RYKADAN CAPITAL

RYKADAN CAPITAL LIMITED
宏基資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 2288)

2025
ANNUAL REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
CHAN William *(Chairman and Chief Executive Officer)*
LO Hoi Wah, Heywood *(Chief Financial Officer)*

Non-executive Director
NG Tak Kwan

Independent Non-executive Directors
HO Kwok Wah, George
TO King Yan, Adam
KHAN Sabrina

AUDIT COMMITTEE
HO Kwok Wah, George *(Chairman)*
TO King Yan, Adam
KHAN Sabrina

REMUNERATION COMMITTEE
HO Kwok Wah, George *(Chairman)*
TO King Yan, Adam
KHAN Sabrina

NOMINATION COMMITTEE
CHAN William *(Chairman)*
HO Kwok Wah, George
TO King Yan, Adam

COMPANY SECRETARY
LUI Man Kit

AUDITOR
Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISORS
Woo, Kwan, Lee & Lo
北京德恒（福州）律師事務所

PRINCIPAL BANKERS
DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
The Macau Chinese Bank Limited

REGISTERED OFFICE
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
29/F, Rykadan One
23 Wong Chuk Hang Road
Wong Chuk Hang
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE
2288

COMPANY'S WEBSITE
www.rykadan.com

INVESTOR RELATIONS CONTACT
Email: ir@rykadan.com

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CHAIRMAN'S STATEMENT

William Chan,
Chairman and Chief Executive Officer

Dear Shareholders,

During the past fiscal year, the Group continued to uphold risk management to safeguard shareholders' wealth and preserve liquidity amid heightened macroeconomic uncertainty, elevated interest rates and extended period of sluggish market conditions in Hong Kong. The Group focused on accelerating asset monetisation and implementing cost discipline so as to enhance its capacity to navigate the ongoing uncertainty and position itself for the future.

The Group's diversified portfolio of commercial, residential and mixed-use properties, encompassing entrepreneurial hubs across Hong Kong, the United States of America (the "U.S.A."), and the United Kingdom, has supported the Company in offsetting the downturns in the domestic property markets. By employing our long-term strategy of growing asset values and exiting within a three-to-five-year horizon, we have prudently navigated the current down cycle while maintaining financial discipline and risk control.

As the current redevelopment projects in Hong Kong reached the end of the planned investment horizon, we made solid progress in further monetising the property portfolio by conducting asset sales and handing over sold units to buyers during the fiscal year 2024/25.

In the U.S.A., we accelerated asset monetisation of the completed redevelopment projects by taking advantage of potential price appreciation in the Los Angeles area. We are also evaluating other high-potential projects that can generate promising returns for shareholders amid shifts in market conditions and zoning regulations.

We are encouraged by the recovery of our hospitality business following the normalisation of economic activities and the rebound in international travel.

As we look ahead, we expect the ongoing geopolitical tensions and uncertainties regarding tariffs and trade policies will continue to influence the prevailing investment climate. Our priority will be to complete the current development projects, utilising our proven track record to explore potential investment opportunities as they arise. Furthermore, we will work with our partners to identify high-potential projects in targeted locations that can add value to our stakeholders.

On behalf of the board of directors, I would like to extend my heartfelt gratitude to our staff, business partners and management team for their unwavering dedication and hard work and to express our deep appreciation to our shareholders for their continuous support and belief in the Group.

WILLIAM CHAN
Chairman and Chief Executive Officer

Hong Kong, 27 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

During the year, the Group continued to be impacted by headwinds and challenges arising from weak market sentiment, elevated interest rates and considerable revaluation of commercial real estate. The Group tackles by accelerating monetisation of redevelopment projects in Hong Kong and overseas.

The Group remains committed to its long-term strategy by acquiring and developing promising projects, efficiently growing its asset value, and monetising it within a three-to-five-year horizon. These investment principles remain important in balancing sustainable returns for the Group's shareholders while managing near-term market fluctuations.

The Group has further monetised its property portfolio in Hong Kong. It entered into sale and purchase agreements for the sale of the remaining two floors and partial car parking spaces held at Rykadan Capital Tower. The Group continues to hand over sold units of the Wong Chuk Hang Project and the Jaffe Road Project while preparing additional marketing launches for the remaining unsold units. Our projects incorporate modern aesthetics design and sustainable building principles, which appeal to buyers despite challenging market conditions.

Elsewhere, the monetisation of the Group's diversified property redevelopment projects in the United States of America (the "U.S.A.") and the ongoing construction of the Graphite Project in the United Kingdom (the "U.K."), has also progressed as planned.

The Group continued to strengthen its recurring revenue stream by prudently building and managing its asset, investment and fund management business amid prolonged sluggish market condition. By leveraging its asset, investment and fund management business, the Group plans to tap a broader base of development capital while generating more stable fee income. Following the Group's earlier divestments, it is now better positioned to seek promising real estate development and co-investment opportunities in Hong Kong and overseas.

For the year ended 31 March 2025, the Group's investments included commercial and residential property redevelopments in Hong Kong, the U.S.A. and the U.K.. It also invested in a leading international producer and distributor of construction and interior decorative materials, as well as hospitality operations.

As of 31 March 2025, the Group's total assets were valued at HK$813 million (2024: HK$1,148 million), of which HK$605 million (2024: HK$572 million) were current assets, approximately 3.68 times (2024: 2.09 times) of its current liabilities. Equity attributable to owners of the Company was HK$579 million (2024: HK$861 million).

Overall Performance

During the year ended 31 March 2025, the Group's consolidated revenue from business segments under continuing operations amounted to HK$74 million (2024: HK$103 million). The consolidated revenue from business segments under continuing operations was mainly attributable to the ongoing monetisation of property redevelopment projects in the Group's portfolio and recurring income generated from the Group's asset, investment and fund management business. The Group recorded a gross profit and gross profit margin of HK$8 million (2024: gross loss of HK$28 million) and 11.1% (2024: gross loss margin of 27.3%), respectively.

The Group recorded a loss from continuing and discontinued operations of HK$294 million during the year (2024: HK$176 million), while the loss attributable to owners of the Company was HK$281 million (2024: HK$174 million). The loss was mostly attributable to (i) the absorption of loss recognised by associates (which are principally engaged in property development businesses) due to the prolonged sluggish property market conditions and intense competition; (ii) the absorption of losses incurred by joint ventures during the year resulting from the continuous economic weakness; (iii) the fair value loss arising from revaluation on investment properties related to the discontinued operation; and (iv) the recognition of impairment losses on trade receivables, net of reversal.

Basic loss per share from continuing and discontinued operations for the year ended 31 March 2025 was HK74.9 cents (2024: HK46.3 cents).

No diluted loss per share in both years was presented as there were no potential ordinary shares outstanding during both years.

The Board of Directors (the "Board") does not recommend the payment of the final dividend for the year ended 31 March 2025 (2024: HK$Nil per share).

Significant Investment and Material Acquisition and Disposal

On 23 July 2024, Worth Celestial Limited (a wholly-owned subsidiary of the Company) (the "RH Purchaser"), entered into a sale and purchase agreement with a director of the Company and his spouse (collectively referred to as the "RH Vendors") in relation to the acquisition of 100% equity interests in Cosmo Kingdom Holdings Limited (a property holding company jointly owned by the RH Vendors with a luxury residential property in Hong Kong as its main asset), pursuant to which the RH Vendors have conditionally agreed to sell the sale shares and assign the sale loan, and the RH Purchaser has conditionally agreed to purchase the sale shares and take up the assignment of the sale loan free from all encumbrances (the "Acquisition").

Given that the RH Vendors are connected persons of the Company, such proposed transactions are constituted connected transactions as defined in Chapter 14A of the Listing Rules. The Acquisition was approved by independent shareholders at an extraordinary general meeting held on 16 September 2024. Details of the Acquisition are provided in the announcements of the Company dated 23 July 2024, 31 July 2024 and 29 November 2024 and the circular of the Company dated 30 August 2024. The Acquisition had not been completed as at 31 March 2025.

On 3 December 2024, Win Expo Enterprises Limited and Prime Talent Development Limited, which are both indirect wholly-owned subsidiaries of the Company, entered into provisional agreements for sale and purchase with German Pool (Hong Kong) Limited, an independent third party, in relation to the disposal of the 27th and 28th floors together with various car parking spaces of Rykadan Capital Tower (the "Disposal"). The formal agreements of the Disposal were entered by the aforementioned parties on 17 December 2024. Details of the Disposal are provided in the announcement of the Company dated 3 December 2024 and the circular of the Company dated 27 March 2025. The Disposal was approved by independent shareholders at an extraordinary general meeting held on 17 April 2025, therefore, it had not been completed as at 31 March 2025.

Save as disclosed above, there were no significant investments and material acquisitions and disposals during the year.

Investment Portfolio

As at 31 March 2025, the Group's bank deposits and cash was HK$64 million (2024: HK$101 million), representing 7.8% (2024: 8.8%) of the Group's total assets.

The following table shows the Group's investments as at 31 March 2025.

Real estate investments

Investment	Location	Type	Group's interest	Status as of 31/3/2025	Area	Area attributable to the Group
Winston Project	1135 Winston Avenue, San Marino, CA 91108, the U.S.A.	Residential property	100%	Completed and being marketed to buyers	4,021 square feet (gross floor)	4,021 square feet (gross floor)
Monterey Park Towne Centre Project	100, 120, 150, 200 South Garfield and 114 East Garvey and City Parking Lot, Monterey Park, CA 91755, the U.S.A.	Residential and retail property	100%	Under planning	237,920 square feet (gross floor)	237,920 square feet (gross floor)
Graphite Square Project	Graphite Square, Vauxhall, London SE11, the U.K.	Residential and commercial property	21.25%	Under construction. Expected to be completed in July 2025	27,523 square metres (gross floor)	5,849 square metres (gross floor)
Jaffe Road Project	216, 216A, 218, 220 and 222A Jaffe Road, Wanchai, Hong Kong	Commercial and retail property	3.55%	Completed and being marketed to buyers	10,792 square feet (saleable)	383 square feet (saleable)
Wong Chuk Hang Project	23 Wong Chuk Hang Road, Wong Chuk Hang, Hong Kong	Commercial and retail property	24.21%	Completed and being marketed to buyers	27,010 square feet (saleable)	6,539 square feet (saleable)
2702, 2802, 2803, 2804 and various car parking spaces of Rykadan Capital Tower	135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong	Commercial property	100%	Completed (classified as assets held for sale)	13,467 square feet (gross floor)	13,467 square feet (gross floor)
Various car parking spaces of Rykadan Capital Tower	135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong	Commercial property	100%	Completed (classified as investment properties and properties for sale)	N/A	N/A
Shouson Hill Project	House 11 (including two car parking spaces), No. 1 Shouson Hill Road East, Hong Kong	Residential property	20%	Investment properties	2,657 square feet (saleable)	531 square feet (saleable)

Note: The above gross floor area for projects under planning and construction is calculated based on the Group's development plans, which may be subject to change.

Other investments

Investment	Business/type	Group's interest
Q-Stone Building Materials Limited	Distribution of construction and interior decorative materials	87%
Quarella Holdings Limited	A joint venture, producer of quartz and marble-based engineered stone composite surfaces products	43.5%
RS Hospitality Private Limited ("RS Hospitality")	A joint venture for operating a 24-suite boutique resort in Bhutan	50%

Summary and Review of Investments

Property development/Asset, investment and fund management

During the year under review, the Group continued to accelerate sales launches for completed projects in Hong Kong. As of 31 March 2025, over 79% of the available-for-sale units of the Jaffe Road Project, while over 71% of the available-for-sale units and car parking spaces of the Wong Chuk Hang Project were sold and handed over to buyers. The remaining units of these projects will be marketed to buyers.

In the U.S.A., as of 31 March 2025, the Anoakia Project was sold and the remaining stakes in the Broadway Project were divested. Meanwhile, the Winston Project is being marketed to buyers. These properties are located in California, the U.S.A..

Due to the new zoning policy and shifts in market conditions, the Group's Monterey Park Towne Centre Project remains in the planning phase. The Group has been discussing with city planners to explore ways to enable higher-density redevelopment to improve the return of the project.

In the U.K., a significant portion of the residential units out of the Graphite Square Project, in which the Group has a minority stake, has already been pre-sold to buyers. This project is currently scheduled to be completed in July 2025. The commercial section and the remaining residential units of the project are being marketed to potential buyers.

The Group strives to enhance shareholders' returns by expanding its asset, investment and fund management business while broadening its capital base through strategic collaborations with quality partners. The gradual divestment of the Hong Kong projects highlights the Group's ability to mitigate the challenges posed by softened market conditions in the commercial property sector. These efforts demonstrated that the Group's resilience, operational agility and diversified asset model enable it to weather potential downturns in the real estate market.

As net proceeds from earlier asset sales could be redeployed into high-potential redevelopment projects in the future, the Group will diligently identify new opportunities to build a well-diversified and balanced asset portfolio amid macroeconomic uncertainties and a prolonged period of higher interest rates.

Property investment

The Group also holds several properties as investments in Hong Kong and Bhutan.

In Hong Kong, the Group continued to retain a minority stake in the Shouson Hill Project and certain car parking spaces at Rykadan Capital Tower for earning stable rental income or capital appreciation, after divestment of two floors and various car parking spaces at Rykadan Capital Tower. Such divestment transaction was completed in late April 2025. The Group anticipates that government policies aimed at attracting overseas capital and top talent will support the luxury residential property market in the long run.

In Bhutan, the Group holds an investment in a 24-suite boutique resort located in Punakha Valley, operated by RS Hospitality. With the resurgence of international travellers and the government reducing its daily tourist fees to promote tourism, the turnover of the boutique resort has significantly bounced back.

Distribution of construction and interior decorative materials

Quarella, controlled by Quarella Holdings Limited, a joint-venture of the Group, is a world leader in the design and manufacturing of quartz and marble-based engineered stone composite surfaces products. Supported by advanced factories and research and development centres in Italy, its products are used in a number of prominent hotels, airports, train stations, commercial buildings and shopping malls in markets around the world.

Due to uneven macroeconomic recovery and the prolonged slowdown of large-scale projects amid credit tightening, the operating environment for Quarella and the interior and decorative material business is expected to face considerable challenges. Subsequent to the end of the reporting period, Quarella Holdings Limited has disposed of the entire equity interests in its wholly-owned subsidiary, Quarella Group Limited. Details of the transaction are provided in the announcement of the Company dated 9 April 2025.

Outlook

The ongoing uncertainty surrounding potential tariff increases and escalating trade tensions particularly between the U.S.A. and its key global trading partners is expected to have a dampening effect on the overall global business sentiment and consumer confidence. Tariffs imposed on construction-related materials, machinery and equipment may disrupt the supply chain, resulting in rising input costs and delays in project timelines. These challenges are likely to exert pressure on profit margins and increase operational risks, ultimately affecting investment returns and project viability.

In light of the persistent sluggishness in the property sector and the broader instability in global macroeconomic conditions, the Group is maintaining a cautious and disciplined approach to capital deployment and project development in the near term. Preserving financial flexibility and managing risks remain key priorities of the Group.

During this period, the Group will focus on monetising its existing portfolio, progressing planning approvals and cautiously unlocking value from its assets in a subdued market. In the meantime, it will continue to assess the market for new opportunities. Should external conditions improve in the near term, including a rebound in market sentiment, the Group is well-positioned to respond swiftly. It will leverage its experienced investment team, robust risk management capabilities and diversified regional platforms to pursue higher-quality and risk-adjusted opportunities with the goal of generating sustainable returns for shareholders.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and Financial Resources

The treasury policy of the Group adheres to the principle of prudent financial management to minimise financial and operational risks across its various business units in Hong Kong and overseas. In order to implement this principle, the control of the Group's financial, capital management and external financing functions are centralised at its headquarters in Hong Kong. The Group's objective is to maintain a balance between the continuity of funds and flexibility through the effective use of its internal financial resources and bank borrowings to finance its operations and expansion.

The Group mainly relies upon internally generated funds and bank borrowings to finance its operations and expansion.

As of 31 March 2025, the Group's total debts (representing total interest-bearing bank borrowings including bank loans directly associated with assets classified as held for sale) to total assets ratio was 26.8% (2024: 24.1%). The net gearing ratio (net debts, as defined by total debts less unrestricted bank balances and cash, to equity attributable to owners of the Company) was 26.7% (2024: 20.3%) as the Group has net debts of HK$155 million as at 31 March 2025 (2024: HK$175 million).

As of 31 March 2025, the total bank borrowings of the Group, excluding bank loans directly associated with assets classified as held for sale amounted to HK$167 million (2024: HK$276 million). The bank borrowings of the Group were mainly used to finance the property redevelopment projects, its investment in Quarella, and the Shouson Hill Project. (2024: the retaining of two floors of Rykadan Capital Tower, the property redevelopment projects, its investment in Quarella and the Shouson Hill Project). Certain of the bank borrowings were secured by properties for sale (2024: investment properties, properties for sale and buildings). Further costs for developing the property redevelopment projects and the ongoing business developments will be financed by unutilised banking facilities or internally generated funds. There are no seasonality of borrowing requirements for the Group. As of 31 March 2025, the Group's current assets and current liabilities were HK$605 million (2024: HK$572 million) and HK$165 million (2024: HK$274 million) respectively. The Group's current ratio increased to 3.68 (2024: 2.09). The internally generated funds, together with unutilised banking facilities enable the Group to meet its business development needs. The Group will cautiously seek new investment and development opportunities in order to balance risks and opportunities and maximise shareholders' value.

Pledge of Assets

For the pledge of assets, please refer to notes 13 and 28 to the consolidated financial statements.

Commitment and Contingent Liabilities

For commitments and contingent liabilities, please refer to notes 37 and 38 to the consolidated financial statements

Exposure to Fluctuations in Exchange Rates and Interest Rates and Corresponding Hedging Arrangement

The Group operates in various regions with different foreign currencies mainly including United States Dollars, British Pounds and Renminbi.

Certain of the Group's bank borrowings have been made at floating rates.

The Group has not implemented any foreign currencies and interest rates hedging policy. However, management of the Group will monitor foreign currencies and interest rates exposures of each business segment and consider appropriate hedging policies in the future when necessary.

Credit Exposure

The Group continues to prudently monitor and review from time to time the credit policies to deal with credit exposure under the recent macroeconomic environment, in order to minimise the Group's credit risk exposure. For trade receivable, the Group's management regularly assesses the recoverability and the financial position of its customers, majority of whom are institutional organisations and reputable property developers, such that the Group is not exposed to significant credit risk. For loans and other receivables, the Group performs credit assessments before approving loans to applicants and regularly reviews the recoverability of each individual receivable.

Employees and Remuneration Policies

As at 31 March 2025, the total number of employees of the Group is 20 (2024: 22). The Group is committed to the concept of fair and responsible remuneration for its executive members and prescribed officers in line with the Company's and individual performance, market trends and in the context of overall employee remuneration. Total remuneration for employees (including the directors' remuneration) was HK$31 million for the year (2024: HK$33 million).

In-house and external training programs are also provided as and when required. With the aim to enable its employees to stay up-to-date with the latest industry trends and advance their professional growth, internally, the Group organises on-the job training related to industry knowledge and employees' job responsibilities to ensure continuous learning and improvement of knowledge and skills among employees, and externally, the Group encourages employees to explore training opportunities outside the Group.

CORPORATE GOVERNANCE REPORT

The board of directors (the "Board") would like to present this Corporate Governance Report in the Group's annual report for the year ended 31 March 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance in order to safeguard the interests of shareholders and to enhance corporate value and accountability.

In addition to adhering to the principles and code provisions in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the Company has, based on the standards and experience of the Company, adopted its own Corporate Governance Manual (the "CG Manual") for reference by the Board and management of the Company and its subsidiaries to meet the code provisions as set out in the CG Code. A copy of the CG Manual is posted on the Company's website. In the opinion of the directors, the Company has complied with all code provisions as set out in the CG Code throughout the year ended 31 March 2025, save for the deviations for code provisions C.2.1 and C.5.1 which deviations are explained in the relevant parts of this report.

The Company will continue to review periodically the CG Manual and enhance its corporate governance practices to ensure the continuous compliance with the requirements of the CG Code.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Board has delegated to the Chief Executive Officer, and through him, to the senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

All directors have carried out their duties in good faith, in compliance with applicable laws and regulations and in the interests of the Company and its shareholders at all times.

DELEGATION BY THE BOARD

The Company has formalised and adopted written terms on the division of functions reserved to the Board and delegated to management.

The Board reserves for its decisions on all major matters of the Company, including the formulation and monitoring of all policies and directions, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

BOARD OF DIRECTORS

The Board of the Company currently comprises the following directors:

Executive Directors:

Mr. CHAN William
(Chairman of the Board and the Nomination Committee, Chief Executive Officer)
Mr. LO Hoi Wah, Heywood
(Chief Financial Officer)

Non-executive Director:

Mr. NG Tak Kwan

Independent Non-executive Directors:

Mr. HO Kwok Wah, George
(Chairman of the Audit Committee and the Remuneration Committee and member of the Nomination Committee)

Mr. TO King Yan, Adam
(Member of the Audit Committee, the Remuneration Committee and the Nomination Committee)

Ms. KHAN Sabrina
(Member of the Audit Committee and the Remuneration Committee)

A brief description of the background of each director is presented on pages 37 to 38 of this annual report under the heading of "Profiles of Directors and Senior Management".

The list of directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The non-executive director and the independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

None of the members of the Board is related to one another.

BOARD DIVERSITY POLICY

The Company adopted a board diversity policy in accordance with the requirements set out in the code provisions of the CG Code. The Company recognises the benefits of having a diverse Board, and sees diversity at the Board level essential in achieving a sustainable and balanced development. In designing the Board's composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, educational background, ethnicity, professional experience, skills, knowledge, industry experience and expertise. All Board appointments are based on meritocracy and considered against a variety of criteria, having due regard for the benefits of diversity on the Board.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the year ended 31 March 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise. The Board has maintained, throughout the year ended 31 March 2025, the proportion of the independent non-executive directors to at least one-third of the Board.

The Company has received written annual confirmation from each independent non-executive director of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all such directors independent.

All directors, including the non-executive director and the independent non-executive directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Chan William ("Mr. Chan") has been appointed as Chief Executive Officer of the Company on 1 July 2012 and is now both the Chairman and the Chief Executive Officer of the Company, and that the functions of the Chairman and the Chief Executive Officer in the Company's strategic planning and development process overlap. These constitute a deviation from code provision C.2.1 of the CG Code which stipulates that the roles of the Chairman and the Chief Executive should be separated and should not be performed by the same individual. However, in view of the present composition of the Board, the in-depth knowledge of Mr. Chan of the operations of the Group and of the property development and real estate/asset management business, his extensive business network and the scope of operations of the Group, the Board believes it is in the best interests of the Company for Mr. Chan to assume the roles of Chairman and Chief Executive Officer at this time and that such arrangement be subject to review by the Board from time to time.

