'000*	Carrying amount at 31.3.2024 *HK$'000*
2024						
Non-derivative financial liabilities						
Creditors and deposits	–	(217,180)	–	–	(217,180)	(217,180)
Amount due to a joint venture	–	(20,323)	–	–	(20,323)	(20,323)
Lease liabilities (Note 27)	5.82	(657)	(1,501)	(1,503)	(3,661)	(3,298)
Bank borrowings						
– variable rate	6.82	(983,166)	(16,299)	(332,284)	(1,331,749)	(1,298,835)
Other borrowings						
– fixed rate	5.26	(41,226)	(6,146)	–	(47,372)	(46,761)
– interest free	–	(15,000)	(1,572)	–	(16,572)	(16,572)
		(1,277,552)	(25,518)	(333,787)	(1,636,857)	(1,602,969)
Financial guarantee contracts (Note 40)		1,096,997	–	–	1,096,997	–
Undrawn loan commitments to joint ventures (Note 35)		10,817	–	–	10,817	–

Bank borrowings with a repayment on demand clause are included in the "on demand or less than 3 months" time band in the above maturity analysis. As at 31 March 2025, the carrying amounts of these bank borrowings amounted to HK$395,220,000 (2024: HK$711,784,000) of which HK$391,300,000 was overdue (2024: nil). Other than the overdue bank borrowing of HK$391,300,000, the Directors believe that the undiscounted principal and interest of the remaining bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements as below.

For the year ended 31 March 2025

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

	2025	2024
	HK$'000	*HK$'000*
Less than 3 months	**4,002**	712,667

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

As at 31 March 2024, the amounts included above for undrawn loan commitments to joint ventures are the maximum amounts the Group committed to grant loans to the joint ventures. There is no maturity for the drawdown of commitments by the joint ventures.

The amount included above for variable interest rate instrument for non-derivative financial liabilities is subject to change if variable interest rate differs from those estimates of interest rates determined at the end of the reporting period based on spot rates.

(c) Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3 as set out in Note 3) based on the degree to which the inputs to the fair value measurements is observable.

33. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurements of financial instruments *(Continued)*

***Fair value of the Group's financial assets that are measured at fair value on a recurring basis** (Continued)*

Set out below is the information about how the fair values of the Group's financial instruments that are measured at fair value are determined, including the valuation techniques and inputs used:

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2025	2024				
	HK$'000	*HK$'000*				
Financial assets at FVTPL						
Listed equity securities in Hong Kong	**19,463**	24,385	Level 1	Quoted closing prices in an active market	N/A	N/A
Listed equity securities in Hong Kong (note (iii))	**–**	–	Level 3	N/A	N/A	N/A
Unlisted investment funds in overseas (note (i))	**28,486**	34,942	Level 3	note (ii)	Net asset value (note (ii))	An increase in the net asset value would result in an increase in fair value, and vice versa
Unlisted equity investment in the PRC (note (iv))	**–**	N/A	Level 3	Discounted cash flows	Operating cash flows	An increase in the operating cash flows would result in an increase in fair value, and vice versa
Financial assets at FVTOCI						
Listed equity securities in Hong Kong (note (iii))	**–**	–	Level 3	N/A	N/A	N/A
Unlisted equity securities in overseas (note (i))	**–**	–	Level 3	Market approach which uses relevant information generated by certain companies with comparable businesses	Minority and marketability discount	A significant increase in the minority and marketability discount would result in a significant decrease in fair value, and vice versa

33. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurements of financial instruments *(Continued)*

***Fair value of the Group's financial assets that are measured at fair value on a recurring basis** (Continued)*

Notes:

(i) Reconciliation of Level 3 fair value measurement of financial assets is as follows:

