



中國置業投資控股有限公司*

CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 736

2025
ANNUAL REPORT

* For identification purposes only

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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Han Wei (*Chairman*)
Au Tat On
Wang Linbo

INDEPENDENT NON-EXECUTIVE DIRECTORS

Tang Yiu Kay
Cao Jie Min
Liang Kuo-Chieh

COMPANY SECRETARY

Hui San Wing

AUTHORISED REPRESENTATIVES

Au Tat On
Hui San Wing

AUDITOR

Jon Gepsom CPA Limited

LEGAL ADVISER

H.Y. Leung & Co. LLP Solicitors

PRINCIPAL BANKER

ICBC (Asia)
CMB Wing Lung Bank

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 4303, 43/F,
China Resources Building,
26 Harbour Road, Wan Chai,
Hong Kong

BERMUDA SHARE REGISTRAR AND TRANSFER AGENT

Conyers Corporate Services (Bermuda) Limited
Clarendon House,
2 Church Street, Hamilton HM11,
Bermuda

HONG KONG SHARE REGISTRAR

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

WEBSITE

<http://www.736.com.hk>

STOCK CODE

736

LETTER FROM THE BOARD

On behalf of the board (the “Board”) of directors (the “Directors”) of China Properties Investment Holdings Limited (the “Company”), I am pleased to present the annual results of the Company and its subsidiaries (together the “Group”) for the year ended 31 March 2025 to the shareholders of the Company (the “Shareholders”).

OPERATING RESULTS

For the year under review, the Group’s turnover for the continuing operation was approximately HK\$53.53 million (2024: approximately HK\$66.39 million), representing a decrease of approximately 19.37% compared with last year. The decrease in turnover was mainly due to decrease in rental income from investment properties.

The net loss for the year was approximately HK\$65.71 million (2024: net loss of approximately HK\$130.82 million) and the basic loss per share from continuing operations was HK24.6 cents (2024: basic loss per share was HK49 cents).

The loss of the Group was mainly attributable to expected credit loss on loan and interest receivables from money lending business, trade and other receivables and valuation loss on investment properties amounted HK\$93.41 million and HK\$9.14 million respectively.

The administrative expenses of the Group for the year amounted to approximately HK\$15.38 million (2024: approximately HK\$25.65 million), representing a decrease of approximately 40.04% compared with last year, which was resulted from stringent cost control of the Group. The finance cost of the Group amounted to approximately HK\$7.3 million (2024: approximately HK\$7.5 million) which was mainly incurred for the interest-bearing borrowings under the security of investment properties in Shanghai and interest expense on lease liabilities.

BUSINESS REVIEW

During the year under review, the principal business activities of the Group included the properties investment and money lending.

For the properties investment, as at 31 March 2025, the aggregate gross floor area of the investment properties being held by the Group was approximately 7,004 square meters, 100% of which was leased to third parties under operating leases with lease terms ranging up to twelve years. For the year ended 31 March 2025, approximately 2,819 square meters of the gross floor area of the leased property were sub-leased to third parties under operating leases with lease terms ranging up to six years.

LETTER FROM THE BOARD

For the year ended 31 March 2025, the rental incomes of approximately HK\$9.63 million were recorded.

The money lending business generated steady interest income during the year. For the year ended 31 March 2025, the Group had a gross loan portfolio amounted to approximately HK\$684 million with the average interest rate of 11%. The interest income generated from the money lending business was approximately HK\$43.90 million for the year ended 31 March 2025.

BUSINESS MODEL

The Group holds a money lenders licence in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and provides loan facilities to prospective clients including enterprises and individuals. The Group earns interest income from the provision of such loan facilities through a wholly owned subsidiary of the Company, Triple Glory Holdings Limited ("TGHL").