DIRECTORS' APPOINTMENT AND RE-ELECTION

Code provision B.2.2 of the CG Code stipulates that all directors shall be appointed for a specific term, subject to retirement by rotation at least once every three years, whereas the articles of association of the Company states that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the executive directors and the independent non-executive directors of the Company is engaged on a service agreement (for executive director) or letter of appointment (for independent non-executive director) for a term of 3 years and the non-executive director is engaged on a letter of appointment for a term of 1 year. All directors are subject to retirement by rotation once every three years.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Every newly appointed director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of directors' responsibilities and obligations under the Listing Rules, common law and relevant statutory requirements.

The Company also provides regular updates and presentation on the business development of the Group. Directors are regularly briefed on the latest development of the Listing Rules and other applicable statutory and regulatory requirements to ensure compliance and upkeep of good corporate governance practices. All directors are encouraged by the Company to participate in continuous professional development to develop and refresh their professional knowledge and skills.

During the year ended 31 March 2025, the Company provides continuous professional training to directors through circulating the Stock Exchange and regulatory updates to directors, to enhance their awareness and compliance of good corporate governance practices as well as the relevant statutory and regulatory requirements.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate directors' and officers' liability insurance for its directors and officers covering the costs, losses, expenses and liabilities arising from the performance of their duties. The insurance policy covers legal action against its directors and officers arising out of corporate activities of the Group. During the year, no claim was made against the directors and officers of the Company.

BOARD AND COMMITTEE MEETINGS

Board Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance. Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 business days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management where necessary.

Draft and final versions of minutes are normally circulated to directors or the committee members for comments and records respectively within a reasonable time after each meeting. Minutes of Board meetings and committee meetings are kept by the Company Secretary or the duly appointed secretaries of the respective meetings (as the case may be) and are available for inspection by all directors at all reasonable time.

According to the current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's articles of association contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions of the directors, senior management and relevant employees (who, because of their office or employment, is likely to possess inside information in relation to the Company or its securities) of the Group (the "Securities Code") with terms no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

Having made specific enquiries, all of the directors and relevant employees of the Group confirmed that they have complied with the Securities Code and the Model Code throughout the year ended 31 March 2025.

BOARD COMMITTEES

The Board has established three committees, namely, the Remuneration Committee, the Nomination Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are in line with the CG Code. These terms of reference are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request. Board committees are provided with sufficient resources to discharge their duties and are required to report back to the Board on their decisions or recommendations.

Remuneration Committee

The Remuneration Committee comprises 3 members, all of them are independent non-executive directors.

The terms of reference of the Remuneration Committee setting out the committee's authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

The primary function of the Remuneration Committee is to assist the Board to oversee the Company's remuneration practices to ensure effective policies, processes and practices for compensating directors and the senior management/heads of departments, and that the remuneration programs are fair and appropriate and managed with integrity and in compliance with the Listing Rules and other applicable rules and regulations. The Remuneration Committee is also responsible for determining the remuneration packages of individual executive directors and senior management and establishing formal and transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

No meeting had been held by the Remuneration Committee during the year ended 31 March 2025. However, the Remuneration Committee had recorded their decisions by passing written resolutions determining remuneration packages of the executive directors, the non-executive director and the independent non-executive directors.

Details of the directors' remuneration are set out in note 10 to the consolidated financial statements. In addition, pursuant to the code provision E.1.5 of the CG Code, annual remuneration of other members of the senior management by bands for the year ended 31 March 2025 is set out below:

Remuneration Bands	**Number of Individuals**
HK$1,000,001 to HK$2,000,000	2

Nomination Committee

The Nomination Committee comprises 3 members, the majority of them are independent non-executive directors. The Nomination Committee is provided with sufficient resources to discharge its responsibilities.

The terms of reference of the Nomination Committee setting out the committee's authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

The principal duties of the Nomination Committee are as follows:

(i) to review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(ii) to identify individuals suitably qualified to become the Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; and

(iii) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive.

The above principal duties are regarded as the key nomination criteria and principles for the nomination of directors of the Company, which also form part of the nomination policy of the Company. In selecting and recommending candidates for directorship to the Board, the Nomination Committee would consider various aspects such as candidate's qualification, time commitment to the Company and contributions that will bring to the Board as well as factors concerning board diversity as set out in the Company's board diversity policy, before making recommendation to the Board on the appointment of directors.

The Nomination Committee is also responsible for assessing the independence of the independent non-executive directors.

One meeting had been held by the Nomination Committee during the year ended 31 March 2025 which had reviewed the structure, size and composition of the Board and had discussed the appointment of director.

Audit Committee

The Audit Committee comprises all the three independent non-executive directors with the chairman of which possesses the appropriate professional qualifications and accounting expertise. None of the committee members is a former partner of the Company's existing external auditors.

The terms of reference of the Audit Committee setting out the committee's authorities and duties, which follow closely the guidelines of the code provisions of the CG Code, are available on the Company's website.

The Audit Committee is responsible for assisting the Board to review and supervise the adequacy and effectiveness of the Group's financial reporting system, internal control systems and risk management system and associated procedures as well as the internal and external audit functions. It is also responsible for reviewing the completeness, accuracy, clarity and fairness of the Group's consolidated financial statements, considering the scope, approach and nature of both internal and external audit reviews and reviewing and monitoring connected transactions. It also reviews the arrangement to enable employees of the Group to raise concerns about possible improprieties. The Board shall in consultation with the chairman of the Audit Committee provide sufficient resources to enable the Audit Committee to discharge its duties. The Audit Committee annually assesses the appointment of the external auditors and reviews the interim and final results of the Group prior to recommending them to the Board for approval.

There were five Audit Committee meetings held during the year ended 31 March 2025. The Audit Committee has performed the following work during the year: (i) to review the financial reporting and compliance procedures; (ii) to review the annual results for the year ended 31 March 2024 and the interim results for the half year ended 30 September 2024; (iii) to meet with the external auditors in the absence of management; (iv) to review the risk management and internal control procedures of the Company; and (v) to consider the re-appointment of auditor and change of auditor.

The Company's annual results for the year ended 31 March 2025 have been reviewed by the Audit Committee.

Corporate Governance

The Board is responsible for performing the functions set out in the code part C of the CG Code.

During the year ended 31 March 2025, the Board reviewed its CG Manual, the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Directors' Attendance Records

Code provision C.5.1 of the CG Code stipulates that regular Board meetings should be held at least four times a year at approximately quarterly intervals. There were two Board meetings held during the year ended 31 March 2025, which were regular meetings held for (i) approving the final results for the year ended 31 March 2024, and (ii) approving the interim results for the period ended 30 September 2024. The Board considers that two regular meetings were sufficient to deal with matters of the Company. In addition, apart from the regular Board meetings, the Board also took sufficient measures to ensure there is efficient communication among directors that the Board shall also meet on other occasions or seek consent of Directors by circulating written resolutions when a Board-level decision on a particular matter is required.

The attendance record of each director at Board meetings, Audit Committee meetings, Nomination Committee meeting and general meetings of the Company held during the year ended 31 March 2025 is as follows:

Name of Directors	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Annual General Meeting	Extraordinary General Meeting
	Attendance/Number of Meetings held during the tenure of directorship				
Executive Directors					
Chan William	4/4	N/A	1/1	1/1	1/1
Lo Hoi Wah, Heywood	4/4	N/A	N/A	1/1	1/1
Non-executive Director					
Ng Tak Kwan	4/4	N/A	N/A	1/1	1/1
Independent Non-executive Directors	4/4				
Ho Kwok Wah, George	4/4	5/5	1/1	1/1	1/1
To King Yan, Adam	4/4	5/5	1/1	1/1	1/1
Khan Sabrina	4/4	5/5	N/A	1/1	1/1

Apart from regular Board meetings, the Chairman also held meeting with the independent non-executive directors of the Company without the presence of other directors during the year.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 March 2025.

In preparing the consolidated financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis.

The directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

Management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Group's consolidated financial statements, which are put to the Board for approval.

The statement of the external auditors of the Group about their reporting responsibilities for the consolidated financial statements is set out in the section headed "Independent Auditor's Report" on page 46.

AUDITORS' REMUNERATION

The remuneration charged by the Company's external auditor in respect of audit services and non-audit services for the year ended 31 March 2025 is set out below:

Category of Services	Fee Paid/Payable (HK$)
Audit Services	950,000
Non-audit Services	
– Tax compliance work	91,000
– Others	605,000
TOTAL	1,646,000

DIVIDEND POLICY

The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the articles of association of the Company and all applicable laws and regulations. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Company has no fixed dividend payout ratio. The Board considers that, in general, the amount of dividends to be declared will depend on the Group's financial results, cash position, capital requirements, business conditions and strategies, and other factors as may be considered relevant at such time by the Board.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's risk management and internal control systems and overseeing management in the design, implementation and monitoring of the risk management and internal control systems.

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board is also responsible for reviewing the effectiveness of the Group's risk management and internal control systems, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions.

During the year ended 31 March 2025, the Board has engaged an external consultant to perform certain internal control review services and has discussed the scope of work with the external consultant. The Board considers the scope of work to be adequate given the size and complexity of the Group's operations and the Group's risk appetite. For the year ended 31 March 2025, the external consultant has assisted the Group to perform a review of the effectiveness of internal control systems for certain selected processes. The review results and proposed improvement opportunities were discussed and agreed with the management and were reported to the Audit Committee.

The Board has adopted the risk management policy as established by management of the Group, which, together with the Group's internal control systems, are designed to manage the risk of failure to achieve business objectives and provide reasonable but not absolute assurance against material misstatement or loss.

The Group's risk management and internal control systems consist of the following main features:

Risk appetite – The Group has established a risk appetite statement that defines the extent of risks that the Group is willing to take in pursuit of its strategic and business objectives. It represents a balance between the potential benefits of business pursuits and the possible threats from the actions.

Risk governance structure – Clear roles and responsibilities are assigned to different levels of management within the Group. The Board sets the tone and provides guidance and governance over risk management. Senior Management is delegated with the responsibility to provide an assessment on the adequacy and effectiveness of the risk management process, as well as review, evaluate and challenge the risks identification and management processes. Risk owners ensure that the risk monitoring and internal control systems are working effectively and risk mitigation actions and internal controls are implemented.

Risk management process – A robust risk management process comprising risk identification, risk analysis, risk evaluation and risk treatment has been established to ensure that the top risks that the Group are facing are monitored and treated on an on-going basis. Risk assessment parameters are developed and applied consistently across the Group to evaluate and prioritise risks. Risk register that sets out the particulars of the Group's top risks together with the control measures is maintained by the Group.

Risk escalation process – Risks that exceed the risk tolerance level set by the Board are escalated to the Board to ensure further risk mitigation actions are taken timely.

The Board delegates the responsibility for reviewing the effectiveness of the Group's risk management and internal control systems to the Audit Committee which monitors the Group's risk management and internal control systems.

The Audit Committee reviews the effectiveness of the Group's internal control procedures and is satisfied that the Group's internal control processes are adequate to meet the business needs of the Group. The Board considers that the risk management and internal control systems of the Group are effective and adequate. The Board is monitoring the risk management and internal control systems on an ongoing basis.

For the handling and dissemination of inside information, an inside information handling policy is in place to enable the Group to handle inside information and, where required, communicate with the Group's stakeholders in a timely manner.

COMPANY SECRETARY

Mr. Lui Man Kit ("Mr. Lui") has been appointed as the Company Secretary of the Company in July 2021. Mr. Lui has taken no less than 15 hours of relevant professional training during the financial year ended 31 March 2025.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective and ongoing communication with shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to evaluate the performance of the Group.

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The Chairman of the Board, all independent non-executive directors, and the Chairmen of all Board committees (or their delegates) will make themselves available to answer questions at shareholders' meetings.

The Company also communicates with the shareholders, investors and general public through the annual reports, interim reports and other corporate announcements.

To promote effective communication, the Company maintains a website at http://www.rykadan.com, where up-to-date information and updates on the Company's structure, board of directors, business developments and operations, financial information, corporate governance practices and other information are posted.

During the financial year ended 31 March 2025, there is no change in the Company's constitutional documents.

An up-to-date version of the Company's constitutional documents are also available on the Company's website and the Stock Exchange's website.

SHAREHOLDERS' RIGHTS

The Board and management shall ensure shareholders' rights and all shareholders are treated equally and fairly. Pursuant to the articles of association of the Company, any shareholder entitled to attend and vote at a general meeting of the Company is entitled to appoint another person as his/her proxy to attend and vote instead of him/her.

To safeguard the shareholders' interests and rights, a separate resolution should be proposed for each substantially separate issue at shareholders' meetings, including the election of individual directors. All resolutions put forward at shareholders' meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholders' meeting.

Convening an Extraordinary General Meeting by Shareholders

Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition pursuant to the articles of association of the Company.

Putting Forward Proposals at General Meetings

There are no provisions in the Company's articles of association or the Cayman Islands Companies Law for shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company.

Note: The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 29/F, Rykadan One, 23 Wong Chuk Hang Road, Wong Chuk Hang, Hong Kong (For the attention of the Chairman of the Board/Chief Executive Officer/ Company Secretary)
Fax: (852) 2547 0108

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board of Directors ("the Board") would like to present this Environmental, Social and Governance ("ESG") Report (the "Report" or "ESG Report") of Rykadan Capital Limited (hereinafter referred to as "Rykadan" or the "Company") and its subsidiaries (collectively, referred to as the "Group"), covering the period from 1 April 2024 to 31 March 2025, to demonstrate our efforts in managing our environmental and social impacts.

1. ABOUT THIS REPORT

1.1 Overview

This ESG Report is prepared based on the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). An index table aligning the report content with the ESG guide requirements has been included in Appendix I of this Report for reference.

1.2 Reporting Principles

When preparing the Report, we adhered to the reporting principles of materiality, quantitative, balance and consistency according to the ESG Reporting Guide with the purpose of presenting quantifiable, clear and comparable information and responding to the ESG issues of concern to our stakeholders.

Principles		The Group's response
Materiality	The threshold at which ESG issues determined by the Board are sufficiently important to investors and other stakeholders that they should be reported.	The Group has identified and assessed the ESG issues that are critical to stakeholders after continuous engagement with stakeholders and full consideration of the business strategy and operations.
Quantitative	Key performance indicators (KPIs) in respect of historical data need to be measurable. The issuer should set targets to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	The Group has disclosed quantitative information of the year in the Report whenever possible and provided textual explanations so that stakeholders could clearly understand the ESG performance of the Group.
Balance	The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	The Group has fully disclosed its ESG performance and avoided expressions that may inappropriately influence decisions or judgment made by readers.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	The Group ensures that the reporting scope and methodologies are largely consistent every year.

1.3 Scope of the Report

This ESG Report provides information on the ESG policies and initiatives of our property development and investment activities, which include asset, investment, and fund management. It also covers our involvement in the distribution of construction and interior decorative materials. Our company is headquartered in Hong Kong, and our property projects are located in Hong Kong, the United States of America (the "U.S.A."), and the United Kingdom (the "U.K."). The distribution of construction and interior decorative materials business is mainly conducted in Hong Kong and Mainland China ("Mainland China" refers to the geographical area of the People's Republic of China excluding Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan region) at our head office and Mainland China offices. Other investments (i.e. Quarella Holdings Limited and RS Hospitality Private Limited) are excluded from this Report since we do not have direct control over the business operation of these investments.

This ESG Report covers environmental and social key performance indicators (KPIs) related to our head office in Hong Kong and selected property development projects. Properties that are not under construction or managed by the Group are excluded from the ESG data disclosure, as their consumption and impact are neglectable. The following list summarises our real estate investments and indicates the inclusion status of their ESG data in this Report:

Region	Investment	Status as of 31 March 2025	ESG Data	Remarks
Hong Kong	Wong Chuk Hang Project	Completed	Y	Being marketed to buyers
	Jaffe Road Project	Completed	Y	Being marketed to buyers
	2702, 2802, 2803, 2804 and various car parking spaces of Rykadan Capital Tower	Completed	N	Classified as assets held for sale
	Various car parking spaces of Rykadan Capital Tower	Completed	N	Classified as investment properties and properties for sale
	Shouson Hill Project	–	N	Classified as investment properties
The U.S.A.	Winston Project	Completed	N	Being marketed to buyers
	Monterey Park Towne Centre Project	Under planning	N	–
The U.K.	Graphite Square Project	Under construction	N	Expected to be completed in July 2025

2. OUR ESG APPROACH

2.1 ESG management and governance

Rykadan acknowledges the significance of fulfilling corporate social responsibility and views it as a fundamental pillar for our sustainable development. In the course of our daily operations, we strive to seamlessly integrate diverse environmental and social factors into our business practices whenever viable. This proactive approach empowers us to meet applicable regulatory requirements while effectively mitigating any adverse effects on the environment and society. By diligently focusing on ESG factors, we consistently assess and refine our performance, demonstrating a responsible approach that aligns our business objectives with ethical and societal practices.

We employ a comprehensive approach to effectively manage ESG issues, ensuring that sustainability principles are ingrained in every aspect of our operations and decision-making processes. The Board and senior management assume responsibility for overseeing ESG matters, evaluating their significant impact on stakeholders, identifying associated risks and opportunities, and reviewing and approving annual ESG reports to disclose the Group's performance in this area. With the Board's leadership, relevant departments within the Group are entrusted with supervising the implementation of ESG measures and initiatives, collecting ESG-related information and data, and providing regular progress updates to the Board. Through this management approach, the Board exercises enhanced control and oversight over ESG issues, fostering continuous improvement in ESG management practices throughout the Group.

2.2 Stakeholder engagement and materiality assessment

We actively engage in regular and meaningful communication with our stakeholders through various channels, actively soliciting their input and feedback regarding our ESG initiatives. By doing so, we aim to fully understand and address their demands and expectations. Taking their input into consideration, we identify and prioritise key ESG issues that hold significant relevance to our business operations. Based on this assessment, we develop an ESG work plan that effectively manages these issues. Through continuous enhancements in our sustainable performance and collaborative efforts with stakeholders, we actively seek to achieve mutually beneficial and win-win outcomes.

In accordance with the reporting principle of materiality, we conducted stakeholder interviews as part of the materiality assessment process. This enabled us to gain valuable insights into the relevance and importance of ESG issues for our business.

Identification

- With reference to the ESG reporting Guide and based on our business characteristics, as list of ESG issues relevant to our business was identified.

Prioritisation

- The ranking and prioritisation of ESG issues were carried out through interviews, considering their impact on both the Group and stakeholders.

Validation

- The prioritised issues were reviewed and finalised by the management.

In 2025, a materiality review was conducted to ensure that the identified ESG issues were applicable to our operations. The results of the materiality assessment are as follows:

Material issues	Relevance to our business
Product responsibility	Recognising the utmost importance of product responsibility as property developers, we are fully committed to enhancing the quality of our offerings. We place a high priority on responsible practices throughout the design and construction process of our properties, ensuring that they meet the needs of our users. This includes incorporating features such as proper ventilation and ample natural light penetration within the buildings. For further details on our commitment to product responsibility, please refer to Section 3.1 Securing Product and Service Quality.
Health and safety	We are committed to establishing a secure and healthy work environment, placing occupational health and safety at the forefront of our priorities. In order to achieve this, we proactively address and mitigate health and safety risks within both our office operations and construction sites. Regular drills for evacuation and emergency procedures are conducted to raise employees' awareness of safety and ensure that occupational health and safety standards are upheld. Additionally, we actively encourage our contractors to strive for a zero-accident goal across all our construction sites. For further details on our comprehensive approach to health and safety, please refer to Section 4.2 Occupational Health and Safety.
Supply chain management	Efficient management of our supply chain is vital for the advancement of our business, as it involves the delivery of high-quality products by our construction contractors and decorative material suppliers to our esteemed customers. We prioritise the evaluation of the ESG performance of our contractors and suppliers, along with their adherence to relevant laws and regulations, to ensure responsible practices throughout our supply chain. For further details on our approaches and initiatives in supply chain management, please refer to Section 3.3 Supply Chain Management.
Anti-corruption	At the Group, we are dedicated to maintaining the utmost levels of ethics and integrity. We strictly adhere to applicable laws and regulations and have implemented rigorous measures to prevent bribery, money laundering, fraud, corruption, and other illicit activities. We maintain a zero-tolerance stance towards such behaviours within our own operations, as well as among our suppliers and contractors. For further details on our anti-corruption initiatives, please refer to Section 3.2 Anti-corruption.
Climate change and greenhouse gas emissions	We acknowledge the growing and tangible influence of climate change on our operations, specifically in terms of the potential disruptions caused by extreme weather events to our property construction and distribution logistics. As a result, we work closely with our business partners to establish emergency plans that are strategically devised to mitigate the impact of climate-related disruptions and enable timely and efficient responses. For further details on our initiatives pertaining to climate change mitigation and emissions control, please refer to Section 5.2 Responding to Climate Change and Section 5.3 Emissions and Regulatory Compliance.

3. OPERATING PRACTICE

3.1 Securing product and service quality

We firmly believe that our ability to provide exceptional products to our customers is crucial for our success, profitability, and continuous expansion. This directly influences the perception of our brand. Therefore, we are committed to continuously improving our products and services to meet the ever-changing expectations of our esteemed customers. During the year under review, we did not receive any complaints regarding the quality of our products and services.

Property development

To excel in the property development industry, it is crucial for us to offer our customers access to meticulously crafted and high-quality residential and commercial spaces. We understand our role as a property developer and recognise the significant impact our business can have on the community. Therefore, when planning our projects, we consciously consider the needs and preferences of our customers. Our goal is to not only meet but surpass their expectations by providing designs that are user-friendly whenever possible.

The safety of our buildings is a top priority, and we strictly adhere to local regulations governing building designs, which encompass essential elements such as fire safety measures and other necessary provisions. Additionally, we carefully evaluate the economic feasibility of our projects and incorporate resource-efficient and environmentally friendly features into our buildings. As a testament to our commitment to sustainability, the Jaffe Road project in Hong Kong has received the BEAM Plus Unclassified Rating, a green building certification, for its eco-friendly design and operations.

We comply with government regulations and industry guidelines, including the Consent Scheme of the Hong Kong Lands Department and the self-regulatory regime of the Real Estate Developers Association of Hong Kong. As part of our ethical approach, we prohibit any form of exaggeration in our marketing and communication materials for our redeveloped properties, to ensure that our marketing activities reflect complete transparency and accuracy.

Distribution of construction and interior decorative materials

We mainly source construction and interior decorative materials from Quarella, an internationally renowned brand. To ensure a high level of safety and compliance with local laws and regulations regarding the environment and society, Quarella follows rigorous quality control and safety testing procedures throughout its production processes. Our dedication to prioritising health and safety is reflected in our provision of customers with essential training and guidance on safety precautions when handling construction and interior decorative materials upon purchasing our products. This assistance effectively reduces potential health hazards related to dust that may be generated during cutting and installation activities.