	Financial assets at FVTPL
	Unlisted investment funds
	HK$'000
As at 1 April 2023	56,800
Total losses, recognised in:	
– profit or loss	(16,354)
Redemption	(1,147)
Return of capital	(4,357)
As at 31 March 2024	**34,942**
Total losses, recognised in:	
– profit or loss	**(6,456)**
As at 31 March 2025	**28,486**
Unrealised losses, recognised in profit or loss or other comprehensive income for the year ended 31 March 2024	(15,975)
Unrealised losses, recognised in profit or loss or other comprehensive income for the year ended 31 March 2025	**(6,456)**

(ii) The fair values of the unlisted investment funds in overseas as at 31 March 2025 and 2024 are determined with reference to the net asset value of the unlisted equity and partnership investments which are the deemed resale price of the investments provided by the external counter-parties. The Directors have determined that the reported net asset values represent fair values of these investments. A 5% increase/decrease in the net asset value per share holding all other variables constant would increase/decrease the carrying amounts of the unlisted investment funds in overseas by HK$1,424,000 (2024: HK$1,747,000).

(iii) As at 31 March 2025 and 2024, as a result of the winding up and delisting of the related equity securities, the management considered the fair values of such unlisted equity securities to be zero as at 31 March 2025 and 2024.

(iv) As detailed in Notes 4 and 19(a), Rosedale Beijing is reclassified as financial assets measured at FVTPL during the year ended 31 March 2025. After taking into account the expected cash flows from the investee after the resolution of various litigations and disputes involving the investee and its Major Shareholder, expected terminal value of the investment, estimated economic life of the underlying assets, and expected proceeds from disposal of the investee, if any, the Directors are of the opinion that the fair value as at 31 March 2025 is insignificant.

There was no other transfer amongst Level 1, Level 2 and Level 3 for both years.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amount due to an associate	Amounts due to joint ventures	Amounts due to non-controlling interests (included in creditors, deposits and accrued charges)	Lease liabilities	Bank and other borrowings	Interest payables (included in creditors, deposits and accrued charges)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2023	–	13,799	189,176	3,353	1,434,223	6,993	1,647,544
Financing cash flows	141,986	12,033	4,813	(2,644)	(74,650)	(87,887)	(6,349)
Dividends distribution offset (Notes 18 and 19)	(141,986)	(5,509)	–	–	–	–	(147,495)
New lease entered into	–	–	–	3,988	–	–	3,988
Termination of lease	–	–	–	(1,519)	–	–	(1,519)
Finance costs	–	–	–	235	–	90,911	91,146
Exchange adjustments	–	–	(566)	(115)	2,595	–	1,914
At 31 March 2024	**–**	**20,323**	**193,423**	**3,298**	**1,362,168**	**10,017**	**1,589,229**
Financing cash flows	**–**	**450**	**21,071**	**(8,570)**	**(454,047)**	**(107,465)**	**(548,561)**
New lease entered into	**–**	**–**	**–**	**16,575**	**–**	**–**	**16,575**
Termination of lease	**–**	**–**	**–**	**(1,336)**	**–**	**–**	**(1,336)**
Finance costs	**–**	**–**	**–**	**817**	**–**	**125,342**	**126,159**
Exchange adjustments	**–**	**–**	**758**	**(20)**	**3,736**	**–**	**4,474**
Interest capitalisation	**–**	**–**	**–**	**–**	**14,384**	**(14,384)**	**–**
Acquisition of additional interest in a subsidiary	**–**	**–**	**(16,017)**	**–**	**–**	**–**	**(16,017)**
Partial disposal of a subsidiary without loss of control	**–**	**–**	**21,845**	**–**	**–**	**–**	**21,845**
At 31 March 2025	**–**	**20,773**	**221,080**	**10,764**	**926,241**	**13,510**	**1,192,368**

35. CAPITAL AND OTHER COMMITMENTS

	2025 HK$'000	2024 HK$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– construction of property, plant and equipment	**642**	642
– equity and fund investments	**34,120**	34,321
	34,762	34,963
Other commitments:		
– stock of properties	**10,500**	11,753
– investment in a joint venture	**–**	2,884
– loans to joint ventures	**–**	10,817
– formation of a joint venture for a proposed land development in Vietnam	**–**	69,838
	10,500	95,292
	45,262	130,255

36. OPERATING LEASE ARRANGEMENTS

The Group as lessor

During the year ended 31 March 2025, property rental income earned represented fixed monthly rental income which was HK$8,861,000 (2024: HK$5,812,000). The properties which were leased out as at 31 March 2025 had rental yield of approximately 1% (2024: 1%) and with committed tenants with the longest tenure for one year (2024: two years).