KEY INTERNAL CONTROLS

The Group has adopted and followed a series of internal control procedures to regulate money lending to ensure comprehensive risk management, so as to safeguard the interests of the Company and its shareholders. The key internal controls adopted by the Group in terms of credit risk assessment, credit approval and ongoing monitoring of loan recoverability and loan collection are outlined below:

1) *Credit risk assessment*

After receiving the potential client's application, the business team which consists of the general manager and certain subordinate staff of TGHL (the "Business Team") will, in compliance with the requirements under applicable laws and regulations in Hong Kong and the PRC, perform a credit risk assessment to review and assess the potential client's credit rating, credit risk, repayment ability, and financial status. The credit risk assessment covers, including but not limited to, the following aspects of the potential clients or guarantor (as the case may be):—

LETTER FROM THE BOARD

Descriptions	Documents Reviewed
a. know-your-client process;	Those documents received during the processes listed in items (b) to (i) below
b. identity verification and authentication;	Individuals: ID card and/or passport Corporate: business registration certificate, certificate of incorporation and constitutional documents, etc.
c. historical credit records and rating;	Credit and/or litigation search (if any)
d. purpose of loan, repayment plan, and source of funds for repayment;	Loan application form, bank statement and asset/worth proof (if any)
e. cash flows, assets and liabilities (whether actual or contingent);	Individuals: bank statement, income proof, such as salary slip or tax return/demand note and/or asset/worth proof Corporate entities: audited financial statements, management accounts and sales contract(s), (where applicable)
f. income stream, earning capacity and prospective income stream or business performance;	Same as (e).
g. interview in person or, in the case of corporate clients, on-site visit;	N/A
h. the overall risk level of provision of the loan; and	Risk assessment conducted by TGHL's staff.
i. other matters as may be considered necessary by the business team.	Case by case

In the meantime, the financial department will, among others, conduct a name screening to confirm whether there is any connected person relationship as ascribed under the Listing Rules and engage independent valuer(s) to evaluate the value of assets/collaterals proposed by the potential clients or guarantor (if any).

LETTER FROM THE BOARD

2) *Formulation of the preliminary proposal by the business team*

Based on the results of the credit risk assessment as set forth above, the business team will compile a preliminary proposal formulating the key terms of the loan on a case-by-case basis, including the principal amount, the interest rate and the tenure, and submit the same to the accounting team for further review.

The interest rate determined should reflect the risk level for the transaction subject to limits or requirements under applicable laws.

3) *Review by the accounting team*

After receiving all documents in relation to the loan application and the preliminary proposal from the business team, the accounting team taking a prominent role in overseeing the internal control procedure of the Group will independently review the entire application. In addition, the accounting team will conduct the size tests for each transaction for the review of the board of TGHL or the Board and consideration in order to comply with the Listing Rules including the notification and shareholders' approval requirements, and where necessary, consult with the Company's legal adviser or financial adviser.

4) *Credit approval*

For the loan applications which have passed those procedures as outlined above, they will then be passed to the board of TGHL or the Board or the shareholders of the Company (as the case may be) for approval in accordance with the transaction size indicated by applicable percentage ratios under the Listing Rules.

5) *Ongoing monitoring of loan recoverability and loan collection*

- a. In respect of money lending clients, TGHL's financial department creates in its loan register for each client an independent sub-account recording and updating, among others, the principal loan amount, repayment schedule for principal and interest and repayment records. Those records are respectively reviewed and approved by the accounting manager and chief financial officer of the TGHL on a monthly basis.
- b. Upon receipt of clients' repayment(s), the financial department shall verify the amount repaid with the repayment schedule and, if any discrepancy is discovered, notify the business team to follow up with the relevant client.
- c. In order to minimize the Group's exposure to credit risk, the management and the board of TGHL conduct regular reviews quarterly in order to, inter alia, monitor loan collection and loan recoverability, identify potential risks/problems therefrom and plan mitigating measures.

LETTER FROM THE BOARD

- d. When a client defaults, the financial department shall issue an overdue notice to the relevant defaulting client, and report the overdue case to the management and board of TGHL who shall closely monitor the situation throughout by reviewing the reason for such overdue cases, assessing the recoverability of the loan and directing appropriate action to be taken on a case-by-case basis. In the case that the overdue persists after issuance of the said overdue notice, TGHL may instruct its legal representative to issue a demand letter(s) to the defaulting clients in which a final warning will be given. If the circumstances warrant, TGHL may consider commencing legal actions against the defaulting client after seeking legal advice.