In our pursuit of utmost customer satisfaction, we intensify our efforts to effectively engage with customers. We maintain communication through diverse channels such as phone calls, emails, and face-to-face meetings. By increasing our interaction and actively gathering feedback, our goal is to continuously improve the quality of our products and services, meeting the evolving needs and expectations of our customers. Simultaneously, we have established well-defined policies and procedures to address customer complaints in an efficient manner, ensuring the protection of their legitimate rights and interests. We prioritise resolving any issues promptly and effectively to maintain customer satisfaction.

Regarding customer privacy, we strictly adhere to relevant regulations, including the Personal Data (Privacy) Ordinance (Cap. 486), in all our operations. We have strict protocols in place to prevent unauthorised disclosure of proprietary information and uphold the confidentiality of customer data.

Regulatory compliance

During the year under review, we were not aware of any material non-compliance with laws and regulations related to health and safety, advertising, labelling and privacy matters.

3.2 Anti-corruption

Rykadan is dedicated to conducting business in strict accordance with the highest ethical principles and has a strong stance against any form of illegal or unethical conduct. Our operations strictly adhere to applicable laws, regulations, and rules to uphold ethics and integrity. To promote a culture of ethical behaviour, we have implemented the Code of Ethics and Conduct Policy as well as the Whistleblowing Policy. These policies provide comprehensive guidelines to our employees, helping them identify and eliminate situations involving bribery, extortion, fraud, money laundering, and conflicts of interest.

Rykadan strictly prohibits employees from soliciting or accepting anything of monetary value from suppliers, clients, or any other individuals associated with our business. To ensure compliance with this policy, all directors and employees are obligated to sign the Code of Conduct, taking personal responsibility for their actions. Any violations of compliance will be subject to appropriate disciplinary measures, which may include summary dismissal.

Raising awareness is a crucial aspect of our approach to maintaining compliant business operations. We empower our staff by offering a series of anti-corruption training programs, which encompass topics like Potential Changes and Anti-corruption under the Environmental, Social and Governance Framework, Anti-Money Laundering (AML) findings and recommended practices for practice units, as well as Regulatory Requirements on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) for Discretionary operations. Directors, in particular, are provided with the materials that cover various topics, including AML, CFT, virtual banking, customer due diligence. The trainings also incorporate relevant cases from the Securities and Futures Commission (SFC). To instil a culture of respect for business ethics across the entire company, the Board regularly communicates ethical standards and policy updates to all employees via email and during meetings, ensuring that everyone is well-informed and updated regarding ethical guidelines and any changes that may arise.

To ensure accountability and transparency within the Group, we actively encourage both employees and external stakeholders to report any potential compliance violations. These reports may include instances of improper behaviour such as crimes, fraud, bribery, corruption, violations of the Code of Conduct, or unauthorised activities for personal gain. Our Whistleblowing Policy provides comprehensive guidelines on reporting procedures, channels for whistleblowing, and requirements for maintaining confidentiality. Reporters have the option to utilise our Whistleblowing Hotline to report violations or express concerns, either verbally or in writing, to the head of the human resources department. When potential compliance violations are reported, management or the Audit Committee takes responsibility for conducting thorough investigations. Depending on the seriousness and sensitivity of the case, it may be referred to police or other relevant authorities for further action. At Rykadan, we place a strong emphasis on protecting whistleblowers. We ensure the confidentiality of their identities and personal information, safeguarding them from any form of retaliation or victimisation.

Regulatory Compliance

During the year under review, we were not aware of any material non-compliance relating to bribery, extortion, fraud and money laundering.

3.3 Supply chain management

An essential factor in driving the sustainable growth of the Group is the establishment of a sustainable supply chain. Rykadan is committed to complying with all relevant laws and regulations and taking proactive measures to ensure the stability and compliance of its supply chain. We give significant importance to identifying, evaluating, and managing environmental and social risks within our supply chain to encourage sustainable practices. We regularly evaluate and assess the performance of our suppliers, reinforcing our commitment to responsible and ethical business practices.

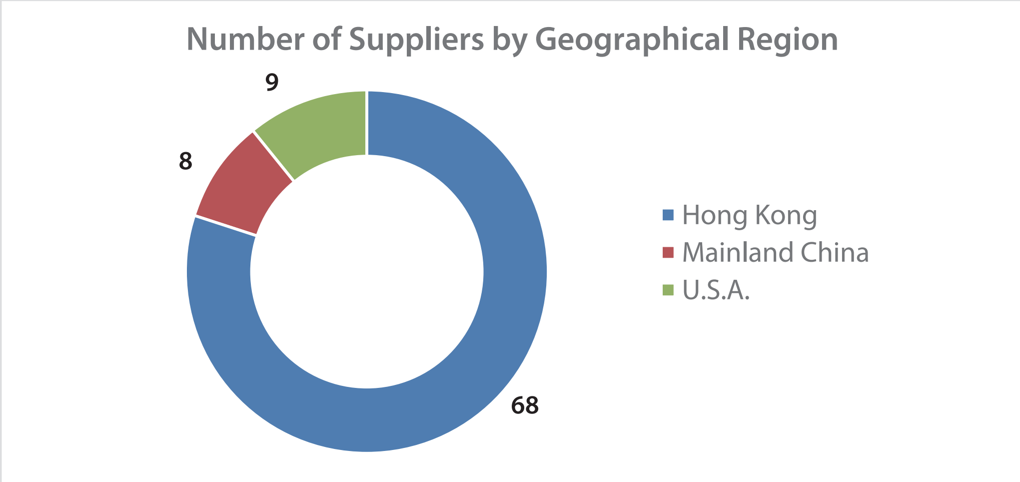
We have developed comprehensive guidelines that apply to all procurement and tendering activities. These guidelines emphasise that the selection and sourcing of services and goods should be based on factors such as price, quality, necessity, and other relevant considerations. We prioritise the selection of building materials that are sourced locally or from nearby regions to minimise carbon emissions resulting from transportation. We also evaluate suppliers based on their ESG performance, with focus on their compliance with regulations related to the environment, employment practices, health, and safety, make sure that our suppliers align with our sustainability objectives and adhere to responsible business practices.

To ensure openness and fairness, we have implemented transparent procedures for procurement and tendering. We place great emphasis on adhering to external regulations and oversight, closely monitoring our suppliers, and strictly prohibiting any form of bribery. To ensure that suppliers maintain appropriate and compliant behaviour, we have established a robust monitoring system and implemented management controls to identify and prevent instances of bribery, fraud, or other misconduct that may occur during the procurement and tendering processes.

We also maintain strict regulations for internal management and processes, which is crucial for both directors and employees to strictly adhere to the guidelines outlined in the Code of Ethics and Conduct Policy in order to avoid any potential conflicts of interest. Exploiting any information obtained from the company for personal gain is strictly prohibited. Additionally, employees involved in the procurement process, including supplier and contractor selection and purchasing, must refrain from abusing their authority or engaging in any activities that could hinder their ability to make unbiased decisions.

With regard to property construction business, we engage in partnerships with well-established contractors who have a proven record of addressing environmental issues while providing top-notch services. The adherence of our contractors to legal requirements is a vital consideration for us when evaluating potential collaborations. To ensure compliance with regulations, we closely monitor the on-site health, safety, and environmental practices of our contractors. We maintain a record of any breaches or deviations from legal requirements for future assessments and evaluations.

For the distribution of construction and interior decorative materials business, we prioritise not only product quality but also the assessment and monitoring of suppliers' ESG performance. For instance, for Quarella (of which we own 43.5% stake), we implement thinner blades in their production process to reduce energy consumption and material waste. We also choose stone-cutting factories near ports or job sites to minimise transportation distances and fuel usage. Additionally, we track the consumption of office supplies meeting specific environmental criteria, utilising certifications from reputable third parties. By analysing consumption data, we evaluate our sustainable procurement performance and identify opportunities to source even more sustainable products.



3.4 Protection of intellectual property rights

We demonstrate our commitment to upholding a robust legal framework for intellectual property rights and maintain strict compliance with applicable laws and regulations. We recognise it as our responsibility to contribute to the protection of intellectual property rights and, as such, prohibit any actions that may infringe upon these rights. We prioritise the use of authorised software in our business operations and strictly prohibit the use or installation of pirated software. Additionally, we stipulate that the Company possesses the rights to use, own, and transfer finished products, reports, file systems, computer software, programming, and other intellectual property that are researched, developed, improved, designed, written, edited, created, or manufactured by employees during their employment.

4. EMPLOYMENT AND LABOUR PRACTICES

4.1 Employment

Rykadan deeply values and acknowledges the importance of each employee, embracing a people-oriented management approach. We prioritise strict compliance with labour laws and regulations to ensure the constant respect and protection of our employees' rights and interests. Our Employee Handbook outlines transparent guidelines for various aspects of employment, including recruitment, performance assessment, welfare, and termination to ensure that our management practices are sturdy and efficient. We are committed to fostering an open and inclusive work environment for our employees, providing them with the necessary resources to pursue their career aspirations. We prioritise the well-being and safety of our employees, aiming for the mutually beneficial development of both the individuals and the company as a whole.

Recruitment

We strive to establish a fair and impartial environment for all employees, ensuring a transparent and unbiased recruitment process. To attract highly qualified individuals for job vacancies, we utilise various recruitment channels, including internal promotions, employee referrals, talent pools, printed media, recruitment websites, and agencies. Throughout the recruitment process, we evaluate candidates based on their education, professional qualifications, job knowledge, experience, skills, and relevant competencies for the role.

Our recruitment process encompasses various stages to ensure a thorough assessment of candidates. Initially, our human resources and administration teams screen applications. Telephone interviews may be conducted as a preliminary evaluation, followed by in-person interviews with department managers. Our selection process adheres to evaluation criteria and involves two rounds of interviews. Additionally, specific positions may require candidates to complete a written test, as determined by department heads. These steps enable us to select the most qualified individuals who meet our rigorous standards and align with our expectations for the role.

Performance appraisal and promotion

Rykadan places significant emphasis on talent management, utilising a comprehensive performance appraisal system to streamline human resources management and effectively motivate employees. Rykadan Performance Appraisal Policy outlines clear objectives, principles, approaches, and procedures to help maximise individual value and leverage the full potential of incentives.

To ensure the efficacy of our performance assessments, we adhere to the SMART principles: specific, measurable, actionable, realistic, and timely. Employees receive constructive feedback from their immediate supervisors, engaging in interactive communication regarding their abilities, attitudes, work results, and other relevant factors. The outcomes of the performance appraisal serve as a reference for decisions involving salary increments, bonus allocation, promotions, job rotations, training and development opportunities, and other relevant considerations.

We cherish the provision of timely and comprehensive feedback and guidance to employees throughout the performance management process. We encourage direct supervisors to engage in personal discussions with their employees to review performance appraisal results and collaboratively explore avenues for improvement. Additionally, to foster mutual understanding and communication, we conduct assessments for probationary staff during the probation period and for permanent or contract staff within a year or specific employment period.

Development and training

Rykadan firmly believes that the provision of ample training resources is crucial for both the company's success and the personal development of our employees. We have cultivated an open environment that fosters growth opportunities and supports individuals in achieving their career aspirations. We actively promote employee participation in both internal and external training programs to enhance their skills and competitiveness. Internally, we organise on-the-job training to ensure continuous learning and improvement of knowledge and skills among our employees. Externally, we encourage our staff to explore training opportunities outside the company, enabling them to stay updated with the latest industry trends and advance their professional growth.

To further support these endeavours, we have implemented an Education Sponsorship and Allowance Scheme. Through this scheme, we provide financial sponsorship and grant paid leaves to encourage employees to participate in external training courses related to their job responsibilities. Each employee is eligible for sponsorship of up to HK$6,000 per year, specifically allocated for job-related training courses or professional seminars. Additionally, employees are granted up to 3 days of examination leave annually to support their educational pursuits.

Percentage of employees trained category[1]	Unit	Offices
Management	%	60.00%
Non-management	%	26.67%
Male	%	37.50%
Female	%	33.33%

Average training hours by employee category[1]	Unit	Offices
Management	Hour	12.95
Non-management	Hour	4.50
Male	Hour	7.31
Female	Hour	6.15

[1] In previous years, property development employee training data was reported based on the information provided by contractors for construction works. As all property development projects included in the scope have been completed and are currently being marketed to buyers, no property development data is available this year.

Remuneration and welfare

Rykadan has implemented a remuneration management system that upholds principles of fairness, transparency, and reasonableness. To retain and motivate employees, we offer compensation and welfare packages that are fair and responsible, which are annually reviewed based on factors such as job position, experience, performance, the Company's overall performance and market conditions.

Our full-time employees enjoy a range of fringe benefits, which are clearly outlined in our Employee Handbook. These benefits encompass medical insurance coverage, long service payment, and various types of leave, including marriage leave, paternity leave, compassionate leave, and birthday leave. To ensure that employees are appropriately compensated for overtime work, we have established explicit procedures stated in the Employee Handbook. For every four hours of overtime worked, employees are entitled to a half-day holiday, along with meal and traffic allowances.

In addition, we organise annual recreational activities to foster a sense of community and strengthen corporate unity. These activities contribute to employees' overall happiness and sense of belonging, cultivating a friendly and harmonious working environment.

Labour Standards

We are committed to upholding fair labour standards and strictly adhere to local labour regulations, including the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Labour Law of the People's Republic of China and the Fair Labour Standards Act of the U.S.A..

We have a zero-tolerance policy towards any form of discrimination, physical or verbal harassment, within the workplace. Our hiring approach is fair and unbiased, without consideration of race, gender, sexual orientation, family status, colour, religion, age, disability, or pregnancy. Guidelines addressing these issues are included in our Employee Handbook to raise employee awareness. We encourage all employees to remain vigilant and report any violations to the appropriate department. Depending on the severity and sensitivity of the case, individuals engaging in inappropriate behaviour will be disciplined accordingly, and in severe cases, may be reported to the police.

Additionally, we do not tolerate child labour and forced labour. We conduct thorough reference checks to verify the accuracy of candidates' identification documents and other information. In our collaborations with suppliers and contractors, we select companies with reputable track records and established monitoring mechanisms to ensure compliance with labour regulations.

Regulatory compliance

During the year under review, we were not aware of any material non-compliance with laws and regulations relating to employment and labour standards.

Employment statistics (As of 31 March 2025)[2]	Total Workforce (Offices)	Employee turnover rate (%)[3] (Offices)
Total	20	28.57%
By gender		
Male	8	25.00%
Female	12	30.77%
By age group		
Below 30	3	85.71%
31-50	14	14.81%
Above 50	3	25.00%
By employment type		
Permanent	20	28.57%
Contract/Part-time	0	N/A
By geographical location		
Hong Kong	18	32.43%
Mainland China	1	0.00%
The U.S.A.	1	66.67%

4.2 Occupational health and safety

As a responsible organisation, Rykadan takes great care of employees' health and safety. We adhere to relevant laws and regulations, ensuring occupational health and safety at property development projects as well as our office operations.

Property development

As the project manager overseeing our property development business, we exercise great care in selecting contractors for construction works. Our preference is to collaborate with established contractors who possess extensive experience in safely and successfully completing projects. To ensure safety standards are maintained throughout our projects, we periodically request up-to-date health and safety information from our contractors. Any significant incidents or safety violations reported are noted and considered when making future tendering decisions.

Offices

We are dedicated to ensuring a safe and secure working environment within our offices. To create a comfortable and healthy workspace, we regularly clean the ventilation system and maintain appropriate air-conditioning temperatures. Our offices undergo regular disinfection to safeguard employee health and promote a clean and comfortable working environment.

Furthermore, we offer employees the option to work from home and have flexible working hours to support their physical and mental health and to promote a conducive work-life balance. We also implement various measures to prevent accidents, such as regular maintenance of first aid kits and fire extinguishers, and annual evacuation and escape exercises.

[2] In previous years, property development employment statistics was reported based on the information provided by contractors for construction works. As all property development projects included in the scope are being marketed to buyers, no property development data is available this year.

[3] The turnover rate calculation has been updated during the year under review. Employee turnover rate = (number of employees who left during reporting period/average number of employees during reporting period) * 100%

Health and Safety[4]	Unit	2022/2023	2023/2024	2024/2025
Offices				
Total number of fatal cases arising from work accidents	no. of case	0	0	0
Total number of injury cases arising from work accidents	no. of case	0	0	0
Total number of lost working days due to injuries	day	0	0	0

Regulatory compliance

During the year under review, we were not aware of any material non-compliance with laws and regulations by the Group relating to occupational health and safety.

5. ENVIRONMENTAL STEWARDSHIP

5.1 Our commitment and targets

We adhere to all applicable environmental laws and regulations, integrating green and sustainable principles into our operational management practices. Our dedication lies in enhancing resource efficiency, minimising our environmental footprint through ongoing evaluations, and fortifying our environmental protection measures. Furthermore, as we strive to enhance our own environmental performance, we actively collaborate with our suppliers to improve their environmental, social, and governance practices, thus extending our impact beyond the Group.

Property development

In our property development business, we persistently advocate for sustainable development principles by implementing responsible "design and build" practices and ensuring compliance with emission regulations. We actively collaborate with our service providers, such as architects, engineers, and contractors, to incorporate environmentally responsible considerations at every stage of the design, construction, and operation processes.

Distribution of construction and interior decorative materials

Our distribution of construction and interior decorative materials primarily takes place within our offices, resulting in minimal electricity and water consumption. We outsource other operations such as sub-contracting and logistics to third-party service providers. In order to mitigate the environmental impact of our operations, particularly emissions stemming from our suppliers' plant operations and logistics, we actively encourage our suppliers to enhance resource and energy efficiency and adopt environmentally friendly practices.

Offices

We actively promote the concept of green office and remain vigilant about resource utilisation and energy consumption throughout our office operations. We take appropriate measures to conserve water, electricity, and minimise waste generation, thereby creating a low-carbon and energy-efficient office environment. Environmental protection principles are seamlessly integrated into our daily work routine. For instance, we utilise energy-saving standby mode devices in the office, optimise travel routes for business trips to reduce carbon footprint, replace unnecessary travel with online meetings, and introduce virtual reality (VR) presentations of flats in our showroom to reduce carbon emissions.

[4] In previous years, property development health and safety data was reported based on the information provided by contractors for construction works. As all property development projects included in the scope are being marketed to buyers, no property development data is available this year.

5.2 Responding to climate change

Climate change represents a significant global challenge, with the increasing occurrence of extreme weather events and rising sea levels. Addressing climate change has become an urgent priority. We recognise that climate change can have various impacts on our business operations, including the potential disruption of construction sites and project schedules due to extreme weather events. Consequently, we proactively assess the potential risks associated with climate change and implement appropriate management measures to ensure the long-term sustainability of the Company.

During the project design phase, in order to effectively prevent and control the risks posed by climate change, we strictly follow regulatory guidelines to ensure that our buildings are in the right location and structure to be less affected by climate change. In addition, we are proactively exploring environmentally friendly indoor and outdoor building materials, as well as the use of renewable energy, integrating the concept of sustainability into design concepts and vigorously promoting the use of green buildings in order to significantly improve the resilience to climate change.

During the project construction phase, physical risks such as typhoons, floods and other extreme weather conditions and natural disasters may affect our upstream material production and transportation, causing delays in construction projects. Therefore, before the start of the construction work, we discussed contingency plans with contractors in case of extreme weather events during the construction process. Besides, we have also strengthened our daily efforts to identify hidden hazards and carry out comprehensive inspections of construction facilities to ensure site safety. Furthermore, we have developed safety policies on information communication and hazard investigation to ensure timely sharing of disaster information and further strengthen our climate change response capability.

In addition, when a typhoon or rainstorm is forecasted, we will activate the emergency policy stated in the Staff Handbook and issue an internal notice to all staff to plan ahead for work arrangements in times of extreme weather, for example, staff may leave work early when a typhoon signal or rainstorm warning is expected to be hoisted or issued. Moreover, management will also keep a constant watch on the latest development of extreme weather to ensure the orderly operation of the Company.

Regarding transition risks, we anticipate encountering more stringent environmental protection regulations and stricter climate disclosure requirements imposed by regulators. These developments are expected to escalate compliance costs and heighten the risk of litigation for businesses. Therefore, we are committed to enhancing our compliance management systems and implementing timely improvements in accordance with compliance requirements. Our aim is to enhance our environmental management performance and effectively address these evolving regulatory demands.

Greenhouse gas emissions (Office)[5]	Unit	2022/2023	2023/2024	2024/2025
Offices – Scope 1[6]	kg CO_2e	4,741	326	0
Offices – Scope 2[7]	kg CO_2e	21,813	21,691	19,444
Offices – Scope 3[8]	kg CO_2e	5,620	5,963	23,694

Greenhouse gas emissions (Property development)[9]	Unit	2022/2023	2023/2024	2024/2025
Property development – Scope 1[6]	kg CO_2e	–	0	0
Property development – Scope 2[7]	kg CO_2e	–	544,147	574,776
Property development – Greenhouse gas emissions intensity	kg CO_2e/square foot	–	9.15	15.20[10]

[5] Office greenhouse gas emissions are limited to those generated from the Hong Kong head office. Emission factor used for greenhouse gas emissions calculations are taken from Appendix 2: Reporting Guidance on Environmental KPIs from the Stock Exchange of Hong Kong.

[6] Scope 1 emissions include greenhouse gas emissions from the use of vehicles.

[7] Scope 2 emissions include greenhouse gas emissions from the use of purchased electricity.

[8] Scope 3 emissions include emissions generated from business travel, and the significant increase in Scope 3 emissions during this reporting year is attributable to the rise in business travel.

[9] Property development greenhouse gas emissions in the last reporting year covered projects in both the U.S.A. and Hong Kong. In this reporting year, projects in the U.S.A. have been completed and sold, and are therefore excluded.

[10] The GHG emission intensity for property development increased significantly during the year under review, primarily due to a substantial reduction in total GFA following the sale of Anoakia Project in the U.S.A. during the year, which has been excluded from the reporting scope.

5.3 Emissions and regulatory compliance

We place a high priority on emissions management. To minimise the environmental impact of our own emissions, we have implemented a number of initiatives to ensure that emissions such as air pollution, wastewater and waste are properly treated and managed. In addition, we are actively working to establish a green supply chain. We hold regular meetings with contractors responsible for the management of site operations to keep abreast of their activities and closely monitor their emissions.

As project managers, we are aware of the impact of emissions on the environment and therefore we strictly comply with all applicable environmental laws and regulations and require our main contractors to comply with all Hong Kong legislation and regulations relating to the avoidance of nuisance and pollution, including but not limited to:

- Oil Pollution (Land Use and Requisition) Ordinance (Cap.247)
- Air Pollution Control Ordinance (Cap.311)
- Waste Disposal Ordinance (Cap.354)
- Water Pollution Control Ordinance (Cap.358)
- Noise Control Ordinance (Cap.400)

Air emissions

The exhaust gases originate from two main sources: the construction process and office operations. Exhaust emissions from the construction process arise mainly from the combustion of fuel from machinery and mobile generators, and from fine particles from percussion procedures. We require contractors to comply with regulatory requirements on exhaust emissions and to obtain the relevant permits for machinery used on site. Operation emissions are mainly generated from fuel consumption by vehicles, but in minor quantities. We also strive to reduce our carbon footprint by avoiding unnecessary travel wherever possible.