Minimum lease payment receivables on leases were as follows:

	2025 HK$'000	2024 HK$'000
Within one year	**242**	2,211
In the second year	**–**	265
	242	2,476

37. PLEDGE OF ASSETS

At the end of the reporting period, the Group's bank borrowings and credit facilities were secured by the following:

	2025 ***HK$'000***	2024 *HK$'000*
Property, plant and equipment	**120,000**	420,345
Investment properties	**417,000**	469,000
Interests in associates	**813,968**	701,005
Amounts due from associates	**35,657**	35,630
Stock of properties	**–**	506,381
	1,386,625	2,132,361

As at 31 March 2025, the Group's other borrowings with outstanding principal amount of HK$166,670,000 (2024: nil) were secured by the pledges of the equity shares of certain subsidiaries of the Company.

38. RETIREMENT BENEFITS SCHEMES

The Group operates a defined contribution retirement benefits scheme which is registered under the Occupational Retirement Scheme Ordinance (the "ORSO Scheme") for eligible employees. The assets of the scheme are separately held in funds under the control of trustees.

With effect from 1 December 2000, the Group has also joined the MPF Scheme for employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee.

Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The Group contributes 5% to 10% on the employee's monthly salary to the ORSO Scheme and either (i) 5% on the lower of the employee's monthly salary or HK$30,000 or (ii) 5% on the employee's monthly salary to the MPF Scheme. Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The employees of the subsidiaries in the PRC are members of state-managed retirement benefits schemes operated by the PRC government. The subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the required contributions under the schemes.

The total costs charged to the consolidated statement of profit or loss of HK$2,208,000 (2024: HK$2,706,000) represented contributions paid or payable to the schemes by the Group during the year.

The Group had no forfeited contributions under the ORSO Scheme, the MPF Scheme and its retirement benefits schemes in the PRC which may be used to reduce the existing level of contributions during the year ended 31 March 2025 and at the end of the reporting period (2024: nil).

39. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

(i) During the year, the Group entered into the following transactions with related parties:

Related party	Notes	Nature of transaction	2025 HK$'000	2024 HK$'000
Joint ventures:				
1488 Alberni LPDH (as defined in Note 18)		Interest income	**16,858**	18,596
1488 Alberni LPI (as defined in Note 18)		Interest income	**887**	979
City Synergy Limited		Management fee income	**30**	30
Whiterfield Peak Limited		Management fee income	**50**	90
Associates:				
Macau Properties Holdings Limited		Rental income	**1,173**	1,173
Concordia (as defined in Note 19)		Consultancy fee expense	**–**	20,000
Other related companies:				
Hi Park Limited ("Hi Park")	(a)	Licence fee income	**600**	600
		Rental income and management fee income	**1,173**	1,089
		Short-term lease expense	**12**	23
Vectr Venture Limited ("Vectr")	(b)	Rental income and management fee income	**–**	59

Notes:

(a) Mr. Cheung Hon Kit, an executive Director, is a shareholder of Hi Park.

(b) Vectr is controlled by Mr. Chan Yiu Lun, Alan, an executive Director.

39. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

Related party transactions *(Continued)*

(ii) Compensation of key management personnel

The remuneration of key management personnel, representing the Directors, during the year was as follows:

	2025	2024
	HK$'000	*HK$'000*
Short-term benefits	**13,540**	13,540
Equity-settled share-based payment expense	**–**	42
Post-employment benefits	**162**	162
	13,702	13,744

The remuneration of Directors is determined by the remuneration committee, with reference to the prevailing market conditions, their duties and responsibilities and time spent on the affairs of the Group as well as their performance.

Related party balances

Details of the outstanding balances with related parties are set out in the consolidated statement of financial position and Notes 18, 19 and 26.

Other related party transactions

The Company provided corporate guarantees for loan facilities granted to certain joint ventures and an associate. Details of the guarantees are set out in Note 40.

40. FINANCIAL GUARANTEE CONTRACTS

At the end of the reporting period, the Group has entered into financial guarantee contracts by provision of corporate guarantees in respect of the credit facilities granted by the banks to its joint ventures and an associate, with the respective granted amounts as follows:

	2025	2024
	HK$'000	*HK$'000*
a 20% owned associate (note)	**218,160**	242,491
a 50% owned joint venture	**84,641**	91,142
a 18% owned joint venture in Canada	**136,962**	–
a 28% owned joint venture in Canada	**–**	225,674
a 50% owned joint venture in Canada	**–**	537,690
	439,763	1,096,997

Note: At 31 March 2025, the Group has failed to comply with the financial covenant in respect of such banking facility. The Group has submitted a letter to the bank requesting a waiver of such financial covenant.

For the year ended 31 March 2025

40. FINANCIAL GUARANTEE CONTRACTS *(Continued)*

The amounts disclosed above represent the aggregate amounts that could be required to be paid if the guarantees were called upon in entirety as at 31 March 2025, of which HK$343,481,000 (2024: HK$911,121,000) has been utilised by the joint ventures/associate.

The ECL for outstanding financial guarantees are assessed to be immaterial as at 31 March 2025 and 2024.

41. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025	2024
	HK$'000	*HK$'000*
Non-current assets		
Investments in subsidiaries	**1,290,154**	1,290,350
Amounts due from subsidiaries	**1,246,470**	2,204,214
Other non-current assets	**13,500**	13,500
	2,550,124	3,508,064
Current assets		
Debtors, deposits and prepayments	**5,949**	5,925
Cash and cash equivalents	**225**	305
	6,174	6,230
Current liabilities		
Creditors, deposits and accrued charges	**5,435**	6,518
Bank borrowings	**328,765**	52,803
	334,200	59,321
Net current liabilities	**(328,026)**	(53,091)
Total assets less current liabilities	**2,222,098**	3,454,973
Non-current liability		
Bank borrowings	**–**	324,258
	2,222,098	3,130,715
Capital and reserves		
Share capital	**9,072**	9,072
Reserves (note)	**2,213,026**	3,121,643
	2,222,098	3,130,715

41. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

Reserves

	Share premium HK$'000	Contributed surplus HK$'000 (note)	Capital redemption reserve HK$'000	Share-based payment reserve HK$'000	Retained profits (accumulated losses) HK$'000	Total HK$'000
THE COMPANY						
At 1 April 2023	3,326,979	113,020	9,845	1,546	545,571	3,996,961
Loss and total comprehensive expense for the year	–	–	–	–	(870,956)	(870,956)
Repurchase and cancellation of shares (Note 30)	(4,401)	–	54	–	(54)	(4,401)
Recognition of equity-settled share-based payments (Note 31)	–	–	–	99	–	99
Transfer on lapse of share options	–	–	–	(99)	39	(60)
At 31 March 2024	**3,322,578**	**113,020**	**9,899**	**1,546**	**(325,400)**	**3,121,643**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**–**	**(908,421)**	**(908,421)**
Transfer on lapse of share options	**–**	**–**	**–**	**(196)**	**–**	**(196)**
At 31 March 2025	**3,322,578**	**113,020**	**9,899**	**1,350**	**(1,233,821)**	**2,213,026**

note: The contributed surplus of the Company represented the credit arising from capital reduction pursuant to the capital reorganisation on 13 March 2010.

42. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2025 and 2024 are as follows:

Name of subsidiary	Place of incorporation/ registration/ establishment/ operation	Issued and fully paid share capital/ registered capital	Total attributable equity interest held by the Company 2025 %	2024 %	Principal activity
Advance Tech Limited	Hong Kong	HK$1 ordinary share	**100**	100	Securities investment
Business Action Holdings Limited	British Virgin Islands	US$1,000 ordinary shares	**100**	100	Investment holding
CWB Land Limited	Hong Kong	HK$209 ordinary shares	**100**	100	Property development
DS Eastin	Hong Kong	HK$20 ordinary shares	**100**	100	Investment holding
Global Intelligence Investments Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties (China) Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties (Hong Kong) Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties (Macau) Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties (Overseas) Limited	British Virgin Islands	US$100 ordinary shares	**100**	100	Investment holding
ITC Properties (Townsend House) Company Limited (note (a))	United Kingdom	GBP2 (2024: GBP1) ordinary share(s)	**–**	90.1	Property investment and development
ITC Properties (Vietnam) Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties Finance Limited	Hong Kong	HK$2 ordinary shares	**100**	100	Money lending
ITC Properties Holdings Group Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties Investment (China) Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties Management Group Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
ITC Properties Management Limited	Hong Kong	(i) HK$2,000 ordinary shares (ii) HK$500,000 non-voting deferred shares (note (b))	**100**	100	Securities investment and provision of management services

42. PRINCIPAL SUBSIDIARIES *(Continued)*

Particulars of the Company's principal subsidiaries as at 31 March 2025 and 2024 are as follows: *(Continued)*

Name of subsidiary	Place of incorporation/ registration/ establishment/ operation	Issued and fully paid share capital/ registered capital	Total attributable equity interest held by the Company 2025 %	2024 %	Principal activity
ITC Properties Secretarial Limited	Hong Kong	HK$2 ordinary shares	**100**	100	Provision of corporate secretarial services
ITCP Alberni Holdings Limited	Canada	(i) CAD4,760,100 common shares (ii) CAD4,166,104 (2024: CAD3,875,788) preferred shares	**100**	100	Investment holding
Lion Speed Developments Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Securities and fund investments
Million Orient Limited	Hong Kong	HK$1 ordinary share	**100**	100	Investment holding
More Cash	British Virgin Islands	US$100 ordinary shares	**60**	60	Investment holding
New Realm Holdings Pte Ltd. (note (c))	Singapore	Singapore dollar 1 ordinary share	**50**	100	Investment holding
Prime Paramount Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Silver Infinite	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Smart Eagle Holdings Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Solid Riches Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Success Well Investment Limited	Hong Kong	HK$2 ordinary shares	**100**	100	Property investment
Top Century International Limited	British Virgin Islands	US$1 ordinary share	**100**	100	Investment holding
Unique Way Limited (note (c))	British Virgin Islands	US$100 (2024: US$2) ordinary shares	**50**	100	Investment holding
Utmost Sound Limited (note (d))	British Virgin Islands	US$1,000 ordinary shares	**67**	72	Investment holding
三亞創新產業開發有限公司 (note (e))	PRC	RMB1,000,000 (2024: RMB277,494,441)	**100**	100	Property development

42. PRINCIPAL SUBSIDIARIES *(Continued)*

Particulars of the Company's principal subsidiaries as at 31 March 2025 and 2024 are as follows: *(Continued)*

Notes:

(a) This subsidiary was disposed during the year ended 31 March 2025.

(b) The non-voting deferred shares, which are not held by the Group, carry no rights to (i) dividends, (ii) receive notice of or attend or vote at any general meeting of the company, and (iii) participate in any distribution on winding up practically.

(c) As detailed in Note 21, the Group disposed of 50% interests in Unique Way Limited and its subsidiaries during the year ended 31 March 2025. As a result, these companies ceased to be subsidiaries of the Group as at 31 March 2025.