MAJOR TERMS OF TRANSACTIONS, SIZE AND DIVERSITY OF CLIENTS AND CONCENTRATION OF TRANSACTIONS ON MAJOR CLIENTS AND MOVEMENT ON LOSS IMPAIRMENT

Money lending

The money lending clients are mainly referrals from the business partners/existing clients of the Group, comprising individuals either holding marketable assets or whose occupations involve business owners or senior management of a company, and a company engaged in human resources management. The Business Team may also solicit potential borrowers through business promotion and their business connections. The source of funding for the money lending business includes equity fund raising and fund generated from internal business operation.

As at 31 March 2025, there were a total of 233 individual borrowers whose loans were outstanding, with the principal amount per loan ranging from approximately HK\$0.4 million to approximately HK\$41 million. To the best knowledge, information and belief of the Board, all these borrowers and their respective ultimate beneficial owners (in the case of corporate clients) are independent of the Company and its connected persons (as ascribed under the Listing Rules).

The major terms of loans granted (including details of the collaterals) are disclosed in note 21 to the consolidated financial statements in the 2025 Annual Report. The loan principal to the top client and top 5 clients amounted to approximately 40.72 million and 221.8 million, representing approximately 5.95% and 32.43% of the total outstanding loan principal as at 31 March 2025. The Group conducts continuous credit assessments for all clients not only upon the establishment of business relationships but also throughout the term of business relationships with the clients. The assessment focuses on the client's credit status, financial status and repayment ability, as well as the business factors which may affect the client's source of income or, in the case of any client being a corporation, performance of the client's operations and hence its repayment ability. Besides, the value of the collateral is assessed annually. When circumstances arise which might indicate that the Group will not be able to recover the amount according to the original terms, impairment will be considered and made.

LETTER FROM THE BOARD

During the year ended 31 March 2025, impairment of approximately HK\$279.07 million and HK\$Nil million has been made for loans and interest receivables respectively whereas, during the year ended 31 March 2024, those figures were approximately HK\$210.79 million and HK\$1.32 million. For the year ended 31 March 2025, the impairment provision was 40.77% (2024: 32.62%). As such, the movement of the impairments for loans and interest receivables during the year ended 31 March 2025 were HK\$68 million and nil million. The main reasons for such movement was borrower repay the principal HK\$30 million during the year. During the year ended 31 March 2025 the Group did not record any (i) bad debt and (ii) written off of loans receivable.

The Group has complied with requirements set out in Chapter 14 and/or 14A of the Listing Rules when it granted the loans to each of the respective borrower whose loan was still outstanding as at 31 March 2025.

The procedures performed by the Group in calculating the expected credit loss are disclosed in note 4(i) to the consolidated financial statements of the 2025 Annual Report.

OUTLOOK

Going forward, the Group will keep on searching for other potential investment business so as to enhance the incomes of the Group. In the meantime, the Group will remain focused on its money lending business which will generate steady revenue stream for the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group's net current assets were approximately HK\$16.19 million (2024: approximately HK\$305.49 million), including cash and bank balances of approximately HK\$2.26 million (2024: approximately HK\$0.65 million).

The Group had bank borrowings of approximately HK\$80.9 million as at 31 March 2025 (2024: approximately HK\$78.47 million), of which 6.49%, 7.22%, 28.79%, 57.5% were due within 1 year, after 1 year but within 2 years, after 2 years but within 5 years, after 5 years respectively from balance sheet date. The gearing ratio, defined as the percentage of total debts to the total equity of the Company, was approximately 20.90% (2024: 15.32%).

SIGNIFICANT INVESTMENTS

Investment with fair value accounting for more than 5% of the Group's total assets shall be considered as significant investment. The Company did not have significant investment as at 31 March 2025.

LETTER FROM THE BOARD

FOREIGN EXCHANGE EXPOSURE

As most of the Group's assets and liabilities are denominated in Hong Kong dollar and Renminbi and the liabilities of the Group are well covered by its assets, the Group does not have any significant exposure to foreign exchange fluctuation. During the year under review, the Group did not use any financial instruments for hedging purposes.