Waste management

General wastes

General waste mainly comes from our head office. The main component of general waste comes from used paper (e.g. office paper, posters and brochures). To reduce this type of waste, we recycle and reuse the paper that has already been used. In order to further reduce the amount of waste generated in our offices, we adopt electronic communication for the circulation of internal documents such as memorandum and reports instead of printing. In the case of mandatory printing, we choose environmentally friendly paper, such as PEFC[11] paper to reduce the impact of paper on the environment. We also encourage duplex printing and reuse of single-side printed paper. For proper disposal of wastepaper, we provide recycling bins to collect used papers, cardboard boxes, packing materials and toner.

Construction wastes

We strictly regulate the waste disposal process, requiring all types of waste to be collected, treated and transported properly to reduce the environmental impact of the entire waste disposal process. For hazardous waste, we collaborate closely with contractors to store and ensure that the hazardous waste is transferred to an authorised organisation with the hazardous waste operation permit and transportation qualification, in accordance with regulations. This ensures that hazardous waste is disposed of in a compliant manner. For non-hazardous waste, it is segregated based on its nature following government requirements. The waste is then sent to designated waste disposal facilities for landfilling or incineration.

At the same time, we are promoting water-based paints with environmentally friendly properties on construction sites instead of traditional solvent-based paints to reduce waste generation at source. In the year under review, no disposal of hazardous wastes was recorded at our offices.

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11 Programme for the Endorsement of Forest Certification.

Regulatory compliance

During the year under review, we were not aware of any material non-compliance with laws and regulations related to environmental emissions in our own business operations and at our property development projects.

Waste disposal (Office)	Unit	2022/2023	2023/2024	2024/2025[12]
Non-hazardous wastes disposed at our offices	kg	1,219	1,032	3,116

Waste disposal (Property development)	Unit	2022/2023	2023/2024	2024/2025
Non-hazardous wastes disposed at our projects	kg	230	0	0
Hazardous wastes disposed at our projects	kg	0	0	0

5.4 Resources consumption

Rykadan promotes resources conservation and energy consumption reduction in the construction process and our daily operation. We also integrate the concept of sustainability into the whole process of high-quality green building design, construction and operation.

During design phase, we conduct thorough research of the building's surrounding area and incorporate environmental or green design elements into our property development projects where feasible. The Wong Chuk Hang and the Jaffe Road projects are built with sky gardens to enhance building efficiency and reduce energy costs by absorbing heat rather than attracting it, helping to reduce the urban heat island effect and mitigate storm water run-off in the urban environment. In addition, to advance the green development of the real estate industry, we actively promote green and healthy building certifications.

We are also committed to improving the efficiency of our use of resources. We actively explore a variety of resource-saving options. Examples include the use of water-efficient taps and flush toilets, as well as the use of natural light and efficient lighting (such as LEDs) and energy-efficient appliances.

For our office operations, we have implemented the following management measures to conserve energy and minimise resource consumption:

- idle lights and office equipment are required to be turned off, electronic appliances such as computers and printers should be set to energy-saving modes after a period of inactivity;
- sale brochures, building models and building plans are presented online to minimise printing and transportation, similarly, online database is applied;
- air conditioning temperature is fixed at 25°C at office to save energy consumption and extend the service life of the air conditioner;
- energy-efficient and environmentally friendly factors are taken into consideration during the procurement of office equipment and supplies;
- water-saving and energy-efficient tips are posted to heighten employees' awareness of water and energy conservation.

12 The rise in waste levels during the reporting period is attributed to the office relocation.

Use of resources (Office)	Unit	2022/2023	2023/2024	2024/2025
Use of electricity	kWh	55,931	55,619	51,161
Use of water	litre	65,835	48,701	39,945

Use of resources (Property development)	Unit	2022/2023	2023/2024	2024/2025
Total energy consumption	kWh	365,659	825,447	957,960
Energy consumption intensity	kWh/square foot	2.18	13.88	25.34
Electricity	kWh	365,659	825,447	957,960
Diesel	litre	0	0	0
Petrol	litre	0	0	0
Use of water	m^3	629	154,107	2,872
Water consumption intensity	m^3/square foot	0.004	2.59	0.08

6. COMMUNITY INVESTMENT

As a socially responsible company, Rykadan actively contributes to the needs of society and the community. We encourage our employees to participate in community welfare activities by implementing a compensation policy that incentivises their engagement in volunteer work during their spare time. We contribute to charitable causes within our capacity and foster a philanthropic spirit within our corporate culture, aiming to bring love and warmth to the community.

Throughout the reporting year, we actively participated in volunteer activities to contribute to the public good. Our focus remained on supporting groups in need and promoting social inclusion. We dedicated a total of 8 hours to community investment organised during the year under review. We have also participated in Lockton Fearless Dragon Trailrun 2024 and donated HK$10,000 to support an inclusive life and society. By engaging in such initiatives, we strive to make a positive impact and extend our support to the community.

APPENDIX I: ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

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	Aspects	Section	Remarks
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	Aspects	Section	Remarks
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B6.2	Number of products and service related complaints received and how they are dealt with.	3.1	
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PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Chan William (陳偉倫先生), aged 50, is an Executive Director, the Chief Executive Officer and the Chairman of the Company. Mr. Chan also serves as the Chairman of the nomination committee of the Company. Mr. Chan joined the Group in 2008. He is primarily responsible for overall strategies, planning, business development and implementation of the strategies of the Group. He also holds other directorships in the Company's subsidiaries. Mr. Chan graduated from the University of La Verne, California of the United States with a Bachelor of Business Administration degree in 2000 and a Master of Business Administration degree in 2002. He was a director of the Tung Wah Group of Hospitals (2003/2004), a director of Yan Chai Hospital (35th Term Board of Directors (2002/2003)) and a committee member of the Central and Sai Ying Poon Area Committee of Home Affairs Department of Hong Kong Government for the two years ended 31 March 2006.

Mr. Lo Hoi Wah, Heywood (勞海華先生), aged 42, is an Executive Director and the Chief Financial Officer. Mr. Lo has joined us since 2012. He is responsible for overseeing property related investments, managing business operations, exploring new business unit growth and directing banking activities of the Group. He also holds other directorships in the Company's subsidiaries. Mr. Lo has over 15 years' financial accounting experience in the field of building materials, property development and hospitality. Prior to joining us, he had worked at an international audit firm and held senior finance and management position with a private company. Mr. Lo graduated from the University of Hong Kong with a Bachelor of Business Administration degree in 2005. He also graduated from The Hong Kong Polytechnic University in 2013 with a Master of Corporate Finance. Mr. Lo is a member of the Hong Kong Institute of Certified Public Accountants.

Non-Executive Director

Mr. Ng Tak Kwan (吳德坤先生), aged 71, is a Non-executive Director of the Company. Mr. Ng graduated from the University of Calgary with a Bachelor of Science degree in civil engineering in 1978. Mr. Ng is currently an executive director and the chief executive officer of Sundart Holdings Limited (stock code: 1568), the securities of which are listed on the main board of the Stock Exchange of Hong Kong.

Independent Non-Executive Directors

Mr. Ho Kwok Wah, George (何國華先生), aged 67, was appointed as an Independent Non-executive Director of the Company in February 2010. He also serves as the chairman of the audit committee and the remuneration committee and a member of the nomination committee of the Company. Mr. Ho has over 30 years of experience in accounting and auditing. Mr. Ho is a practicing certified public accountant in Hong Kong and is currently a director of Yong Zheng CPA Limited, Certified Public Accountants. Mr. Ho is also a director of the Hong Kong Commerce and Industry Associations Limited and the Hong Kong Shatin Industries and Commerce Association Limited. Mr. Ho is currently an independent non-executive director of PuraPharm Corporation Limited (stock code: 1498) and was in independent non-executive director of Town Health International Medical Group Limited (stock code: 3886) from September 2004 to January 2024, the securities of which are listed on the main board of the Stock Exchange of Hong Kong. Mr. Ho was also awarded the Medal of Honour on 1 July 2015 by the Government of the HKSAR.

Mr. To King Yan, Adam (杜景仁先生), aged 65, was appointed as an Independent Non-executive Director of the Company in August 2009. Mr. To is also a member of the audit committee, the remuneration committee and the nomination committee of the Company. He graduated from the University of London with a Bachelor of Laws degree in 1983. He has been a practicing solicitor of the High Court of Hong Kong since 1986. He is also qualified to practice law in England and Wales and Australia and is a China Appointed Attesting Officer. He is currently a partner of K.B. Chau & Co., a firm of solicitors in Hong Kong with his practice focusing on conveyancing, litigation and corporate finance. Mr. To was an independent non-executive director of Ficus Technology Holdings Limited (formerly known as Vision International Holdings Limited) (stock code: 8107), the securities of which are listed on the GEM board of the Stock Exchange of Hong Kong, from April 2018 to September 2023.

Ms. Khan Sabrina (簡佩詩女士), aged 44, has over 20 years of experience in finance and accounting. She currently serves as the Chief Financial Officer in a well-known appliances, electrical and electronic manufacturing company, Aurabeat Technology Limited. Ms. Khan was the Chief Financial Officer and company secretary of Aptorum Group Limited, a clinical stage biopharmaceutical company listed on the NASDAQ (NASDAQ: APM), from October 2017 to October 2022 and served as its financial consultant until August 2023. Ms. Khan had worked at various international audit firms and held senior finance and management positions in various listed companies and private companies in different industries. Ms. Khan graduated from the University of Hong Kong in 2003 with a Bachelor of Business Administration degree in Accounting and Finance. She is a fellow member of the Hong Kong Institute of Certified Public Accountant and a member of the Association of Chartered Certified Accountants and was qualified as an Advanced China Certified Taxation Consultant in 2015.

Senior Management

Mr. Lui Man Kit, Chris (呂文傑先生), aged 40, is our Company Secretary and Financial Controller. Mr. Lui has joined us since 2014. He is responsible for overseeing the financial planning and management, accounting activities and compliance matters of the Group. He also holds directorship in one of the Company's subsidiaries. Mr. Lui has over 18 years of experience in financial accounting and auditing. Prior to joining the Group, he had worked at an international audit firm as an audit manager. Mr. Lui holds a Bachelor of Commerce degree in Accounting and Finance from the Curtin University in 2004 and a Master of Laws degree in International and Commercial Law from the University of Greenwich in 2019. He is also a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Mr. Jacky Cheng (鄭子琪先生), aged 48, joined the Group since 2024 as the Managing Director, Asia Pacific. He is responsible for planning, developing business strategies, overseeing operations and execution in the region. Mr. Cheng brings a wealth of global knowledge related to development environment. His strong understanding of the region's development markets and trends, coupled with extensive network in the industry, provide him with an exceptional ability to represent the Group to identify new initiatives and opportunities. Prior to joining the Group, he held the position of Vice President, Director of Project Development – Asia Pacific at the Jerde Partnership, Inc., where for over 20 years, from Los Angeles, to Hong Kong and Singapore. Mr. Cheng holds a Master of Science degree from Columbia University, and a Bachelor of Architecture degree from the Illinois Institute of Technology.

DIRECTORS' REPORT

The directors of the Company (the "Directors") would like to present the annual report and the audited consolidated financial statements for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in note 41 to the consolidated financial statements.

BUSINESS REVIEW

Discussion and review of the Group's business during the year are provided in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is provided in the section headed "Management Discussion and Analysis" of this annual report. An indication of likely future development of the Group's business can be found in the section headed "Chairman's Statement" of this annual report. All the above sections form part of this report.

KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognises that employees, customers, suppliers and business partners are the keys to the sustainable development of the Group. The Group is committed to building a close and caring relationship with its employees and business partners, and improving the quality of services and products to the customers.

Employees are regarded as the most vital and valuable assets of the Group. The Group ensures all staff are reasonably remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety.

The Group stays connected with its customers and suppliers and has ongoing communication with the customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

The Group also makes effort to build up and maintain good relationship with various commercial banks as the Group's businesses are capital intensive and require ongoing funding to maintain continuous growth.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to maintaining sustainable working practices and pays close attention to ensure all resources are efficiently utilised. Green office practices are encouraged in the operation of the Group's businesses, such as duplex printing and copying, sending and presenting corporate documents or information to the members of the Board in electronic format, and reducing energy consumption by switching off idle lighting and electrical appliances. Further details can be found in the section headed "Environmental, Social and Governance Report" of this annual report.

COMPLIANCE WITH THE APPLICABLE LAWS AND REGULATIONS WHICH HAVE A SIGNIFICANT IMPACT TO THE GROUP

During the year, no non-compliance with the relevant laws and regulations that have a significant impact on the Group was noted. In addition, discussion on the Group's compliance with the Corporate Governance Code (the "CG Code") is included in the Corporate Governance Report. Discussion on the Group's compliance with the relevant environmental and social policies, laws and regulations are included in the section headed "Environmental, Social and Governance Report" of this annual report.

RISK MANAGEMENT

Under the Group's internal control and risk management framework, the Board has entrusted the Audit Committee with the responsibility to review the internal control and risk management systems of the Group. The Group is exposed to key risk factors including business risks, operational risks and financial risks.

BUSINESS RISKS

The Group operates mainly in Hong Kong, the People's Republic of China and the United States of America. The economic and market conditions including property market sentiment and property values, legislative and regulatory changes, government policies and political considerations in the various regions may impact the Group's operating results and financial conditions.

OPERATIONAL RISKS

The Group's operation is subject to a number of risk factors distinctive to property development, property investment and property related businesses. Default on the part of buyers, tenants and strategic business partners, and inadequacies or failures of internal processes, people and systems or other external factors may have various levels of negative impact on the Group's operation.

FINANCIAL RISKS

The Group is subject to financial risks in the normal course of business. Details are set out in note 35 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 50 to 51.

No interim dividend had been declared to the shareholders during the year. The Directors do not recommend the payment of a final dividend for the year ended 31 March 2025.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 116.

An analysis of the Group's results by segment for the year is set out in note 5 to the consolidated financial statements.

OTHER PROPERTIES, PLANT AND EQUIPMENT

Details of movements during the year in the other properties, plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

BANK BORROWINGS

Details of bank borrowings are set out in note 28 to the consolidated financial statements.

SHARE CAPITAL

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

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2025 comprised:

	HK$'000
Share premium	400,859
Retained profits	360,561
	761,420

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its memorandum and articles of association and provided that immediately following the distribution of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's articles of association, dividends shall be distributed out of the retained profits or other reserves, including the share premium of the Company.

Details of movements during the year in the share premium and reserves of the Group are set out in the consolidated statement of changes in equity.

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors
Mr. CHAN William *(Chairman and Chief Executive Officer)*
Mr. LO Hoi Wah, Heywood *(Chief Financial Officer)*

Non-executive Director
Mr. NG Tak Kwan

Independent Non-executive Directors
Mr. HO Kwok Wah, George
Mr. TO King Yan, Adam
Ms. KHAN Sabrina

Notes: Mr. LO Hoi Wah, Heywood and Ms. KHAN Sabrina shall retire, and being eligible, offer themselves for re-election at the forthcoming 2025 annual general meeting ("AGM") pursuant to the Company's articles of association.

Information regarding directors' emoluments is set out in note 10 to the consolidated financial statements.

DIRECTORS' PROFILES

Details of the Directors' profiles are set out in the section headed "Profiles of Directors and Senior Management" of this annual report.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors a confirmation of his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and has duly reviewed the confirmation of independence of each of these Directors. The Company considers that all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming AGM has a service agreement with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

MANAGEMENT CONTRACTS

Save for service contracts with the Directors, no contract by which a person undertakes the management and administration of the whole or any substantial part of the Company's business was entered into or subsisted during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST 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 in shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be (i) 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 the directors and chief executive of the Company were deemed or taken to have pursuant to such provisions of the SFO); (ii) entered in the register required to be kept under Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") adopted by the Company were as follows:

Name	Long/Short position	Capacity	Number of shares	Approximate percentage of the issued share capital of the Company (%)
CHAN William	Long	Interest in a controlled corporation (1)	97,104,000	25.86
	Long	Other interest (2)	18,153,211	4.83
	Long	Beneficial owner	33,700,000	8.98
			148,957,211	39.67
NG Tak Kwan	Long	Beneficial owner	63,024,000	16.79
LO Hoi Wah, Heywood	Long	Beneficial owner	64,166	0.02

Notes:

1. Tiger Crown Limited, which beneficially owned 97,104,000 shares of the Company, is 100% owned by Rykadan Holdings Limited which in turn is 100% held by CHAN William. CHAN William is also the sole director of Tiger Crown Limited and Rykadan Holdings Limited.

2. Since Tiger Crown Limited, Scenemay Holdings Limited, CHAN William, LI Chu Kwan and LI Wing Yin are regarded as a group of shareholders acting in concert to exercise their voting rights in the Company and are parties to an agreement under Section 317 of the SFO, pursuant to the provisions of the SFO, each of them is deemed to be interested in the shares of the Company owned by the other parties to the agreement. Hence, CHAN William is also deemed to be interested in the 18,153,211 shares of the Company owned by Scenemay Holdings Limited.

3. All the shares of the Company shown in the table above are ordinary shares.

Save as disclosed above, as at 31 March 2025, so far as is known to any Director and chief executive of the Company, none of the Directors or chief executive of the Company 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) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have pursuant to such provisions of the SFO), or which were entered in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2025, so far as is known to the Directors or chief executive of the Company, the interests and short positions of the shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Name	Long/Short position	Capacity	Number of shares	Approximate percentage of the issued share capital of the Company (%)
Rykadan Holdings Limited	Long	Interest in a controlled corporation (1) (2)	148,957,211	39.67
Tiger Crown Limited (1)	Long	Beneficial owner	97,104,000	25.86
	Long	Other interest (2)	51,853,211	13.81
			148,957,211	39.67
Scenemay Holdings Limited	Long	Beneficial owner	18,153,211	4.83
	Long	Other interest (2)	130,804,000	34.84
			148,957,211	39.67
LI Chu Kwan	Long	Interest in a controlled corporation (3)	18,153,211	4.83
	Long	Other interest (2)	130,804,000	34.84
			148,957,211	39.67
LI Wing Yin	Long	Interest in a controlled corporation (3)	18,153,211	4.83
	Long	Other interest (2)	130,804,000	34.84
			148,957,211	39.67

Notes:

1. Tiger Crown Limited is 100% owned by Rykadan Holdings Limited which in turn is 100% held by CHAN William. Rykadan Holdings Limited is therefore deemed to be interested in the 97,104,000 shares of the Company beneficially owned by Tiger Crown Limited as well as the 51,853,211 shares of the Company in which Tiger Crown Limited is deemed to be interested as described in Note 2 below.

2. Since Tiger Crown Limited, Scenemay Holdings Limited, CHAN William, LI Chu Kwan and LI Wing Yin are regarded as a group of shareholders acting in concert to exercise their voting rights in the Company and are parties to an agreement under Section 317 of the SFO, pursuant to the provisions of the SFO, each of them is deemed to be interested in the shares of the Company owned by the other parties to the agreement.

3. As the entire issued share capital of Scenemay Holdings Limited is owned by LI Chu Kwan and LI Wing Yin in equal shares, each of LI Chu Kwan and LI Wing Yin is deemed to be interested in the 18,153,211 shares of the Company beneficially owned by Scenemay Holdings Limited.

4. All the shares of the Company shown in the table above are ordinary shares.

Save as disclosed above, as at 31 March 2025, so far as is known to any Director and chief executive of the Company, no other persons or companies had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, or any of its subsidiaries, a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CONNECTED AND RELATED PARTY TRANSACTIONS

During the year and up to the date of this report, save as disclosed below, there were no other transactions which constitute connected transaction or continuing connected transaction that are not exempt from the disclosure requirements under Chapter 14A of the Listing Rules.

- On 23 July 2024, Worth Celestial Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Mr. CHAN William (the Chairman, Chief Executive Officer and an Executive Director of the Company) and his spouse (collectively referred to as the "Vendors") in relation to the acquisition of 100% equity interests in Cosmo Kingdom Holdings Limited (a property holding company jointly owned by the Vendors with a luxury residential property in Hong Kong as its main asset).

  The transaction was completed on 30 April 2025. Further details of the acquisition are set out in the circular of the Company dated 30 August 2024.

Significant related party transactions entered by the Group during the year, which do not constitute connected transactions or continuing connected transactions under the Listing Rules are disclosed in note 39 to the consolidated financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

Save as those disclosed under the paragraph headed "Connected and Related Party Transactions" above and in note 39 to the consolidated financial statements, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

EQUITY-LINKED AGREEMENT

Other than the information disclosed in this directors' report and the consolidated financial statements, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the financial year under review.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the articles of association of the Company, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty, in their respective offices or trusts.

The Company has arranged appropriate directors' liability insurance coverage for the Directors and officers throughout the year.

COMPETING BUSINESS

During the year, none of the Directors or the controlling shareholders of the Company and their respective associates had any interest in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

EMOLUMENT POLICY

The emolument policy of the employees of the Group was set up by the Remuneration Committee. The emolument of the Directors is decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market trends.

RETIREMENT BENEFIT SCHEME

Details of the Group's retirement benefit schemes are set out in note 9 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or applicable laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

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

DISCLOSURE PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

The information as required to disclose under Rules 13.20 and 13.22 of the Listing Rules in relation to the Company's advances to entities and the financial assistance and guarantees to affiliated companies provided by the Company are as follows:

(a) Advances to entities

As at 31 March 2025, the Company has advanced to Quarella Group Limited ("QGL") loans in an aggregate amount of HK$250,000,000 for the working capital of the QGL, which is non-interest bearing since 1 April 2020 and the interest on loans to QGL of HK$33,116,000. The entire amounts are unsecured and be repayable by written notice demand by the Company.

As at 31 March 2025, an aggregate sum of HK$266,441,000 was advanced by the Group to Fastest Runner Limited or its subsidiaries for the purpose of acquiring the property located at No. 23 Wong Chuk Hang Road, Hong Kong and financing its development and general working capital. The total advance of HK$47,040,000 was non-interest bearing, unsecured and repayable on or before 30 June 2025 while the remaining advance is non-interest bearing, unsecured and has no fixed terms of repayment. The advances were made pro rata to the percentage of shareholding of the relevant subsidiary of the Group in Fastest Runner Limited.

(b) Financial assistance and guarantees to affiliated companies

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined balance sheet of those affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31 March 2025 are presented as follows:

	HK$'000
Non-current assets	450,270
Current assets	642,695
Current liabilities	(2,470,724)
Non-current liabilities	(211,390)
Net liabilities	(1,589,149)
Share capital	221
Reserves	(1,589,370)
Capital and reserves	(1,589,149)

As at 31 March 2025, the attributable accumulated losses to the Group in these affiliated companies amounted to HK$465,006,000.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK$10,000 (2024: HK$30,000).