(d) The Group disposed of 5% interests in Utmost Sound Limited during the year ended 31 March 2025.

(e) This subsidiary is a wholly foreign-owned enterprise established in the PRC.

(f) Except ITC Properties Holdings Group Limited, ITC Properties Management Group Limited and Silver Infinite, all the above principal subsidiaries are indirectly held by the Company.

None of the subsidiaries had any debt securities outstanding at the end of the reporting period or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. Disclosing the details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong. The compositions and the principal activities of these subsidiaries are summarised as follows:

Principal activity	Country/place of incorporation/ establishment	Number of subsidiaries 2025	2024
Property holding and property redevelopment	Hong Kong/Canada/others	**9**	31
Hotel and leisure	Hong Kong/others	**–**	9
Securities investments	Others	**1**	1
Others	Hong Kong/PRC/Macau/others	**95**	76
		105	117

42. PRINCIPAL SUBSIDIARIES *(Continued)*

Details of non-wholly owned subsidiary that has material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Company that has material non-controlling interests:

Name of subsidiary	Place of incorporation/ establishment/ operation	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	**2025**	2024	**2025**	2024
		%	%	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
More Cash	British Virgin Islands	**40**	40	**(20,441)**	(35,616)	**121,701**	143,800
Individually immaterial subsidiaries with non-controlling interests				**(76,345)**	(1,801)	**(78,629)**	(5,146)
				(96,786)	(37,417)	**43,072**	138,654

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

For the year ended 31 March 2025

42. PRINCIPAL SUBSIDIARIES *(Continued)*

Details of non-wholly owned subsidiary that has material non-controlling interests *(Continued)*

More Cash

	2025 **HK$'000**	2024 HK$'000
Current assets	**13**	14
Non-current assets	**372,693**	427,901
Current liabilities	**(68,452)**	(68,416)
Equity attributable to owners of the Company	**182,553**	215,699
Non-controlling interests	**121,701**	143,800
Revenue	**–**	–
Loss for the year	**(51,102)**	(89,041)
Loss attributable to owners of the Company	**(30,661)**	(53,425)
Loss attributable to the non-controlling interests	**(20,441)**	(35,616)
Loss for the year	**(51,102)**	(89,041)
Other comprehensive expense attributable to owners of the Company	**(2,485)**	(16,747)
Other comprehensive expense attributable to the non-controlling interests	**(1,658)**	(11,164)
Other comprehensive expense for the year	**(4,143)**	(27,911)
Total comprehensive expense attributable to owners of the Company	**(33,146)**	(70,172)
Total comprehensive expense attributable to the non-controlling interests	**(22,099)**	(46,780)
Total comprehensive expense for the year	**(55,245)**	(116,952)
Net cash inflow from operating activities	**–**	–
Net cash inflow from financing activities	**–**	–
Net cash inflow	**–**	–

	For the year ended 31 March				
	2021 *HK$'000*	2022 *HK$'000*	2023 *HK$'000*	2024 *HK$'000*	**2025** ***HK$'000***
Revenue	258,437	332,187	90,756	111,078	**398,064**
(Loss) profit before taxation	(692,246)	541,639	(152,420)	(756,502)	**(850,630)**
Taxation	28,216	(8,449)	(144)	74,199	**(59,138)**
(Loss) profit for the year	(664,030)	533,190	(152,564)	(682,303)	**(909,768)**
(Loss) profit attributable to:					
Owners of the Company	(662,160)	566,164	(146,913)	(644,886)	**(812,982)**
Non-controlling interests	(1,870)	(32,974)	(5,651)	(37,417)	**(96,786)**
	(664,030)	533,190	(152,564)	(682,303)	**(909,768)**