CAPITAL STRUCTURE AND SHARE CAPITALS

There was no change in capital structure of the Company for the year ended 31 March 2025.

CHARGES ON GROUP'S ASSETS

As at 31 March 2025, the Group's investment properties with a value of approximately HK\$146 million were pledged to secure a borrowing from Shanghai Xiang Chen Hang Place The Industry Co. Limited, a wholly-owned subsidiary of the Company.

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any material contingent liability (2024: Nil).

ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no acquisition or disposal of subsidiaries or associated companies of the Group for the year ended 31 March 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2025.

LETTER FROM THE BOARD

EMPLOYEES

As at 31 March 2025, the Group had 26 employees (2024: 25). The remuneration of employees was determined with reference to statutory minimum wages, market terms and the performance, qualification and experience of individual employees. The Group provides mandatory provident fund and insurance scheme to the employees. Share option scheme and incentive schemes are adopted to encourage personal commitment of employees.

APPRECIATION

Management and I would like to take this opportunity to express my heartfelt gratitude to our esteemed shareholders, customers, business partners and bankers for your steadfast support and confidence in the Group. I am also deeply grateful to my fellow board member for their invaluable advice and guidance, and to our entire staff for their tremendous effort and commitment during the year.

On behalf of the Board

Han Wei

Chairman

Hong Kong, 30 June 2025

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Han Wei, aged 54, was appointed as a non-executive director of the Company in December 2016 and was re-designated as executive director in August 2017 and was appointed as the chairman and chief executive officer of the Company in December 2017. He joined the Group in December 2008 as the director and authorized representative of Shanghai Xiang Chen Hang Place The Industry Co. Limited, a wholly-owned subsidiary of the Company. He is also the director of an indirect wholly-owned subsidiary of the Company in Canada. Mr. Han is an intermediate economist conferred by the Ministry of Personnel of the People's Republic of China. He graduated from Shanghai Education Institute (上海教育學院) and studied Finance at Shanghai Finance University (上海金融高等專科學校). He also completed the EMBA programme at Research Institute of Tsinghua University in Shenzhen (深圳清華大學研究院). Mr. Han has extensive experience in banking and business management. Prior to joining the Group, Mr. Han served as the general manager of an investment company in Shanghai for about five years and serves as a manager of Bank of Shanghai. He is responsible for the overall management, strategic planning and business development of the Group.

Mr. Au Tat On, aged 69, was appointed as an executive director of the Company in May 2006. Mr. Au received a bachelor's degree in business administration from Chu Hai College in 1989 and has nearly 28-year experience in banking operations and financing. He is responsible for the general management and money lending business of the Group.

Mr. Wang Linbo, aged 45, was appointed as an executive director of the Company in October 2019. Mr. Wang obtained his Bachelor Degree of Economics and Management from Nanjing Institute of Politics (南京政治學院) in 2005. Prior to joining the Company, Mr. Wang served as the senior account manager of a financial services company for about four years and has been the sales director of technology companies. Mr. Wang has over 18 years of experience in sales and marketing, administration and business operation. He is responsible for the general management and business development of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tang Yiu Kay, aged 43, was appointed as an independent non-executive director, member of audit committee and member of remuneration and nomination committee of the Company in June 2021. Mr. Tang holds a master degree in financial services and society and a bachelor degree in financial management and accounting. Mr. Tang is currently a practicing member of Hong Kong Institute of Certified Public Accountants and has over 16 years of solid experiences in tax issues, internal control, auditing, financial accounting and business management. Mr. Tang is currently a director of Good Chance CPA Limited and he is primarily responsible for providing consultancy services on tax and audit issues to clients in Hong Kong. Mr. Tang also has professional expertise and extensive experience in financial management and accounting in listed companies in Hong Kong. Mr. Tang is currently an independent non-executive director of Ocean Star Technology Group Limited (formerly known as "My Heart Bodibra Group Limited") (stock code: 8297) which is listed on the GEM Board of the Stock Exchange.