MAJOR CUSTOMERS, SUBCONTRACTORS AND SUPPLIERS

For the year, the five largest customers of the Group accounted for 99% of the Group's total revenue and total revenue from the largest customer included therein accounted for 94%. Rykadan Real Estate Fund LP and Rykadan Real Estate Prospect Fund LP are two of the five largest customers and Mr. CHAN William is one of the representatives on the Investment Committee of both limited partnerships. The aggregate purchase attributable to the five largest suppliers of the Group during the year accounted for 95% of the total purchases of the Group and the largest supplier included therein accounted for 51%.

Other than disclosed above, at no time during the year did a Director, an associate of a Director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest customers or suppliers.

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.

CORPORATE GOVERNANCE

The Corporate Governance Report is set out on pages 10 to 17.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Environmental, Social and Governance Report is set out on pages 18 to 36.

AUDITOR

The consolidated financial statements have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM.

A resolution to re-appoint Deloitte Touche Tohmatsu as the external auditor will be submitted for shareholders' approval at the forthcoming AGM.

On behalf of the Board
Rykadan Capital Limited
CHAN William
Executive Director and Chief Executive Officer

Hong Kong, 27 June 2025

Deloitte. 德勤

To the shareholders of Rykadan Capital Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Rykadan Capital Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 50 to 115, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated income statement, consolidated statement of 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 exploratory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended 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.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessing the net realisable value of properties for sales held by a material associate	
As at 31 March 2025, the Group has interests in completed commercial and retail properties held for sale in Hong Kong mainly through a material associate which is equity accounted for in the consolidated financial statements. We identified the valuation assessment of properties held for sales owned through the material associate (the "Property") as a key audit matter due to its significance to the consolidated financial statements as a whole, combined with significant estimates involved in determining the net realisable value (the "NRV"). As disclosed in Note 4 to the consolidated financial statements, the determination of the NRV of the Property requires significant estimation, particularly in determining expected future selling prices by reference to the valuation carried out by the independent and qualified property valuer (the "Valuer") for the Property. As disclosed in Note 18 to the consolidated financial statements, share of loss of the material associate for the year ended 31 March 2025 amounting to approximately HK$79,812,000 has been recognised in the consolidated income statement, mainly arising from the write-down of the Property.	Our procedures in relation to assessing the NRV of the Property included: • Assessing the competency, capabilities and objectivity of the Valuer; • Assessing the appropriateness and reasonableness of the valuation methodology and significant estimation used in the valuation; and • Assessing the reasonableness of source data of significant estimation including expected future selling prices underlying the valuation by comparing them, on a sample basis, to publicly available information of similar comparable properties.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in 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. We have nothing to report in this regard.

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 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 our agreed terms of engagement, 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 judgement 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 is therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters 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 the independent auditor's report is Lee Wing Cheong, Wilfred (practicing certificate number: P06770).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 June 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000 (Re-presented)
Continuing operations			
Revenue	5(a)	74,451	103,343
Cost of sales and services		(66,188)	(131,528)
Gross profit (loss)		8,263	(28,185)
Other revenue	6	4,934	6,718
Other net loss	7	(2,180)	(3,883)
Impairment losses on trade receivables, net of reversal		(11,730)	(5,041)
Selling and marketing expenses		(2,316)	(4,138)
Administrative and other operating expenses		(40,083)	(36,430)
Loss from operations		(43,112)	(70,959)
Finance costs	11	(9,800)	(12,869)
Share of results of associates		(113,198)	(35,216)
Share of results of joint ventures		(90,921)	(12,444)
Reversal of impairment losses (impairment losses) on interests in joint ventures	19	33,200	(33,200)
Loss before taxation		(223,831)	(164,688)
Income tax credit (expense)	12	109	(2,275)
Loss for the year from continuing operations	8	(223,722)	(166,963)
Discontinued operation			
Loss for the year from discontinued operation	13	(69,982)	(9,203)
Loss for the year		(293,704)	(176,166)
Loss for the year attributable to owners of the Company			
– from continuing operations		(211,377)	(164,683)
– from discontinued operation		(69,982)	(9,203)
Loss for the year attributable to owners of the Company		(281,359)	(173,886)
Loss for the year attributable to non-controlling interests			
– from continuing operations		(12,345)	(2,280)
		(293,704)	(176,166)
Loss per share	14		
From continuing and discontinued operations			
Basic		(74.9) HK cents	(46.3) HK cents
Diluted		N/A	N/A
From continuing operations			
Basic		(56.3) HK cents	(43.9) HK cents
Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000 (Re-presented)
Loss for the year	**(293,704)**	(176,166)
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences arising on translation of foreign operations	**638**	875
– Share of translation reserve of joint ventures, net of related income tax	**(1,298)**	(1,806)
	(660)	(931)
Item that will not be reclassified to profit or loss:		
– Share of remeasurement of defined benefit liability of a joint venture, net of related income tax	**(25)**	(54)
Other comprehensive income for the year	**(685)**	(985)
Total comprehensive income for the year	**(294,389)**	(177,151)
Attributable to:		
– Owners of the Company	**(281,880)**	(174,504)
– Non-controlling interests	**(12,509)**	(2,647)
	(294,389)	(177,151)
Total comprehensive income for the year attributable to owners of the Company:		
– from continuing operations	**(211,898)**	(165,301)
– from discontinued operation	**(69,982)**	(9,203)
	(281,880)	(174,504)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Investment properties	15	2,700	154,500
Other properties, plant and equipment	16	507	33,964
Right-of-use assets	17	2,810	3,442
Interests in associates	18	67,423	178,766
Interests in joint ventures	19	134,939	205,096
Financial assets measured at fair value through other comprehensive income	20	–	–
		208,379	575,768
CURRENT ASSETS			
Properties for sale	21	338,235	399,121
Inventories	22	807	797
Trade receivables	23	11,957	22,277
Other receivables, deposits and prepayments	24	23,499	8,742
Loans to an associate	18	47,040	40,000
Bank deposits and cash on hand	25	63,598	100,897
		485,136	571,834
Assets classified as held for sale	13	119,883	–
		605,019	571,834
CURRENT LIABILITIES			
Trade and other payables	26	32,896	13,604
Contract liabilities	27	25	615
Bank loans	28	78,627	257,571
Lease liabilities	29	568	527
Tax payable		1,247	1,212
		113,363	273,529
Liabilities associated with assets classified as held for sale	13	51,166	–
		164,529	273,529
NET CURRENT ASSETS		440,490	298,305
TOTAL ASSETS LESS CURRENT LIABILITIES		648,869	874,073

	NOTES	2025 HK$'000	2024 HK$'000
NON-CURRENT LIABILITIES			
Bank loans	*28*	**88,645**	18,522
Lease liabilities	*29*	**2,437**	3,022
Deferred tax liabilities	*32*	**1,000**	1,058
		92,082	22,602
		556,787	851,471
CAPITAL AND RESERVES			
Share capital	*30*	**3,754**	3,754
Reserves		**575,739**	857,619
Equity attributable to owners of the Company		**579,493**	861,373
Non-controlling interests		**(22,706)**	(9,902)
		556,787	851,471

The consolidated financial statements on pages 50 to 115 were approved and authorised for issue by the board of directors on 27 June 2025 and were signed on its behalf by:

CHAN WILLIAM
DIRECTOR

LO HOI WAH, HEYWOOD
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	**Statutory reserve** HK$'000 (Note (i))	**Translation reserve** HK$'000	**Actuarial reserve** HK$'000	**Other reserve** HK$'000 (Note (ii))	**Revaluation reserve** HK$'000 (Note (iii))	**Fair value reserve (non-recycling)** HK$'000 (Note (iv))	**Retained profits** HK$'000	**Total** HK$'000	**Non-controlling interests** HK$'000	**Total equity** HK$'000
1 April 2023	3,754	400,859	4,433	(8,024)	69	35,440	11,474	(15,850)	603,722	1,035,877	(5,985)	1,029,892
Loss for the year	–	–	–	–	–	–	–	–	(173,886)	(173,886)	(2,280)	(176,166)
Exchange differences arising on translation of foreign operations	–	–	–	1,004	–	–	–	–	–	1,004	(129)	875
Share of translation reserve of joint venture, net of related income tax	–	–	–	(1,575)	–	–	–	–	–	(1,575)	(231)	(1,806)
Share of remeasurement of defined benefit liability of a joint venture, net of related income tax	–	–	–	–	(47)	–	–	–	–	(47)	(7)	(54)
Total comprehensive income	–	–	–	(571)	(47)	–	–	–	(173,886)	(174,504)	(2,647)	(177,151)
Distributions paid to non-controlling shareholders upon liquidation of a subsidiary	–	–	–	–	–	–	–	–	–	–	(1,270)	(1,270)
At 31 March 2024 and 1 April 2024	3,754	400,859	4,433	(8,595)	22	35,440	11,474	(15,850)	429,836	861,373	(9,902)	851,471
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(281,359)**	**(281,359)**	**(12,345)**	**(293,704)**
Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**651**	**–**	**–**	**–**	**–**	**–**	**651**	**(13)**	**638**
Share of translation reserve of joint venture, net of related income tax	**–**	**–**	**–**	**(1,150)**	**–**	**–**	**–**	**–**	**–**	**(1,150)**	**(148)**	**(1,298)**
Share of remeasurement of defined benefit liability of a joint venture, net of related income tax	**–**	**–**	**–**	**–**	**(22)**	**–**	**–**	**–**	**–**	**(22)**	**(3)**	**(25)**
Total comprehensive income	**–**	**–**	**–**	**(499)**	**(22)**	**–**	**–**	**–**	**(281,359)**	**(281,880)**	**(12,509)**	**(294,389)**
Distributions paid to non-controlling shareholders upon liquidation of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(295)**	**(295)**
At 31 March 2025	**3,754**	**400,859**	**4,433**	**(9,094)**	**–**	**35,440**	**11,474**	**(15,850)**	**148,477**	**579,493**	**(22,706)**	**556,787**

Notes:

(i) According to the relevant laws of People's Republic of China (the "PRC"), the PRC subsidiaries are required to transfer at least 10% of its net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the subsidiaries' registered capital. The transfer of this reserve must be made before the distribution of dividend to the subsidiaries' equity owners. The statutory reserve is non-distributable other than upon the liquidation of the subsidiaries.

(ii) Other reserve comprises the differences between the consideration and carrying amount of net assets attributable to the addition and reduction of interests in subsidiaries being acquired from and disposed to non-controlling shareholders respectively.

(iii) The revaluation reserve represents differences resulting between the carrying amount and the fair value when an item of other properties, plant and equipment becomes an investment property at the date of transfer.

(iv) The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments measured at fair value through other comprehensive income under HKFRS 9 *Financial Instruments* that are held at the end of the reporting period.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES		
Loss for the year before taxation	(293,813)	(173,891)
Adjustments for:		
Decrease in fair value of investment properties	66,900	4,316
Depreciation of other properties, plant and equipment	1,757	1,666
Amortisation of right-of-use assets	614	513
Gain on disposal of other properties, plant and equipment	(18)	–
Interest income on bank deposits	(386)	(1,134)
Interest income on loan to a joint venture	(219)	(518)
Interest income on loans to an associate	(2,559)	(3,762)
Interest expenses on bank loans	11,905	15,591
Interest expenses on lease liabilities	128	122
Share of results of joint ventures	90,921	12,444
Share of results of associates	113,198	35,216
Impairment losses on trade receivables	11,929	10,274
(Reversal of impairment losses) impairment losses on interest in joint ventures	(33,200)	33,200
Reversal of impairment losses on trade receivables	(199)	(5,233)
Write-down on properties for sale	–	9,026
Unrealised exchange loss	1,209	2,997
Operating cash flows before movements in working capital	(31,833)	(59,173)
Decrease in properties for sale	57,849	76,132
Decrease in inventories	–	1,655
(Increase) decrease in trade receivables	(1,537)	611
Decrease (increase) in other receivables, deposits and prepayments	1,283	(671)
Increase (decrease) in trade and other payables	3,047	(344)
(Decrease) increase in contract liabilities	(590)	335
Cash generated from operations	28,219	18,545
Interest paid	(12,938)	(16,650)
Overseas tax refund (paid)	469	(1,217)
Net cash from operating activities	15,750	678

	2025 HK$'000	2024 HK$'000
INVESTING ACTIVITIES		
Loans to an associate	(7,040)	(32,831)
Advances to associates	(1,001)	(2,000)
Purchases of other properties, plant and equipment	(1,211)	(836)
Interest received	3,164	5,414
Dividend received from an associate	312	–
Dividend received from a joint venture	1,678	–
Repayments from associates	109	2,249
Repayment from a joint venture	9,384	–
Proceeds on disposal of other properties, plant and equipment	49	12
Net cash from (used in) investing activities	5,444	(27,992)
FINANCING ACTIVITIES		
Repayments of bank loans	(127,999)	(121,487)
Distributions paid to non-controlling shareholders upon liquidation of a subsidiary	(295)	(1,270)
Repayments of lease liabilities	(525)	(407)
New bank loans raised	70,615	85,115
Net cash used in financing activities	(58,204)	(38,049)
Net decrease in cash and cash equivalents	(37,010)	(65,363)
Effect of foreign exchange rate changes	(289)	(1,225)
Cash and cash equivalents at the beginning of the year	100,897	167,485
Cash and cash equivalents at the end of the year, represented by bank deposits and cash on hand	63,598	100,897

1. GENERAL INFORMATION

Rykadan Capital Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 21 August 2009. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 29/F, Rykadan One, 23 Wong Chuk Hang Road, Wong Chuk Hang, Hong Kong respectively.

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in Note 41. The Company and its subsidiaries (the "Group") was also engaged in property investments which was discontinued in current year (see Note 13).

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

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

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

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

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

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. 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 and HKFRS 7. 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 income statement 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

3.1 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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

3.2 Material accounting policy information

Subsidiaries

Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Associates and joint ventures

An associate is an entity over which the Group has significant influence but not control or joint control over its management, including participation in the financial and operating policy decision.

The Group has applied HKFRS 11 *Joint Arrangements* to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

An investment in associate or joint venture is accounted for in the consolidated financial statements using equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

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

3.2 Material accounting policy information (Continued)

Associates and joint ventures (Continued)

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for investment properties measured at fair value which continue to be measured in accordance with the accounting policies as set out in respective sections.

Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. These include land held for a currently undetermined future use and property. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in profit or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit or loss during the financial period in which they are incurred.

If an item of inventories becomes an investment property that will be carried at fair value is consistent with the treatment of sales of inventories. Any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

Other properties, plant and equipment

Other properties, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

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

3.2 Material accounting policy information (Continued)

Other properties, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

– Buildings	Over the shorter of the unexpired term of lease and their estimated useful lives of no more than 50 years
– Leasehold improvements	Over the shorter of the remaining lease term and useful life of 3-10 years
– Furniture, fixtures and equipment	3-7 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising from the retirement or disposal of an item of other properties, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Impairment of other non-current assets

Assets, including other properties, plant and equipment, right-of-use assets, investments in subsidiaries in the Company's statement of financial position and investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). These assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK$, which is the Company's functional and the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in profit or loss.

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

3.2 Material accounting policy information (Continued)

Foreign currency translation (Continued)

Transactions and balances (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's 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).

All foreign exchange gains and losses are presented in the consolidated income statement within other net loss.

Investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets to meet the objective to collect contractual cash flow and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other net loss. Impairment losses are recognised in the consolidated income statement. The Group's financial assets carried at amortised cost comprise trade receivables, other receivables and deposits, loans to an associate and bank deposits and cash on hand in the consolidated statement of financial position.

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

3.2 Material accounting policy information (Continued)

Investments and other financial assets (Continued)

Impairment

The Group assesses on a forward-looking basis the expected credit losses (the "ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual or related arrangements.

The Group determines whether it is an agent or a principal in relation to those structured entities in which the Group acts as an asset manager on management's judgement. If an asset manager is agent, it acts primarily on behalf of others and so does not control the structured entity. It may be principal if it acts primarily for itself, and therefore controls the structured entity.

The Group has determined that the investment in real estate funds, which are not controlled by the Group and classified as interests in associates, are unconsolidated structured entities.

Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value as follows:

(i) Construction and interior decorative materials

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Property development

Properties under development for sale

The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised. Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

Completed properties held for sale

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the properties to their present location and condition. In the case of completed properties held for sale developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

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

3.2 Material accounting policy information (Continued)

Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and cash at bank and other short-term highly liquid investments with original maturity of three months or less.

Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after reporting date.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

Current and deferred tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses and any adjustments to tax payable in respect of previous years.

Current tax

The current tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

3.2 Material accounting policy information (Continued)

Current and deferred tax (Continued)

Deferred tax (Continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

Employee benefits

Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

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

3.2 Material accounting policy information (Continued)

Revenue recognition

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's businesses. Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

The Group's revenue and other income are primarily derived from as follows:

(i) Sales of properties

Revenue arising from the sale of properties developed for sale in the ordinary course of business is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under contract liabilities.

When properties are marketed by the Group while the property is still under construction, the Group may offer a discount compared to the listed sales price, provided the customer agrees to pay the balance of the consideration early. In such cases, if the advance payments are regarded as providing a significant financing benefit to the Group, interest expense arising from the adjustment of time value of money will be accrued by the Group during the period between the payment date and the completion date of legal assignment. This accrual increases the balance of the contract liability during the period of construction, and therefore increases the amount of revenue recognised when control of the completed property is transferred to the customer. The interest is expensed as accrued unless it is eligible to be capitalised under HKAS 23, *Borrowing Costs*.

(ii) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the products. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(iii) Service income

Service income is recognised over time when the relevant services are provided. Service income is recognised net of value added tax.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(v) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. For impaired loans, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowances).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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.

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.

Assessment of net realisable value for properties under development for sale and completed properties held for sale

Management's assessment of net realisable value of properties under development for sale and completed properties held for sale held by the Group or through a material associate requires significant management judgement and estimation, in particular in relation to expected future selling prices by reference to recent sale transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales), the expected costs to completion of properties, the legal and regulatory framework and general market conditions. At 31 March 2025, the carrying amounts of properties under development for sale and completed properties held for sale held by the Group or through a material associate are disclosed in Notes 18 and 21, respectively.

Impairment of interests in joint ventures

Interests in joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts are determined by the higher of fair value less costs of disposal and its value in use. These calculations require use of significant judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate discount rate, as well as the reasonableness of growth rates, terminal growth rate, budgeted sales and gross margin. Changing the assumptions selected by management in assessing impairment, including the discount rate or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charged to profit or loss. At 31 March 2025, the carrying amount of interests in joint ventures, net of impairment is HK$134,939,000 (2024: HK$205,096,000).

Impairment of trade receivables

The Group's management determines the loss allowances for trade receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past event, existing market conditions as well as forward looking estimates at the end of each reporting period. At 31 March 2025, the carrying amount of trade receivables, net of loss allowance, is HK$11,957,000 (2024: HK$22,277,000).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see above), that the directors of the Company 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.

Determination of control over the structured entities

To determine whether the Group controls the structured entities of which the Group acts as an asset manager, management applies judgement based on all relevant fact and circumstance to determine whether the Group is acting as the principal or agent for the structured entities. If the Group is acting as the principal, it has control over the structured entities. In assessing whether the Group is acting as the principal, the Group considers factor such as scope of the asset manager's decision-making authority, rights held by other parties, remuneration to which it is entitled, and exposure to variable returns results from its additional involvement with structured entities. The Group will perform reassessment once the fact and circumstance changes leading to changes in above factors.

5. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group's continuing operations are property development, asset, investment and fund management and distribution of construction and interior decorative materials.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines from continuing operations is as follows:

Continuing operations

	2025	2024
	HK$'000	HK$'000
		(Re-presented)
Revenue from contracts with customers within the scope of HKFRS 15		
– Sales of completed properties	**70,773**	92,590
– Distribution of construction and interior decorative materials	**–**	6,019
– Asset, investment and fund management income	**3,678**	4,734
	74,451	103,343

Disaggregation of revenue from contracts with customers by timing of revenue recognition and by geographical markets are disclosed in Note 5(b).

For the year ended 31 March 2025, revenue from sales of completed properties to one customer (2024: one customer) in the United States of America (the "U.S.A") was approximately HK$70,773,000 (2024: HK$92,590,000), which has exceeded 10% of the Group's revenue.

5. REVENUE AND SEGMENT REPORTING (Continued)

(a) Revenue (Continued)

(ii) Revenue from continuing operations expected to be recognised in the future arising from contracts with customers in existence at the reporting date

At 31 March 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts from continuing operations is HK$169,000 (2024: HK$74,876,000). This amount mainly represents revenue expected to be recognised in the future from pre-completion contracts entered into by the customers with the Group for provision of services during the year (2024: sales of completed properties and provision of services). The Group will recognise the expected revenue in the future when the relevant services are provided or the properties are assigned to the customers, which are expected to occur within the next 2 months (2024: within the next 14 months).

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). The Group has presented the following three reportable segments, which is consistent with the way how information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

(i) Property development

This segment derives its revenue from repositioning and value enhancement of properties with a focus on development projects in prime locations in Hong Kong and the U.S.A..

(ii) Asset, investment and fund management

This segment derives its revenue from investing in and managing a portfolio of real estates in Hong Kong.

(iii) Distribution of construction and interior decorative materials

This segment derives its revenue from distribution of stone composite surfaces products in the Greater China region.

An operating segment regarding property investment was discontinued during the year ended 31 March 2025. The segment information reported below does not include any amounts for this discontinued operation, which is described in more details in Note 13.

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment profit (loss) represents profit earned by (loss from) each segment, excluding income and expenses of the corporate function, such as certain other revenue, certain other net loss, certain administrative and other operating expenses, finance costs, share of results of associates, share of results of joint ventures and reversal of impairment losses (impairment losses) on interests in joint ventures.

All assets are allocated to operating segments other than investment properties, certain other properties, plant and equipment, right-of-use assets, interests in associates, interests in joint ventures, financial assets measured at fair value through other comprehensive income, certain other receivables, deposits and prepayments, loans to an associate, bank deposits and cash on hand and assets classified as held for sale that are not managed directly by segments.

All liabilities are allocated to operating segments other than certain other payables, lease liabilities, certain bank loans and deferred tax liabilities and liabilities associated with assets classified as held for sale that are not managed directly by segments.