	As at 31 March				
	2021 *HK$'000*	2022 *HK$'000*	2023 *HK$'000*	2024 *HK$'000*	**2025** ***HK$'000***
Total assets	6,599,447	6,710,096	5,675,772	4,749,897	**3,565,314**
Total liabilities	(3,106,996)	(2,505,327)	(1,880,309)	(1,681,137)	**(1,363,808)**
	3,492,451	4,204,769	3,795,463	3,068,760	**2,201,506**
Equity attributable to:					
Owners of the Company	3,491,146	3,994,332	3,608,359	2,930,106	**2,158,434**
Non-controlling interests	1,305	210,437	187,104	138,654	**43,072**
	3,492,451	4,204,769	3,795,463	3,068,760	**2,201,506**

SCHEDULE OF PRINCIPAL PROPERTIES

Location	Approximate gross floor area *(sq. ft.)*	Lease term	Use	Stage of completion	Group's ownership
PROPERTIES HELD FOR SELF USE AND INVESTMENT					
250 Hennessy, No. 250 Hennessy Road, Wanchai, Hong Kong	55,600	Long	Office/Car parks	Completed	100%
Portions of Dabiao International Centre, No. 362 Jiangnan Avenue South and No. 238 Changgang Zhong Road, Haizhu District, Guangzhou City, the PRC	628,000	Medium	Commercial/Office/ Hotel/Car parks	Completed	45%
STOCK OF PROPERTIES UNDER DEVELOPMENT AND HELD FOR SALE					
Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan, Hong Kong	81,900 (Gross site area approximately 9,100 sq. ft.)	Long	Residential/ Commercial	Demolition work completed	67%
Lote 2 to Lote 12 of One Oasis, Sky Oasis and Grand Oasis, Estrada de Seac Pai Van, Coloane, Macau	888,000 (note) (Gross site area approximately 302,000 sq. ft.)	Medium	Residential/ Commercial	Completed	35.5%
High Peak, No. 23 Po Shan Road, Mid-levels, Hong Kong	76,300 (note) (Gross site area approximately 15,000 sq. ft.)	Long	Residential	Completed	20%
1444 Alberni Street, 711 Broughton Street and 740 Nicola Street, Vancouver, British Columbia, Canada	Proposed: 612,000 (Gross site area approximately 43,230 sq. ft.)	Freehold	Residential/ Commercial	Rezoning approved	18%

Note: The gross floor area represents the remaining area of the project.

In this annual report, the following expressions have the following meanings unless otherwise specified:

Annual General Meeting	the annual general meeting of the Company to be held at 15/F., 250 Hennessy, 250 Hennessy Road, Wanchai, Hong Kong on Wednesday, 3 September 2025 at 10:30 a.m.
Board	the board of Directors
Bye-Laws	the bye-laws of the Company as amended, supplemented or otherwise modified from time to time
CG Code	the corporate governance code as set out in Part 2 of Appendix C1 to the Listing Rules
close associate(s)	has the same meaning ascribed thereto in the Listing Rules
Company	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 199)
Director(s)	the director(s) of the Company
Group	collectively, the Company and its subsidiaries
HK$	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
Macau	Macau Special Administrative Region of the PRC
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
PRC	the People's Republic of China, and for the purpose of this annual report, excluding Hong Kong, Macau and Taiwan
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
Share(s)	ordinary share(s) of HK$0.01 each in the issued share capital of the Company (excluding treasury shares (as defined in the Listing Rules) of the Company, if any)
Share Option Scheme	the share option scheme of the Company adopted on 10 September 2021
Shareholder(s)	holder(s) of the Share(s)

DEFINITIONS

sq. ft.	square feet
Stock Exchange	The Stock Exchange of Hong Kong Limited
substantial shareholder	has the same meaning ascribed thereto in the Listing Rules
Year	the financial year ended 31 March 2025
%	per cent.

In case of any inconsistency, the English version of this annual report shall prevail over the Chinese version.

ITC PROPERTIES

德祥地產集團有限公司

ITC PROPERTIES GROUP LIMITED

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