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

In addition, management is provided with segment results and information concerning additions of other properties, plant and equipment, depreciation of other properties, plant and equipment, additions of right-of-use assets, amortisation of right-of-use assets, gain (loss) on disposal of other properties, plant and equipment and reversal of impairment losses (impairment losses) on interests in joint ventures.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2025 and 2024 is set out below.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segments:

For the year ended 31 March 2025
Continuing operations

	Property development HK$'000	Asset, investment and fund management HK$'000	Distribution of construction and interior decorative materials HK$'000	Total HK$'000
Disaggregated by timing of revenue recognition				
Point in time	70,773	–	–	70,773
Over time	–	3,678	–	3,678
Total	70,773	3,678	–	74,451
Segment profit (loss) from operations	5,421	(14,765)	(1,488)	(10,832)
Corporate expenses				(37,232)
Corporate income				4,952
Finance costs				(9,800)
Share of results of associates				(113,198)
Share of results of joint ventures				(90,921)
Reversal of impairment losses on interest in joint ventures				33,200
Loss before taxation from continuing operations				(223,831)

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

Segment revenues and results (Continued)

For the year ended 31 March 2024 (Re-presented)
Continuing operations

	Property development HK$'000	Asset, investment and fund management HK$'000	Distribution of construction and interior decorative materials HK$'000	Total HK$'000
Disaggregated by timing of revenue recognition				
Point in time	92,590	–	6,019	98,609
Over time	–	4,734	–	4,734
Total	92,590	4,734	6,019	103,343
Segment (loss) profit from operations	(26,806)	(19,724)	291	(46,239)
Corporate expenses				(30,823)
Corporate income				6,103
Finance costs				(12,869)
Share of results of associates				(35,216)
Share of results of joint ventures				(12,444)
Impairment losses on interests in joint ventures				(33,200)
Loss before taxation from continuing operations				(164,688)

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

Segment assets and liabilities

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

	2025 HK$'000	2024 HK$'000
Segment assets		
Property development	338,394	399,189
Property investment	–	155,383
Asset, investment and fund management	6,197	14,536
Distribution of construction and interior decorative materials	7,874	9,291
Total segment assets	352,465	578,399
Investment properties	2,700	–
Other properties, plant and equipment	486	33,914
Right-of-use assets	2,810	3,442
Interests in associates	67,423	178,766
Interests in joint ventures	134,939	205,096
Financial assets measured at fair value through other comprehensive income	–	–
Other receivables, deposits and prepayments	22,054	7,088
Loans to an associate	47,040	40,000
Bank deposits and cash on hand	63,598	100,897
Assets classified as held for sale	119,883	–
Total consolidated assets of the Group	813,398	1,147,602
Segment liabilities		
Property development	89,882	55,445
Property investment	–	38,384
Asset, investment and fund management	767	1,471
Distribution of construction and interior decorative materials	2,999	3,659
Total segment liabilities	93,648	98,959
Other payables	29,165	7,565
Lease liabilities	3,005	3,549
Bank loans	78,627	185,000
Deferred tax liabilities	1,000	1,058
Liabilities associated with assets classified as held for sale	51,166	–
Total consolidated liabilities of the Group	256,611	296,131

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

Other segment information

For the year ended 31 March 2025
Continuing operations

	Property development HK$'000	Asset, investment and fund management HK$'000	Distribution of construction and interior decorative materials HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment results or segment assets:						
Additions of other properties, plant and equipment	–	10	5	15	1,196	1,211
Depreciation of other properties, plant and equipment	–	(10)	(1)	(11)	(1,746)	(1,757)
Amortisation of right-of-use assets	–	–	–	–	(614)	(614)
Gain on disposal of other properties, plant and equipment	–	–	18	18	–	18
Reversal of impairment losses on interest in joint ventures	–	–	–	–	33,200	33,200

For the year ended 31 March 2024 (Re-presented)
Continuing operations

	Property development HK$'000	Asset, investment and fund management HK$'000	Distribution of construction and interior decorative materials HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment results or segment assets:						
Additions of other properties, plant and equipment	–	–	3	3	833	836
Addition of right-of-use assets	–	–	–	–	3,955	3,955
Depreciation of other properties, plant and equipment	–	(15)	(1)	(16)	(1,650)	(1,666)
Amortisation of right-of-use assets	–	–	–	–	(513)	(513)
(Loss) gain on disposal of other properties, plant and equipment	–	–	(1)	(1)	1	–
Impairment losses on interests in joint ventures	–	–	–	–	(33,200)	(33,200)

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

Geographical segment information

The Group's revenue from continuing operations from external customers attributed to the geographical areas based on the location at which the services were provided or the goods were delivered is as follows:

	2025 HK$'000	2024 HK$'000 (Re-presented)
Hong Kong	3,678	4,734
The PRC	–	6,019
The U.S.A.	70,773	92,590
	74,451	103,343

The Group's information about its non-current assets by location of the assets or by location of the related operations are detailed below:

	2025 HK$'000	2024 HK$'000
Hong Kong	190,152	547,726
The PRC	8	36
The U.S.A.	3,280	13,550
Others	14,939	14,456
	208,379	575,768

6. OTHER REVENUE

	2025 HK$'000	2024 HK$'000
Continuing operations		
Interest income on loan to a joint venture	219	518
Interest income on loans to an associate	2,559	3,762
Interest income on bank deposits	386	1,134
Income from loans and other receivables	–	269
Others	1,770	1,035
	4,934	6,718

7. OTHER NET LOSS

	2025 HK$'000	2024 HK$'000
Continuing operations		
Net foreign exchange loss	**(1,728)**	(3,923)
Gain on disposal of other properties, plant and equipment	**18**	–
Others	**(470)**	40
	(2,180)	(3,883)

8. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging:

	2025 HK$'000	2024 HK$'000 (Re-presented)
Auditor's remuneration		
– Audit services	**950**	950
– Non-audit services	**696**	150
Cost of construction and interior decorative materials	**–**	5,210
Cost of properties for recognised sales	**62,173**	105,600
Direct cost for management services provided (Note)	**4,015**	11,692
Depreciation of other properties, plant and equipment (Note 16)	**1,757**	1,666
Amortisation of right-of-use assets (Note 17)	**614**	513
Employee benefit expenses (Note 9)	**30,979**	32,712
Operating lease payments in respect of leased properties	**301**	1,291
Impairment losses of trade receivables, net of reversal	**11,730**	5,041
Write-down on properties for sales (included in cost of sales and services)	**–**	9,026

Note: Direct cost for management services provided includes HK$4,015,000 (2024: HK$10,250,000) relating to staff costs which are also included in the respective total amount disclosed separately above.

9. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

Employee benefit expenses

	2025 HK$'000	2024 HK$'000
Salaries, wages and other benefits	**30,474**	32,109
Retirement benefit schemes contributions (Note)	**505**	603
	30,979	32,712

Note:

The Group operates a mandatory provident fund scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes at the lower of HK$1,500 or 5% of the relevant payroll costs to the scheme per month, which contribution is matched by employees.

The employees of the subsidiaries operated in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. Those subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The U.S.A. subsidiary, which participates in the U.S.A. government benefit schemes, is required to contribute to the schemes for the retirement benefits of eligible employees. The government authorities are responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the schemes is to pay the ongoing contributions required by the schemes. The Group's contributions to the aforesaid defined contribution retirement schemes are calculated either based on certain percentages of the applicable payroll costs or fixed sums that are determined with reference to salary scale as stipulated under the requirements of the respective territories and are charged to the consolidated income statement as incurred.

Five highest paid individuals

For the year ended 31 March 2025, the five individuals whose emoluments were the highest in the Group include two (2024: two) directors whose emolument are reflected in the analysis in Note 10. During the year ended 31 March 2025, the emolument paid/payable to the remaining three (2024: three) individuals is as follows:

	2025 HK$'000	2024 HK$'000
Salaries, wages and other benefits	**4,610**	5,419
Retirement benefit scheme contribution	**41**	105
	4,651	5,524

	Number of individuals 2025	 2024
Emolument bands:		
HK$1,000,001 to HK$1,500,000	**1**	–
HK$1,500,001 to HK$2,000,000	**2**	2
HK$2,000,001 to HK$2,500,000	**–**	1
	3	3

10. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Directors' and Chief Executive Officer's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, were as follows:

2025	Fee HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Allowances and benefits in kind HK$'000	Contribution to a retirement benefit scheme HK$'000	Total HK$'000
Executive directors						
Mr. Chan William	–	12,000	2,000	–	18	14,018
Mr. Lo Hoi Wah, Heywood	–	2,760	460	–	18	3,238
	–	14,760	2,460	–	36	17,256
Non-executive director						
Mr. Ng Tak Kwan	768	–	–	–	–	768
Independent non-executive directors						
Mr. To King Yan, Adam	216	–	–	–	–	216
Mr. Ho Kwok Wah, George	216	–	–	–	–	216
Ms. Khan Sabrina	180	–	–	–	–	180
	612	–	–	–	–	612
Total	1,380	14,760	2,460	–	36	18,636

10. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (Continued)

2024	Fee HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Allowances and benefits in kind HK$'000	Contribution to a retirement benefit scheme HK$'000	Total HK$'000
Executive directors						
Mr. Chan William	–	10,470	2,490	–	18	12,978
Mr. Yip Chun Kwok (resigned on 30 September 2023)	–	1,140	–	–	9	1,149
Mr. Lo Hoi Wah, Heywood	–	2,310	540	–	18	2,868
	–	13,920	3,030	–	45	16,995
Non-executive director						
Mr. Ng Tak Kwan	768	–	–	–	–	768
Independent non-executive directors						
Mr. To King Yan, Adam	216	–	–	–	–	216
Mr. Wong Hoi Ki (resigned on 15 August 2023)	81	–	–	–	–	81
Mr. Ho Kwok Wah, George	216	–	–	–	–	216
Ms. Khan Sabrina (appointed on 15 August 2023)	113	–	–	–	–	113
	626	–	–	–	–	626
Total	1,394	13,920	3,030	–	45	18,389

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

The non-executive director's and independent non-executive directors' emoluments shown above were mainly for their services in connection with their services as directors of the Company.

Mr. Chan William is also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive officer of the Company.

The discretionary bonus is determined by reference to the performance of the individual directors and the Group and approved by the remuneration committee.

For the years ended 31 March 2025 and 2024, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors waived any emoluments during both years.

11. FINANCE COSTS

	2025 HK$'000	2024 HK$'000 (Re-presented)
Continuing operations		
Interest expenses on bank loans	**10,577**	13,684
Interest expenses on lease liabilities	**128**	122
Less: interest expenses capitalised into properties under development for sale (Note)	**(905)**	(937)
	9,800	12,869

Note: Borrowing costs capitalised during the year are calculated by applying capitalisation rates of approximately 6.4% (2024: 4.0%) per annum to expenditures on qualifying assets.

12. INCOME TAX CREDIT (EXPENSE)

	2025 HK$'000	2024 HK$'000
Continuing operations		
Income tax recognised in profit or loss:		
Current tax		
– Withholding tax on dividend distributions	**(71)**	(1,217)
– Other jurisdictions	**(46)**	–
	(117)	(1,217)
Overprovision in previous year		
– Other jurisdictions	**168**	–
Deferred tax (Note 32)		
– Credited (charged) to profit or loss	**58**	(1,058)
	109	(2,275)

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group did not have any assessable profits for both years.

Overseas tax is calculated at the rates prevailing in the relevant jurisdictions.

During the year ended 31 March 2025, withholding tax of HK$71,000 (2024: HK$58,000) has been recognised upon distribution of dividends from a subsidiary in Canada of the Group.

Under the PRC Enterprise Income Tax Law (the "EIT Law") and the Implementation Regulation of the EIT Law, withholding tax of 5% or 10% is payable in respect of dividends by PRC entities from 1 January 2018 onwards. During the year ended 31 March 2024, a withholding tax of HK$1,159,000 has been recognised upon distribution of dividends from a PRC subsidiary of the Group.

12. INCOME TAX CREDIT (EXPENSE) (Continued)

The tax credit (expense) for the year can be reconciled to the loss before taxation from continuing operations per consolidated income statement as follows:

	2025 HK$'000	2024 HK$'000 (Re-presented)
Loss before taxation from continuing operations	(223,831)	(164,688)
Notional tax on loss before taxation, calculated at rates applicable to loss in the jurisdictions concerned	37,196	28,819
Tax effects of:		
Share of results of joint ventures	(15,002)	(2,053)
Share of results of associates	(18,678)	(5,811)
Non-taxable income	6,762	2,783
Non-deductible expenses	(3,414)	(6,589)
Overprovision in prior year	168	–
Tax losses not recognised	(7,846)	(19,302)
Utilisation of tax losses previously not recognised	897	2
Deferred tax liabilities arising on undistributed profit	58	(1,058)
Others	(32)	934
Income tax credit (expense) for the year relating to continuing operations	109	(2,275)

For the year ended 31 March 2025, share of associates' income tax credit of HK$Nil (2024: HK$10,000) and share of joint ventures' income tax expenses of HK$6,102,000 (2024: HK$924,000) are included in the share of results of associates and share of results of joint ventures respectively.

13. DISCONTINUED OPERATION/ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 17 December 2024, the Group entered into sale and purchase agreements with German Pool (Hong Kong) Limited (the "Purchaser"), an independent third party, in relation to the disposal of the 27th and 28th floors together with various car parking spaces of Rykadan Capital Tower (the "Disposal") which mainly represented the Group's property investment operation. The completion of the Disposal was subject to certain precedent conditions which included but not limited to obtaining approval from shareholders at the shareholders' meeting of the Company. Such approval was obtained on 17 April 2025 and the Disposal was completed on 30 April 2025.

The assets and liabilities attributable to the Disposal, which are expected to be sold within twelve months, have been classified as "assets classified as held for sale" and "liabilities associated with assets classified as held for sale" respectively and the property investment operation is accounted for as "discontinued operation" in the consolidated financial statements of the Group for the year ended 31 March 2025.

13. DISCONTINUED OPERATION/ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

The loss for the year from the discontinued property investment operation is set out below. The comparative figures in the consolidated income statements and corresponding notes to the consolidated financial statements have been restated to re-present the property investment operation as a discontinued operation.

	2025 HK$'000	2024 HK$'000
Revenue	997	1,045
Cost of sales	(160)	(162)
Administrative and other operating expenses	(1,686)	(2,926)
Decrease in fair value of investment properties	(66,900)	(4,316)
Finance costs	(2,233)	(2,844)
Loss for the year from discontinued operation	(69,982)	(9,203)
Loss for the year from discontinued operation includes the following:		
Auditor's remuneration	100	50

Cash flows from discontinued operation:

	2025 HK$'000	2024 HK$'000
Net cash used in operating activities	(2,045)	(5,429)
Net cash used in financing activities	(6,913)	(6,411)

The assets and liabilities of the property investment operation at 31 March 2025, which have been presented separately in the consolidated statement of financial position, are as follows:

	2025 HK$'000
Investment properties (Note (a))	84,900
Other properties, plant and equipment	32,875
Properties for sale	1,805
Other receivables, deposits and prepayments	303
Assets classified as held for sale	119,883
Other payables	(112)
Bank loans (Note (b))	(51,054)
Liabilities associated with assets classified as held for sale	(51,166)

13. DISCONTINUED OPERATION/ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

Notes:

(a) The investment properties in Hong Kong were revalued at 31 March 2025 by Knight Frank Petty Limited, an independent firm of surveyors who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the locations and categories of the properties being valued. The information about Level 3 fair value measurement is disclosed in Note 15.

(b) At 31 March 2025, the bank loans drawn in Hong Kong bear interest at rates ranging from 1.5% to 2.3%, per annum over Hong Kong Interbank Offered Rate. The interests are repriced monthly.

At 31 March 2025, the entire investment properties included in held for sale, HK$1,000,000 out of the investment properties of $2,700,000, HK$31,786,000 of other properties, plant and equipment included in held for sale, the entire properties for sale included in held for sale and HK$4,778,000 out of the properties for sale of HK$338,235,000 were pledged as securities for the bank loans. Such banking facilities amounted to HK$96,054,000 were utilised to the extent of HK$51,054,000 at 31 March 2025.

One of these banking facilities is subject to fulfilment of covenants related to certain of the Group's statement of financial position ratios. If the Group was to breach the covenants, the utilised facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants.

None of the covenants relating to the utilised facilities had been breached during the year ended 31 March 2025.

The entire bank loans are repayable within one year and contain repayable on demand clauses.

14. LOSS PER SHARE

From continuing operations

The calculation of the basic loss per share from continuing operations attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

	2025 HK$'000	2024 HK$'000 (Re-presented)
Loss for the year attributable to owners of the Company	281,359	173,886
Less: Loss for the year from discontinued operation	69,982	9,203
Loss for the purpose of basic loss per share from continuing operations	211,377	164,683

Number of shares

	2025	2024
Number of ordinary shares for the purpose of basic loss per share	375,447,000	375,447,000

14. LOSS PER SHARE (Continued)

From continuing and discontinued operations

The calculation of the basic loss per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

	2025 HK$'000	2024 HK$'000
Loss for the purpose of basic loss per share	281,359	173,886

Number of shares

	2025	2024
Number of ordinary shares for the purpose of basic loss per share	375,447,000	375,447,000

From discontinued operation

Basic loss per share from discontinued operation is HK18.6 cents per share (2024: HK2.5 cents per share), based on the loss for the year from discontinued operation of HK$69,982,000 (2024: HK$9,203,000) and 375,447,000 (2024: 375,447,000) ordinary shares in issue during the year.

No diluted loss per share in both years was presented as there were no potential ordinary shares outstanding during both years.

15. INVESTMENT PROPERTIES

	2025 HK$'000	2024 HK$'000
At valuation:		
At the beginning of the year	154,500	158,700
Transfer (Note)	–	116
Decrease in fair value of investment properties	(66,900)	(4,316)
Transfer to assets classified as held for sale (Note 13)	(84,900)	–
At the end of the year	2,700	154,500

Note: During the year ended 31 March 2024, completed properties held for sale at cost of approximately HK$116,000 were transferred from "properties for sale" to "investment properties" as a result of change in use. The properties were measured at fair value at the time of transfer amounting to HK$200,000 and revaluation surplus of approximately HK$84,000 have been dealt with in the consolidated income statement.

At 31 March 2025, investment properties of HK$1,000,000 were pledged as securities for bank loans directly associated with assets classified as held for sale (Note 13). At 31 March 2024, investment properties of HK$152,200,000 were pledged as securities for bank loans (Note 28).

Valuation processes

The investment properties in Hong Kong were revalued at 31 March 2025 by Asset Appraisal Limited (2024: Asset Appraisal Limited), an independent firm of surveyors who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the locations and categories of the properties being valued.

The board of directors reviews the valuations performed by the independent valuers for financial reporting purposes by verifying all major inputs and assessing the reasonableness of the property valuations. Valuation reports with an analysis of changes in fair value measurement are prepared at each interim and annual reporting date, and are reviewed and approved by the board of directors.

Information about Level 3 fair value measurements

	Valuation approach	Significant unobservable inputs
Investment properties/ Investment properties classified as assets held for sale – Hong Kong (2024: Investment properties – Hong Kong)	Direct comparison approach	Adjusted market price per square foot HK$7,530 to HK$7,640 (2024: HK$13,440 to HK$14,000)

16. OTHER PROPERTIES, PLANT AND EQUIPMENT

	Buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Total HK$'000
AT COST				
At 1 April 2023	47,485	7,406	3,162	58,053
Additions	–	196	640	836
Disposals	–	–	(68)	(68)
Exchange adjustments	–	(10)	(3)	(13)
At 31 March 2024 and 1 April 2024	**47,485**	**7,592**	**3,731**	**58,808**
Additions	**–**	**1,190**	**21**	**1,211**
Transfer to assets classified as held for sale (Note 13)	**(47,485)**	**(8,227)**	**–**	**(55,712)**
Disposals	**–**	**(267)**	**(414)**	**(681)**
Exchange adjustments	**–**	**(5)**	**(5)**	**(10)**
At 31 March 2025	**–**	**283**	**3,333**	**3,616**
ACCUMULATED DEPRECIATION				
At 1 April 2023	12,845	7,372	3,028	23,245
Charged for the year	1,427	42	197	1,666
Disposals	–	–	(56)	(56)
Exchange adjustments	–	(9)	(2)	(11)
At 31 March 2024 and 1 April 2024	**14,272**	**7,405**	**3,167**	**24,844**
Charged for the year	**1,427**	**138**	**192**	**1,757**
Transfer to assets classified as held for sale (Note 13)	**(15,699)**	**(7,138)**	**–**	**(22,837)**
Disposals	**–**	**(241)**	**(409)**	**(650)**
Exchange adjustments	**–**	**(2)**	**(3)**	**(5)**
At 31 March 2025	**–**	**162**	**2,947**	**3,109**
NET BOOK VALUE				
At 31 March 2025	**–**	**121**	**386**	**507**
At 31 March 2024	33,213	187	564	33,964

At 31 March 2024, all buildings of the Group were pledged as securities for bank loans (Note 28(d)).

17. RIGHT-OF-USE ASSETS

	Office premise HK$'000
At 31 March 2025	
Carrying amount	**2,810**
At 31 March 2024	
Carrying amount	3,442
For the year ended 31 March 2025	
Amortisation charge	**614**
For the year ended 31 March 2024	
Amortisation charge	513

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Expense relating to short-term leases	**301**	1,291
Total cash outflows for leases	**954**	1,820
Additions to right-of-use assets	**–**	3,955

During the year ended 31 March 2024, the Group entered into a lease for office premise. Lease contract is entered into for a fixed term of approximately 7 years. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for car parks, warehouses and office premises with the corresponding short-term lease expense disclosed above.

Restrictions or covenants on leases

At 31 March 2025, lease liabilities of HK$3,005,000 (2024: HK$3,549,000) are recognised with related right-of-use assets in respect of a leased office premise amounting to HK$2,810,000 (2024: HK$3,442,000). The lease agreement for leased office premise does not impose any covenants other than the security interests in the leased office premise that is held by the lessor. Leased office premise may not be used as security for borrowing purposes.

18. INTERESTS IN ASSOCIATES AND LOANS TO AN ASSOCIATE

	2025 HK$'000	2024 HK$'000
Share of net assets	1,357	11,596
Amounts due from associates (Note (g))	326,121	323,954
Share of net liabilities	(260,055)	(156,784)
	66,066	167,170
	67,423	178,766
Dividend received from an associate	312	–
Loans to an associate (Note (h))	47,040	40,000

Set out below are associates of the Group at 31 March 2025 and 2024 which, in the opinion of the directors of the Company, are material to the Group. All of which are unlisted corporate entities or limited partnerships whose quoted market prices are not available.

Name of entity	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of effective interest held by the Group 2025	2024	Proportion of voting power held at the board of directors 2025	2024	Principal activity
Fastest Runner Limited ("Fastest Runner") (Note (a))	Incorporated	British Virgin Islands ("BVI")	United States Dollar ("US$")100	24.2%	24.2%	33%	33%	Investment holding
Dynamic Power Global Limited (Note (a))	Incorporated	BVI	US$1	24.2%	24.2%	33%	33%	Investment holding
Capital Universal Investment Limited (Note (a))	Incorporated	Hong Kong	HK$10,000,000	24.2%	24.2%	33%	33%	Property development
Rykadan Real Estate Fund LP ("RREFLP") (Notes (a) and (c))	Limited partnership	Cayman Islands	–	5.3%	5.3%	33%	33%	Investment holding
Rykadan Real Estate Prospect Fund LP ("RREPFLP") (Notes (b) and (d))	Limited partnership	Cayman Islands	–	1%	1%	33%	33%	Investment holding
Waltz Delight Limited ("Waltz Delight") (Note (b))	Incorporated	BVI	US$1,000	12.5%	12.5%	33%	33%	Investment holding
Graphite Square Investment Holding Limited ("GSIH") (Note (e))	Incorporated	Hong Kong	HK$212,500	25%	25%	25%	25%	Investment holding
Vibrant Colour Holdings Limited ("Vibrant Colour") (Note (f))	Incorporated	BVI	US$100	20%	20%	33%	33%	Investment holding

18. INTERESTS IN ASSOCIATES AND LOANS TO AN ASSOCIATE (Continued)

Notes:

(a) Dynamic Power Global Limited and Capital Universal Investment Limited which holds the Wong Chuk Hang Project, are the wholly-owned subsidiaries of Fastest Runner. The 20% equity interest in Fastest Runner held by the Group is accounted for as interests in associates in the consolidated financial statements using equity method. The remaining 80% equity interest in Fastest Runner is held by RREFLP. Moreover, given that the Group is able to exercise significant influence over RREFLP as the Group has one representative on the Investment Committee which comprised of three members, pursuant to the limited partnership agreement that was entered into by the Group acting as general partner with other limited partners, the 5.26% equity interest in RREFLP is accounted for as interests in associates in the consolidated financial statements using equity method.

At 31 March 2025, the Group's effective interest in Fastest Runner is approximately 24.21% (2024: 24.21%).

(b) As part of the arrangement between the Group and RREPFLP, in which the Group had 1% equity interest, for the sole purpose of the development of the Jaffe Road Project, on 26 April 2018, a wholly-owned subsidiary of the Group transferred 88.4% equity interest in Waltz Delight, an indirectly wholly-owned subsidiary of the Company at 31 March 2018, to RREPFLP at a consideration of US$884 (equivalent to approximately HK$6,950). After the transfer of equity interest in Waltz Delight mentioned above, Waltz Delight became an associate of the Group and Waltz Delight had not carried on any business prior to the transfer. The remaining 11.6% equity interest in Waltz Delight is accounted for as interests in associates in the consolidated financial statements using equity method as the Group had power to appoint one out of three directors of Waltz Delight pursuant to the shareholders' agreement. Moreover, given that the Group is able to exercise significant influence over RREPFLP as the Group has one representative on the Investment Committee which comprised of three members, pursuant to the limited partnership agreement that was entered into by the Group acting as general partner with other limited partners, the 1% equity interest in RREPFLP is accounted for as interests in associates in the consolidated financial statements using equity method.

(c) At 31 March 2025, RREFLP's aggregate capital contribution was HK$909,545,000 (2024: HK$909,545,000).

(d) At 31 March 2025, RREPFLP's aggregate capital contribution was HK$149,353,000 (2024: HK$149,353,000).

(e) During the year ended 31 March 2022, Brisk City Developments Limited ("Brisk City"), an indirect wholly-owned subsidiary of the Company, Excel Arrow Limited and Ocean Field Industries Limited which are independent third parties of the Company (collectively, the "Independent Third-party Co-investors"), acquired 25%, 25% and 50% equity interest in GSIH with cash consideration of HK$53,125, HK$53,125 and HK$106,250, respectively. Given that the Group is able to exercise significant influence over GSIH since it has the power to appoint one out of four directors of GSIH pursuant to the shareholders' agreement entered between Brisk City and the Independent Third-party Co-investors, the 25% equity interest in GSIH is accounted for as interests in associates in the consolidated financial statements using equity method. GSIH formed a partnership, Graphite Square LLP, with Graphite Square Holdings Limited, an independent third party, for the sole purpose of developing a property located in the United Kingdom (the "U.K.").

(f) The Group is able to exercise significant influence over Vibrant Colour because it has the power to appoint one out of three directors of Vibrant Colour pursuant to the shareholders' deed, as such the retained 20% equity interest in Vibrant Colour Group is accounted for as interests in associates in the consolidated financial statements using equity method. Vibrant Colour and its subsidiary owns a residential property in Shouson Hill, Hong Kong.

(g) At 31 March 2025 and 31 March 2024, the amounts due from associates are interest-free, unsecured and have no fixed terms of repayment. As the settlement is neither planned nor likely to occur in the foreseeable future, the directors of the Company consider the amounts due from associates in substance form part of the net investment.

(h) At 31 March 2025, the loans to an associate of HK$47,040,000 (2024: HK$40,000,000) is interest-free (2024: interest bearing at 15% per annum), unsecured and repayable within one year.

(i) Summarised consolidated financial information of a material associate

Set out below is the summarised financial information of a material associate, Fastest Runner and its subsidiaries ("Fastest Runner Group") at 31 March 2025 and 2024, adjusted for any differences in accounting policies of the Group and reconciled to the carrying amounts in the consolidated financial statements.

18. INTERESTS IN ASSOCIATES AND LOANS TO AN ASSOCIATE (Continued)

Notes: (Continued)

(i) Summarised consolidated financial information of a material associate (Continued)

	Fastest Runner Group 2025 HK$'000	2024 HK$'000
Current assets	**397,215**	870,692
Current liabilities	**(1,524,002)**	(1,568,635)
Net liabilities	**(1,126,787)**	(697,943)
Revenue	**123,339**	972,718
Loss for the year	**(428,844)**	(114,264)
Total comprehensive expense for the year	**(428,844)**	(114,264)
The above amount of assets includes the following:		
Properties for sale	**336,019**	846,288
Reconciled to the Group's interest in the associate		
Gross amounts of consolidated net liabilities of the associate	**(1,126,787)**	(697,943)
Groups interest held through an indirect wholly-owned subsidiary of the Company	**20%**	20%
Group's share of consolidated net liabilities of the associate	**(225,357)**	(139,589)
The unrecognised share of loss of an associate for the year	**5,956**	–
Amount due from Fastest Runner Group	**219,401**	219,510
Carrying amount of the Group's interest in the associate	**–**	79,921
Group's share of associate's loss for the year	**(79,812)**	(22,853)

(j) Aggregate information of associates that are not individually material:

	2025 HK$'000	2024 HK$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**(39,297)**	(5,599)
Aggregate amounts due from associates	**106,720**	104,444
	67,423	98,845
Aggregate amounts of the Group's share of these associates' loss and total comprehensive income for the year	**(33,386)**	(12,363)
Dividend received from an associate	**312**	–

19. INTERESTS IN JOINT VENTURES

	2025 HK$'000	2024 HK$'000
Share of net assets	**14,939**	14,472
Amounts due from joint ventures (Note (e))	**283,116**	292,534
Share of net liabilities	**(163,116)**	(68,710)
Less: impairment loss (Note (d))	**–**	(33,200)
	120,000	190,624
	134,939	205,096
Dividend received from a joint venture	**1,678**	–

At 31 March 2025, the Group had interests in the following joint ventures, all of which are unlisted corporate entities whose quoted market prices are not available.

Name of entity	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital/ registered capital	Proportion of effective equity interest held by the Group 2025	2024	Principal activity
RS Hospitality Private Limited	Incorporated	Bhutan	Bhutan Ngultrum 239,400,000	**50%**	50%	Operation of boutique resorts
Quarella Holdings Limited	Incorporated	BVI	US$2	**43.5%**	43.5%	Investment holding
Quarella Group Limited (Note (a))	Incorporated	Hong Kong	HK$1	**43.5%**	43.5%	Distribution of construction and interior decorative materials
Q.R.B.G. S.r.L. (Note (a))	Incorporated	Italy	Euro ("EUR") 5,000,000	**43.5%**	43.5%	Manufacturing and distribution of engineered stone composite surfaces products
廈門可維萊石材有限公司 (Notes (a) and (b))	Incorporated	The PRC	Renminbi ("RMB") 100,000,000	**43.5%**	43.5%	Distribution of construction and interior decorative materials
意特利建材(深圳)有限公司 (Notes (a) and (b))	Incorporated	The PRC	RMB10,000,000	**43.5%**	43.5%	Distribution of construction and interior decorative materials
Star Wonder Investments Limited (Note (a))	Incorporated	Hong Kong	HK$1	**43.5%**	43.5%	Investment holding
RBD Properties LLC (Note (c))	Incorporated	The U.S.A	–	**–**	50%	Property development

19. INTERESTS IN JOINT VENTURES (Continued)

Notes:

(a) These companies are wholly-owned subsidiaries of Quarella Holdings Limited.

(b) These entities are foreign owned enterprise established in the PRC.

(c) According to the operating agreement, the members transfer funds from time to time as a capital contribution. No capital contribution will be required from the members otherwise required by law.

(d) Summarised consolidated financial information of a material joint venture

Set out below is the summarised financial information of a material joint venture, Quarella Holdings Limited and its subsidiaries (the "Quarella Group") at 31 March 2025 and 2024, adjusted for any differences in accounting policies of the Group and reconciled to the carrying amount in the consolidated financial statements.

	Quarella Group	
	2025	2024
	HK$'000	HK$'000
Current assets	**240,000**	434,637
Non-current assets	**–**	196,162
Current liabilities	**(566,231)**	(755,314)
Non-current liabilities	**–**	(12,627)
Net liabilities	**(326,231)**	(137,142)
Included in the above assets and liabilities:		
Cash and cash equivalents	**–**	76,561
Current financial liabilities (excluding trade and other payables)	**(566,195)**	(567,463)
Non-current financial liabilities (excluding trade and other payables)	**–**	(7,387)
Revenue	**262,417**	313,271
Loss for the year	**(186,761)**	(29,261)
Other comprehensive expense	**(2,328)**	(3,657)
Total comprehensive expense for the year	**(189,089)**	(32,918)
Included in the above loss:		
Depreciation and amortisation	**(20,683)**	(22,529)
Interest income	**490**	962
Interest expense	**(394)**	(384)
Income tax expense	**(12,204)**	(1,848)

19. INTERESTS IN JOINT VENTURES (Continued)

Notes: (Continued)

(d) Summarised consolidated financial information of a material joint venture (Continued)

	Quarella Group 2025 HK$'000	2024 HK$'000
Reconciled to the Group's interest in the joint venture		
Gross amounts of consolidated net liabilities of the joint venture	**(326,231)**	(137,142)
Group's effective interest	**43.5%**	43.5%
Groups share of consolidated net liabilities of the joint venture (effective interest)	**(141,910)**	(59,657)
Non-controlling interests' share of consolidated net liabilities of the joint venture	**(21,206)**	(8,914)
Unrealised profits resulting from transactions between the Group and the joint venture	**–**	(139)
Amount due from Quarella Group	**283,116**	283,116
Less: impairment loss	**–**	(33,200)
Carrying amount in the consolidated financial statements	**120,000**	181,206
Group's share of joint venture's loss	**(93,242)**	(14,610)

Due to the unsatisfactory performance of the Quarella Group in the financial year of 2024, the impairment of HK$33,200,000 has been recognised in profit or loss during the year ended 31 March 2024.

As disclosed in Note 34, the Group subsequently received a cash consideration of HK$120,000,000 from Quarella Holdings Limited for the disposal of Quarella Group Limited. At 31 March 2025, the recoverable amount of the Quarella Group is determined with reference to such cash consideration and a reversal of impairment of HK$33,200,000 has been recognised in profit or loss during the year ended 31 March 2025.

(e) At 31 March 2025 and 31 March 2024, the amount due from a joint venture of HK$283,116,000 is interest-free, unsecured and has no fixed terms of repayment. As the settlement is neither planned nor likely to occur in the foreseeable future, the directors of the Company consider the amount due from the joint venture in substance form part of the net investment.

At 31 March 2024, the amount due from a joint venture of US$1,200,000 (equivalent to HK$9,418,000) was interest bearing at 5.5% per annum, unsecured and had no fixed terms of repayment. The entire amount was settled during the year ended 31 March 2025.

19. INTERESTS IN JOINT VENTURES (Continued)

Notes: (Continued)

(f) Aggregate information of joint ventures that are not individually material:

	2025 HK$'000	2024 HK$'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	14,939	14,472
Amount due from a joint venture	–	9,418
	14,939	23,890
Aggregate amounts of the Group's share of these joint ventures:		
Profit for the year	2,321	2,166
Other comprehensive expense for the year	(159)	(31)
Total comprehensive income for the year	2,162	2,135
Dividend received from a joint venture	1,678	–

20. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Unlisted equity securities designated at fair value through other comprehensive income ("FVTOCI") (non-recycling)

The unlisted equity securities of HK$15,850,000 are shares in a company incorporated in Hong Kong and engaged in investment holding and rendering of co-working space services. The Group designated this investment at FVTOCI (non-recycling) as the investment is held for strategic purposes. The aggregate net fair value loss of HK$15,850,000 was charged to equity in prior years. No dividends were received from this investment during the years ended 31 March 2025 and 31 March 2024.

21. PROPERTIES FOR SALE

	2025 HK$'000	2024 HK$'000
Completed properties held for sale	38,178	101,859
Properties under development for sale	300,057	297,262
	338,235	399,121

Properties for sales of the Group are located:

	2025 HK$'000	2024 HK$'000
In Hong Kong	4,778	6,583
Outside Hong Kong	333,457	392,538
	338,235	399,121

21. PROPERTIES FOR SALE (Continued)

At 31 March 2025, properties under development for sale of HK$300,057,000 (2024: HK$297,262,000) are expected to be completed after more than one year.

At 31 March 2025, properties for sale of HK$333,457,000 (2024: HK$101,859,000) were pledged as securities for bank loans (Note 28(d)).

At 31 March 2025, properties for sale of HK$4,778,000 were pledged as securities for bank loans directly associated with assets classified as held for sale (Note 13).

22. INVENTORIES

	2025 HK$'000	2024 HK$'000
Construction and interior decorative materials:		
Finished goods	807	797

23. TRADE RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables	58,338	65,270
Less: loss allowance	(46,381)	(44,316)
	11,957	20,954
Bills receivables	–	1,323
	11,957	22,277

At 1 April 2023, trade receivables, net of loss allowance for contracts with customers amounted to HK$27,957,000.

At 31 March 2025, the ageing analysis of the trade receivables based on invoice date, net of loss allowance, is as follows:

	2025 HK$'000	2024 HK$'000
1 – 30 days	209	2,082
31 – 60 days	94	361
61 – 90 days	94	361
Over 90 days	11,560	19,473
	11,957	22,277

23. TRADE RECEIVABLES (Continued)

The Group negotiates with customers on individual basis in accordance with contract terms, i.e. an average credit period of 90 days (2024: 90 days) after the issuance of invoices, except for sales of properties the proceeds from which are receivable pursuant to the terms of agreements, rental income which is receivable in the month the tenants use the premises and property management fee and utility income and asset, investment and fund management income which are receivable in the month the Group provides the services.

The Group applies the HKFRS 9 simplified approach to measuring ECLs which uses a lifetime expected loss allowance for all trade receivables.

Information about the Group's exposure to credit risk are set out in Note 35.

Movements in the loss allowance account in respect of trade receivables is as follows:

	2025 **HK$'000**	2024 HK$'000
At the beginning of the year	**44,316**	41,333
Impairment losses recognised during the year	**11,929**	10,274
Reversal of impairment loss of trade receivables	**(199)**	(5,233)
Uncollectible amounts written off	**(9,664)**	(645)
Exchange differences	**(1)**	(1,413)
At the end of the year	**46,381**	44,316

The creation and release of loss allowance for impaired trade receivables was charged to the profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering the amount.

24. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 **HK$'000**	2024 HK$'000
Deposits and prepayments	**6,009**	1,918
Loans and other receivables	**17,490**	6,824
	23,499	8,742

25. BANK DEPOSITS AND CASH ON HAND

	2025 HK$'000	2024 HK$'000
Cash at banks and on hand	**63,598**	100,897

At 31 March 2025, bank deposits and cash comprise cash at banks held by the Group that are interest-bearing at market interest rates of 0.01% (2024: 0.01%) per annum.

At 31 March 2025, bank deposits and cash on hand include HK$8,407,000 (2024: HK$8,532,000) which are denominated in RMB, the remittance of which is subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

26. TRADE AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**–**	983
Deposits received from tenants	**57**	169
Deposits received from the Purchaser of the Disposal (Note)	**16,353**	–
Other payables and accruals	**16,486**	12,452
	32,896	13,604

Note: Since such deposits received from the Purchaser of the Disposal were held by the solicitor at 31 March 2025, the corresponding other receivables were recognised in the consolidated statement of financial position.

At 31 March 2025, the ageing analysis of trade payables, based on invoice date, is as follows:

	2025 HK$'000	2024 HK$'000
1 – 30 days	**–**	949
Over 90 days	**–**	34
	–	983

27. CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Asset, investment and fund management services – Receipt in advance from customers	**25**	615

As at 1 April 2023, contract liabilities amounted to HK$280,000.

The Group would receive advance payments from customers in accordance with the services agreements when providing the asset, investment and fund management services. These advance payments received are recognised as contract liabilities for unsatisfied performance obligations and are recognised as revenue when the Group provides the services to the customers. All the contract liabilities are expected to be recognised as income within one year.

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	2025 HK$'000	2024 HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**615**	280

28. BANK LOANS

The analysis of the carrying amount of bank loans is as follows:

	2025 HK$'000	2024 HK$'000
Current liabilities		
Bank loans contain a repayable on demand clause or due within one year (Note (f))	**60,000**	227,460
Bank loans due after one year which contain a repayment on demand clause	**18,627**	30,111
	78,627	257,571
Non-current liabilities		
Bank loans	**88,645**	18,522
	167,272	276,093

28. BANK LOANS (Continued)

At 31 March 2025, the bank loans are due for repayment as follows:

	2025 HK$'000	2024 HK$'000
Portion of bank loans repayable on demand or due for repayment within one year	60,000	227,460
Bank loans due for repayment after one year (Notes (g) and (h)):		
After one year but within two years	88,857	7,855
After two years but within five years	18,415	40,778
	107,272	48,633
	167,272	276,093

At 31 March 2025, the secured bank loans and unsecured bank loan are as follows:

	2025 HK$'000	2024 HK$'000
Secured bank loans	88,645	156,093
Unsecured bank loan	78,627	120,000
	167,272	276,093

Notes:

(a) At 31 March 2024, bank loans drawn in Hong Kong bear interest at the rates ranging from 1.8% to 2.3% per annum over Hong Kong Interbank Offered Rate. The interests are repriced monthly.

(b) At 31 March 2025, bank loan drawn in Macau bears interest at prime rate determined by the lending bank (2024: 1.3% per annum below the prime rate determined by the lending bank).

(c) At 31 March 2025, bank loans drawn in the U.S.A. bear interest at the rates ranging from 3.8% to 7.5% (2024: 3.8% to 4.0%) per annum.

(d) At 31 March, certain of the banking facilities of the Group were secured by mortgages over:

	2025 HK$'000	2024 HK$'000
Investment properties (Note 15)	–	152,200
Buildings (Note 16)	–	33,213
Properties for sale (Note 21)	333,457	101,859
	333,457	287,272

Such banking facilities amounted to HK$88,645,000 (2024: HK$157,199,000) were utilised to the extent of HK$88,645,000 at 31 March 2025 (2024: HK$156,093,000).

28. BANK LOANS (Continued)

Notes: (Continued)

(e) Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios. If the Group was to breach the covenants, the utilised facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants.

None of the covenants relating to the utilised facilities had been breached during the year ended 31 March 2025.

During the year ended 31 March 2024, in respect of bank loans of HK$185,000,000 utilised out of the relevant bank facilities of HK$237,500,000 granted from relevant bankers at 31 March 2024, the Group had failed to satisfy one of the financial covenants which was the net worth requirement stipulated in relevant banking facility agreements. The directors of the Company were in discussion with the relevant bankers for the necessary waivers and renegotiating with them on the terms of the relevant bank loans. At 31 March 2024, those negotiations had not been concluded and the relevant bank loans which were originally due within one year, could be immediately due and payable. The relevant banking facility agreement was subsequently renewed with revised financial covenants during the year ended 31 March 2025.

(f) For the bank loans with amount of HK$60,000,000 (2024: HK$227,460,000) which are repayable within one year, all (2024: HK$192,855,000) of which contain repayable on demand clauses.

(g) The amounts due are based on the scheduled repayment dates set out in bank loan agreements and ignore the effect of any repayment on demand clause.

(h) Certain of the Group's bank loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has met the scheduled repayment obligations.

The Group does not consider it probably that the banks will exercise their discretion to demand immediate repayment so long as the Group continues to meet the scheduled repayment obligations.

29. LEASE LIABILITIES

	2025 **HK$'000**	2024 HK$'000
Lease liabilities payable:		
Within one year	**568**	527
After one year but within two years	**614**	571
After two years but within five years	**1,823**	2,004
After five years	**–**	447
	3,005	3,549
Less: Amount due for settlement within 12 months shown under current liabilities	**(568)**	(527)
Amount due for settlement after 12 months shown under non-current liabilities	**2,437**	3,022

The weighted average incremental borrowing rates applied to lease liabilities is 3.88%.

30. SHARE CAPITAL

	Number of ordinary shares of HK$0.01 each '000	Share capital HK$'000
Ordinary shares, issued and fully paid		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**375,447**	**3,754**

There was no movement in the Company's share capital during both years.

31. DIVIDENDS

No dividend had been paid or declared during the year. The board of directors does not recommend the payment of a dividend for the year ended 31 March 2025 (2024: HK$Nil).

32. DEFERRED TAX

(a) Deferred tax (assets) liabilities recognised:

The movements in deferred tax during the year are as follows:

Deferred income tax (assets) liabilities	Accelerated tax depreciation HK$'000	Tax losses HK$'000	Distributable profits of subsidiaries HK$'000	Total HK$'000
At 1 April 2023	4,897	(4,897)	–	–
Charged (credited) to profit or loss	561	(561)	1,058	1,058
At 31 March 2024 and 1 April 2024	**5,458**	**(5,458)**	**1,058**	**1,058**
Charged (credited) to profit or loss	**(5,458)**	**5,458**	**(58)**	**(58)**
At 31 March 2025	**–**	**–**	**1,000**	**1,000**

32. DEFERRED TAX (Continued)

(b) Deferred tax assets not recognised:

Deferred tax assets have not been recognised in respect of the following items:

	2025		2024	
	Tax losses HK$'000	Deferred tax assets not recognised HK$'000	Tax losses HK$'000	Deferred tax assets not recognised HK$'000
Hong Kong	340,609	56,200	304,307	50,211
Outside Hong Kong	74,100	15,964	87,197	18,390
	414,709	72,164	391,504	68,601

The Group has not recognised the deferred tax assets attributable to the future benefit of tax losses sustained in the operations of certain subsidiaries as the availability of future taxable profits against which the assets can be utilised is uncertain at the end of the reporting period. Except for the tax losses arising from the operations in the PRC can be carried forward to offset against taxable profits of subsequent years for up to five years from the year in which they arose and the tax losses arising in tax years ending before 1 January 2018 from the operations in the U.S.A. will be expired in twenty years after the relevant accounting year end date, the remaining tax losses can be carried forward indefinitely and have no expiry date.

33. 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 debts, which include the bank loans and lease liabilities, and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure on a regular 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 of the Company, the Group will balance its overall capital structure through payment of dividends, new share issues, share buy-backs as well as raise of new debts or redemption of existing debts.

Furthermore, consistent with others in the industry, the Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debts divided by equity attributable to owners of the Company. Net debts is calculated as total interest-bearing bank loans (including bank loans directly associated with assets classified as held for sale) less unrestricted bank deposits and cash on hand.

At 31 March 2025, the net gearing ratio was 26.7% (2024: 20.3%) as the Group has net debts of HK$154,728,000 (2024: HK$175,196,000).

34. EVENTS AFTER THE REPORTING PERIOD

(a) On 9 April 2025, Quarella Holdings Limited, a joint venture of the Group, has disposed of the entire equity interests in its wholly-owned subsidiary, Quarella Group Limited, for a cash consideration of HK$240,000,000. Accordingly, the Group received the corresponding 50% interest of such consideration at HK$120,000,000, which has been taken into account in determining the recoverable amount of the Group's interest in the joint venture at 31 March 2025, as detailed in Note 19.

(b) On 30 April 2025, Win Expo Enterprises Limited and Prime Talent Development Limited, both indirect wholly-owned subsidiaries of the Company, have disposed of two floors and partial of the car parking spaces of Rykadan Capital Tower (the "Properties") at an aggregate cash consideration of HK$163,526,000. The Properties and the other assets and liabilities associated with the Properties have been classified as "assets classified as held for sale" and "liabilities associated with assets classified as held for sale" as set out in Note 13.

(c) On 23 July 2024, Worth Celestial Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a director of the Company and his spouse (collectively referred to as the "RH Vendors") to acquire 100% equity interests and take up the assignment of the shareholder loan in Cosmo Kingdom Holdings Limited ("Cosmo"), a property holding company jointly owned by the RH Vendors, at a consideration of approximately HK$56,084,000, of which an initial instalment amounted to HK$2,804,000 has been paid by the Group during the year ended 31 March 2025. The transaction was approved by independent shareholders at an extraordinary general meeting of the Company held on 16 September 2024, and the completion of transaction shall take place after the fulfilment of certain conditions or 30 April 2025, whichever is earlier. At 31 March 2025, the conditions were not fulfilled and the control of Cosmo was not transferred to the Group. On 30 April 2025, the transaction was completed.

(d) On 30 May 2025, Golden Wealth (HK) Investment Limited, an indirect wholly-owned subsidiary of the Company, entered into the agreement with Capital Universal Investment Limited, an associate of the Group, in respect of the purchase of the properties comprising the 29th floor, reserved area and various car parking spaces of Rykadan One at a consideration of approximately HK$47,594,000. The consideration will be settled by offsetting it against the outstanding loans to an associate in the amount of HK$47,040,000, together with accrued interest of approximately HK$554,000 recorded in other receivables. No cash shall be paid in connection with this acquisition.

35. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025 HK$'000	2024 HK$'000
Financial assets at amortised cost		
Trade receivables	11,957	22,277
Other receivables and deposits	20,374	7,133
Loans to an associate	47,040	40,000
Bank deposits and cash on hand	63,598	100,897
	142,969	170,307
Financial liabilities at amortised cost		
Trade payables and other payables	15,265	11,397
Bank loans	167,272	276,093
	182,537	287,490

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables and deposits, loans to an associate, bank deposits and cash on hand, trade and other payables and bank loans. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Group is exposed to currency risk primarily through sales and purchases giving rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. currency other than the functional currency of the operations to which the transactions relates. The currencies giving rise to this risk are primarily US$, RMB, British Pound ("GBP"), Singaporean Dollar ("SGD") and Canadian Dollar ("CAD").

The Group currently does not have a foreign currencies hedging policy. However, management of the Group monitors the foreign currencies exposure of each business segment and will consider hedging significant currency risk exposure should the need arise.

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities (other than inter-company balances) denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in HK$, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currencies			
	CAD	**US$**	**GBP**	**SGD**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
At 31 March 2025				
Amount due from an associate	**–**	**–**	**53,942**	**–**
Bank deposits and cash on hand	**3,264**	**4,155**	**14**	**307**
	3,264	**4,155**	**53,956**	**307**

	Exposure to foreign currencies			
	CAD	US$	GBP	SGD
	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2024				
Amount due from an associate	–	–	52,627	–
Bank deposits and cash on hand	48	25,768	3	937
	48	25,768	52,630	937

In addition, at 31 March 2025, the Group is exposed to currency risk arising from inter-company receivables/payables amounting to US$45,968,000, RMB9,131,000 and SGD2,593,000 (in aggregate equivalent to HK$353,452,000) (2024: US$56,673,000, RMB9,131,000, CAD271,000, GBP1,389,000 and SGD2,710,000 (in aggregate equivalent to HK$454,416,000)) which are not denominated in the functional currency of the relevant companies.

Sensitivity analysis

The following table indicates the instantaneous change in the Group's results (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

As HK$ is pegged to US$, the Group does not expect any significant foreign currency exposure arising from the fluctuation of the US$/HK$ exchange rates. As a result, management considers that the sensitivity of the Group's exposure towards the changes in exchange rates between US$/HK$ is minimal.

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis (Continued)

	2025		2024	
	Increase (decrease) in foreign exchange rates	**Increase (decrease) in post-tax result and retained profits HK$'000**	Increase (decrease) in foreign exchange rates	Increase (decrease) in post-tax result and retained profits HK$'000
RMB	**5%**	**413**	5%	420
	(5)%	**(413)**	(5)%	(420)
GBP	**5%**	**2,253**	5%	2,772
	(5)%	**(2,253)**	(5)%	(2,772)
SGD	**5%**	**(619)**	5%	(620)
	(5)%	**619**	(5)%	620
CAD	**5%**	**136**	5%	67
	(5)%	**(136)**	(5)%	(67)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' results after tax measured in the respective functional currencies, translated into HK$ at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currency of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2024.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent currency risk as the year end exposure does not reflect the exposure during the reporting period.

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulted from the reasonable possible change in interest rates.

The Group's interest rate risk mainly arises from banks deposits and bank loans at floating interest rates. At 31 March 2025, if interest rates of bank loans had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax result for the year would have been approximately HK$606,000 (2024: HK$962,000) lower/higher.

Credit risk

The credit risk of the Group mainly arises from trade receivables, other receivables, deposits and prepayments, loans to an associate and bank deposits and cash on hand. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

Risk management

The credit risk of bank deposits and cash on hand is limited because the counterparties are reputable commercial banks which are high-credit-quality financial institutions located in Hong Kong, the PRC, the U.K., the U.S.A. and Canada.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

At the end of the reporting period, the Group's largest and the five largest trade receivables represents 55% (2024: 45%) and 100% (2024: 99%) of the total trade receivables respectively, which are within the asset, investment and fund management and distribution of construction and interior decorative materials business segments.

The Group has controls to closely monitor the billing and payment status by communications to minimise the credit risk. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue balances.

The Group regularly reviews the recoverability of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

In addition, for loans and other receivables, the Group performs credit assessments before approving loans to applicants and regularly reviews the recoverability of each individual receivable.

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Impairment of financial assets

The Group has three types of financial assets that are subject to the ECL model:

- trade receivables;
- loans to an associate and amounts due from associates and joint ventures; and
- other financial assets carried at amortised cost

While bank deposits and cash on hand is also subject to the impairment requirements of HKFRS 9, management considers that the impairment loss is immaterial.

Trade receivables

The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Future cash flows for each group receivables are estimated on the basis of historical loss experience, adjusted to reflect the effects of current conditions as well as forward looking information on economic factors affecting the ability of the customers to settle the receivables. Trade receivables in dispute are assessed individually for impairment allowance and determined whether specific provisions are required. Trade receivables are written off when there is no reasonable expectation of recovery.

Loans to an associate and amounts due from associates and joint ventures

The impairment loss of loans to an associate and amounts due from associates and joint ventures carried at amortised cost is measured based on the 12-month ECL. Because the Group's involvement in the management of the associates and joint ventures, the Group is in a position to monitor their financial performance and would take timely actions to safeguard its assets and/or to minimise its losses. Accordingly, management believes that the Group's exposure to the credit risk associated with loans to an associate and amounts due from associates and joint ventures is low and ECL, if any, is not material.

Other financial assets carried at amortised cost

The Group's other financial assets carried at amortised cost include other receivables and deposits in the consolidated statement of financial position. The impairment loss of other financial assets carried at amortised cost is measured based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. Management has closely monitored the credit qualities and the collectability of the other financial assets carried at amortised cost and considers the ECL of other financial assets is insignificant at 31 March 2025 and 31 March 2024. No impairment loss has been provided for both years.

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets and loans to an associate
Low risk	The counterparty has a low risk of default and/or does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL – not credit-impaired
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL – not credit-impaired
Doubtful	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	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

The following table details the credit risk exposures of the Group's trade receivables, other receivables, loans to an associate and bank deposits and cash on hand which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	**2025 Gross carrying amount HK$'000**	2024 Gross carrying amount HK$'000
Trade receivables	23	N/A	Low risk	Lifetime ECL (Not credit-impaired)	**42,411**	41,361
	23	N/A	Loss	Lifetime ECL (Credit-impaired)	**15,927**	23,909
Bills receivables	23	N/A	Low risk	Lifetime ECL (Not credit-impaired)	**–**	1,323
Other receivables and deposits	24	N/A	Low risk	12-month ECL	**20,374**	7,133
Loans to an associate	18	N/A	Low risk	12-month ECL	**47,040**	40,000
Bank deposits and cash on hand	25	Aa3 to A3	N/A	12-month ECL	**63,598**	100,897

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables.

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 April 2023	40,700	633	41,333
Changes due to financial instruments recognised at 1 April 2023:			
– Impairment losses reversed	(5,233)	–	(5,233)
– Write-offs	(645)	–	(645)
– Impairment losses recognised	610	9,664	10,274
Exchange adjustments	(1,413)	–	(1,413)
At 31 March 2024 and 1 April 2024	**34,019**	**10,297**	**44,316**
Changes due to financial instruments recognised at 1 April 2024:			
– Impairment losses reversed	**(199)**	**–**	**(199)**
– Write-offs	**–**	**(9,664)**	**(9,664)**
– Impairment losses recognised	**–**	**11,929**	**11,929**
Exchange adjustments	**(1)**	**–**	**(1)**
At 31 March 2025	**33,819**	**12,562**	**46,381**

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and bank balances, the availability of funding from an adequate amount of committed credit facilities from lending banks and the ability to close out market position.

The Group maintains liquidity by a number of sources including orderly realisation of short-term financial assets, receivables and certain assets that the Group considers appropriate and long-term financing including long-term borrowings are also considered by the Group in its capital structuring. The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest-bearing borrowings which enable the Group to continue its business for the foreseeable future.

The table below analyses the financial liabilities of the Group into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table were based on the contractual undiscounted cash flows and the earliest date the Group can be required to pay. 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. Balance within 12 months equal their carrying balances as impact at discounting is not significant.

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Within 1 year or on demand HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total HK$'000	Total carrying amount HK$'000
At 31 March 2025						
Trade and other payables (excluding non-financial liabilities)	**14,108**	**–**	**–**	**–**	**14,108**	**14,108**
Bank loans	**84,684**	**74,707**	**18,418**	**–**	**177,809**	**167,272**
Lease liabilities	**674**	**698**	**1,920**	**–**	**3,292**	**3,005**
	99,466	**75,405**	**20,338**	**–**	**195,209**	**184,385**
At 31 March 2024						
Trade and other payables (excluding non-financial liabilities)	10,183	–	–	–	10,183	10,183
Bank loans	258,277	704	19,227	–	278,208	276,093
Lease liabilities	655	678	2,180	453	3,966	3,549
	269,115	1,382	21,407	453	292,357	289,825

The following table summarises the maturity analysis of bank loans, including those subject to repayment on demand clause, based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "within 1 year or on demand" time band in the maturity analysis contained in the above tables. Taking into account the Group's financial position, the directors do not consider that it is probable that the banks will exercise their discretion to demand immediate repayment. The directors believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Maturity analysis – Bank loans, including those subject to repayment on demand clause based on scheduled repayments dates			
	Within 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total undiscounted cash flow HK$'000
31 March 2025	**68,184**	**94,118**	**18,418**	**180,720**
31 March 2024	234,800	10,596	44,093	289,489

35. FINANCIAL INSTRUMENTS (Continued)

Fair value estimation

Financial instruments carried at fair values

The different levels for analysis of financial instruments carried at fair value, by valuation method are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the assets and liability that are not based on observable market data (that is, unobservable inputs) (level 3)

There was no transfer between Levels 1, 2 and 3 during the years ended 31 March 2025 and 31 March 2024.

Financial instruments carried at other than fair values

The carrying amounts of the Group's financial assets and liabilities carried at other than fair value are not materially different from their fair values at 31 March 2025 and 31 March 2024.

Interests in unconsolidated structured entities

The Group's maximum exposure to the unconsolidated structured entities

As part of its investment activities, the Group invests in unconsolidated structured entities. At 31 March 2025, the Group's total interests in unconsolidated structured entities were HK$806,000 (2024: HK$17,765,000) on the Group's consolidated statement of financial position. The Group's total interest in unconsolidated structured entities is classified as interests in associates.

At 31 March, a summary of the Group's interest in unconsolidated structured entities is as follows:

	2025 HK$'000	2024 HK$'000
Interests in associates:		
RREFLP	–	16,937
RREPFLP	806	828
	806	17,765

The Group's maximum exposure to loss related to the interests in unconsolidated structured entities is HK$806,000 (2024: HK$17,765,000).

Other interests in unconsolidated structured entities

The Group received management fee in respect of its asset, investment and fund management business. Management fee received for investments that the Group manages, also represent interests in unconsolidated structured entities. The Group's maximum exposure to loss relates to future management fee income. The table below shows the assets under management of entities that the Group manages and the fees earned from those entities.

	2025 HK$'000	2024 HK$'000
Investment management fee income:		
RREFLP	1,982	3,078
RREPFLP	1,107	1,105
	3,089	4,183

36. 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.

	Lease liabilities HK$'000	Bank loans HK$'000	Total HK$'000
At 1 April 2023	–	312,799	312,799
New leases entered	3,955	–	3,955
Financing cash flows	(407)	(36,372)	(36,779)
Exchange adjustments	1	(334)	(333)
Interest expenses (Notes 11 and 13)	122	15,591	15,713
Capitalised borrowing costs (Note 11)	–	937	937
Interest paid	(122)	(16,528)	(16,650)
At 31 March 2024 and 1 April 2024	**3,549**	**276,093**	**279,642**
Financing cash flows	**(525)**	**(57,384)**	**(57,909)**
Exchange adjustments	**(19)**	**(383)**	**(402)**
Interest expenses (Notes 11 and 13)	**128**	**11,905**	**12,033**
Capitalised borrowing costs (Note 11)	**–**	**905**	**905**
Interest paid	**(128)**	**(12,810)**	**(12,938)**
Transfer to assets classified as held for sale (Note 13)	**–**	**(51,054)**	**(51,054)**
At 31 March 2025	**3,005**	**167,272**	**170,277**

37. COMMITMENTS

The Group's capital commitments outstanding and not provided for in the consolidated financial statements were as follows:

	2025 HK$'000	2024 HK$'000
Authorised but not contracted for	**643,448**	649,817
Contracted for	**87,224**	32,594
	730,672	682,411

The above commitments mainly include the acquisition of a property development project and the construction related costs to be incurred (2024: the construction related costs to be incurred) in respect of the Group's development properties in various locations.

38. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

At the end of the reporting period, the Company has issued guarantees to banks in respect of banking facilities granted to certain indirect subsidiaries and an associate of HK$188,645,000 (2024: HK$154,233,000) and HK$12,600,000 (2024: HK$12,600,000) respectively. Such banking facilities were utilised by the subsidiaries and the associate to the extent of HK$119,699,000 (2024: HK$91,093,000) and HK$11,088,000 (2024: HK$11,592,000) respectively.

HK$100,000,000 out of the HK$188,645,000 guarantees issued by the Company in respect of the banking facilities granted to certain indirect subsidiaries were related to the bank loans classified as "liabilities associated with assets classified as held for sale" which were utilised to the extent of HK$31,054,000.

The directors of the Company do not consider it is probable that a claim will be made against the Company under any of the guarantees and have not recognised any deferred income in respect of these guarantees and no transaction price was incurred.

At 31 March 2025 and 2024, the Group did not recognise any liabilities in respect of each corporate financial guarantees as the amounts of loss allowance estimated under the expected credit loss model were insignificant.

39. RELATED PARTY TRANSACTIONS

(a) Apart from disclosed elsewhere in the consolidated financial statements, the Group had entered into the following significant transactions with the related parties during the year:

	2025 **HK$'000**	2024 HK$'000
Investment management fee income from associates	**3,089**	4,183
Management fee income from a joint venture	**1,770**	420
Sales of construction and interior decorative materials to a joint venture	**–**	6,019
Trade receivables from associates, net of loss allowance	**5,404**	14,245
Trade receivable from a joint venture, net of loss allowance	**6,522**	6,636
Deposit paid to related parties (Note)	**2,804**	–

Note: The deposit paid to the related parties, who are the director of the Company and his spouse in relation to the acquisition of Cosmo. Such transaction constituted a connected transaction as defined in chapter 14A of the Listing Rules.

(b) Compensation of key management personnel

The remuneration of key management personnel of the Group during the year is as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries and short-term employee benefits	**22,180**	20,918
Post-employment benefits	**95**	99
	22,275	21,017

Total remuneration is included in employee benefit expenses (Note 9).

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK$'000	2024 HK$'000
Non-current assets		
Investments in subsidiaries	**40,351**	40,351
Amount due from a joint venture	**120,000**	249,916
Right-of-use assets	**539**	–
	160,890	290,267
Current assets		
Other receivables, deposits and prepayments	**544**	782
Amounts due from subsidiaries	**738,895**	932,025
Bank deposits	**16,742**	65,684
	756,181	998,491
Current liabilities		
Payables and accruals	**8,277**	2,769
Amounts due to subsidiaries	**44,443**	41,228
Bank loans	**98,627**	185,000
Lease liability	**550**	–
	151,897	228,997
Net current assets	**604,284**	769,494
NET ASSETS	**765,174**	1,059,761
CAPITAL AND RESERVES		
Share capital	**3,754**	3,754
Share premium	**400,859**	400,859
Retained earnings (Note)	**360,561**	655,148
TOTAL EQUITY	**765,174**	1,059,761

The financial statements were approved by the Board of Directors on 27 June 2025 and were signed on its behalf by:

CHAN WILLIAM
Director

LO HOI WAH, HEYWOOD
Director

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: The movements in retained earnings of the Company are as follows:

	HK$'000
At 1 April 2023	840,854
Loss and total comprehensive income for the year	(185,706)
At 31 March 2024 and 1 April 2024	655,148
Loss and total comprehensive income for the year	(294,587)
At 31 March 2025	360,561

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 March 2025 and 2024 are as follows.

Name of companies	Place of incorporation and business	Class of shares held	Fully paid-up issued/registered capital	Proportion of issued capital/registered capital held by the Company 2025	2024	Principal activities
Joint Champ International Limited	BVI	Ordinary	US$100	87%	87%	Investment holding
Prime Talent Development Limited*	Hong Kong	Ordinary	HK$1	100%	100%	Property holding
Win Expo Enterprises Limited*	Hong Kong	Ordinary	HK$1	100%	100%	Property holding
Keen Virtue Group Limited	BVI	Ordinary	US$1	100%	100%	Investment holding
Rykadan Management Services Limited*	Hong Kong	Ordinary	HK$1	100%	100%	Provision of management services
Rykadan Capital Asset Management Limited*	Hong Kong	Ordinary	HK$1	100%	100%	Provision of asset management services
Rykadan Project Management Limited*	Hong Kong	Ordinary	HK$1	100%	100%	Provision of project management services
Rykadan 001 LLC*	The U.S.A.	Capital contribution	US$100	100%	100%	Property development
Rykadan 005 LLC*	The U.S.A.	Capital contribution	US$100	100%	100%	Property development
MP Property One LLC*	The U.S.A.	Capital contribution	US$100	100%	100%	Property development
Rykadan Carlyle South LLC*	The U.S.A.	Capital contribution	US$10,000	100%	100%	Property development
Integrity International Investment Limited*	Hong Kong	Ordinary	HK$1	100%	100%	Provision of management services
Q-Stone Building Materials Limited*	Hong Kong	Ordinary	HK$10,000	87%	87%	Distribution of construction and interior decorative materials
格利來建材(北京)有限公司*#	The PRC	Registered capital	RMB7,000,000	87%	87%	Distribution of construction and interior decorative materials
格利來建材(深圳)有限公司*#	The PRC	Registered capital	RMB8,000,000	87%	87%	Distribution of construction and interior decorative materials

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries at 31 March 2025 and 2024 are as follows. (Continued)

Notes:

(*) These entities are indirectly held by the Company.

(#) These entities are foreign-owned enterprises established in the PRC.

None of the subsidiaries had issued any debt securities at the end of the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

FINANCIAL SUMMARY

RESULTS

	Year ended 31 March				
	2021 HK$'000 (Note (a))	2022 HK$'000 (Note (a))	2023 HK$'000 (Note (a))	2024 HK$'000 (Re-presented)	**2025** **HK$'000**
Revenue from continuing operations	168,157	86,942	87,695	103,343	**74,451**
Loss for the year from continuing operations	N/A	N/A	N/A	(166,963)	**(223,722)**
Loss for the year from discontinued operation	N/A	N/A	N/A	(9,203)	**(69,982)**
Profit (loss) for the year	31,410	(38,985)	(192,222)	(176,166)	**(293,704)**
Profit (loss) for the year attributable to:					
Owners of the Company	4,500	(34,870)	(189,329)	(173,886)	**(281,359)**
Non-controlling interests	26,910	(4,115)	(2,893)	(2,280)	**(12,345)**
	31,410	(38,985)	(192,222)	(176,166)	**(293,704)**

ASSETS AND LIABILITIES

	As at 31 March				
	2021 HK$'000	2022 HK$'000	2023 HK$'000	2024 HK$'000	**2025** **HK$'000**
Total assets	1,548,681	1,591,071	1,358,091	1,147,602	**813,398**
Total liabilities	269,868	359,284	328,199	296,131	**256,611**
	1,278,813	1,231,787	1,029,892	851,471	**556,787**
Equity attributable to owners of the Company	1,277,154	1,233,921	1,035,877	861,373	**579,493**
Non-controlling interests	1,659	(2,134)	(5,985)	(9,902)	**(22,706)**
	1,278,813	1,231,787	1,029,892	851,471	**556,787**

Note:

(a) The results for each of the year ended 31 March 2021 to 2023 have not been re-presented for the operation discontinued in 2025.