Ms. Cao Jie Min, aged 40, was appointed as an independent non-executive director, member of audit committee and member of remuneration and nomination committee of the Company in May 2009. Ms. Cao holds a bachelor of laws degree in international economy from the Shanghai Institute of Foreign Trade. Ms. Cao currently holds a practicing certificate issued by the Ministry of Justice of the PRC. She is currently working in the legal & compliance department of Ford Automotive Finance (China) Limited.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Liang Kuo-Chieh, aged 47, was appointed as an independent non-executive director and member of audit committee of the Company in July 2017. Mr. Liang holds a master of science degree in transport and sustainability from Imperial College London and University College London and a bachelor of engineering degree in mechatronics from King's College London, University of London. Mr. Liang is currently working as an enterprise and training manager of Bootstrap Company and is also a board member and social enterprise consultant of Greenwich Social Enterprise Partnership. Mr. Liang has extensive experience in fund raising and financial consulting.

SENIOR MANAGEMENT

Mr. Zhou Hong Tao, aged 47, was appointed as the director of Triple Glory Holdings Limited in August 2011, a wholly owned subsidiary of the Company and is carrying the business of money lending services. Mr. Zhou obtained a bachelor's degree in Engineering from the Dalian University of Technology and a master degree in Business Administration from the Beijing Jiaotong University. He also obtained the IFM certificate from U.S.A. in 2005 and has over ten years of experience in management and merger and acquisition of resource related projects. Prior to joining the Company, Mr. Zhou served (i) at the office of Yanshan District Committee, Beijing City as deputy general manager; and (ii) at PKU Resource Group as director of the project operation centre.

REPORT OF THE DIRECTORS

The Directors of the Company herein present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 18 to the financial statements.

BUSINESS REVIEW

The business review of the Group's performance during the year required under Schedule 5 to the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including financial key performance and the likely future development in the business of the Group is set out in the "Letter from the Board" on pages 3 to 10 of this annual report. Description of the principal risks and uncertainties facing the Company can be found throughout this annual report particularly in note 4 to the financial statements. This discussion forms part of this "Report of the Directors".

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income on pages 36 and 37 of this annual report.

The Directors do not recommend payment of any dividends in respect of the year ended 31 March 2025.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 135 of this annual report. This summary does not form part of the audited financial statements.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

For the year ended 31 March 2025, as far as the Board is aware, there was no material breach of the laws or regulations that have a significant impact on the Company's business and operation by the Company.

REPORT OF THE DIRECTORS

ENVIRONMENTAL PROTECTION POLICY

The Group is committed to build up an environmental-friendly working environment. The Group encourage environmental protection and promote awareness towards environmental protection to the employees. During the year, the Group has implemented various measure to reduce electricity consumption and wastage, including keeping office temperature at reasonable level, switching off idle lightings and electrical appliance, promoting using recycled paper and double-sided printing. The Group will continue to make endeavors in lowering resources consumption and seek to minimize the negative impact of the Group's operations on the environment.

For further details on our environmental protection policies and performance, please refer to the Group's "Environment, Social and Governance Report", which was be published on the websites of the Stock Exchange and the Company on 31 July 2025.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Group during the year are set out in notes 15 and 17 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 28 and 29 to the financial statements.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company during the year ended 31 March 2025.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2025.

REPORT OF THE DIRECTORS

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 30 to the financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

At 31 March 2025, the aggregate amount of reserves available for distribution to owners of the Company was approximately HK\$409,857,000 (2024: equivalent to approximately HK\$453,401,000) subject to the restriction on the share premium account as stated above.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, turnover for the continuing operations attributable to the Group's five largest customers accounted for approximately 20.13% of the total turnover for the year and turnover attributable to the largest customer included therein amounted to approximately 4.41%. Purchases for the continuing operations from the Group's five largest suppliers accounted for 27% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 9.67%.

None of the Directors of the Company or any of their associates or any Shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers.

DIRECTORS

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

EXECUTIVE DIRECTORS:

Han Wei (*Chairman*)
Au Tat On
Wang Linbo

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Tang Yiu Kay
Cao Jie Min
Liang Kuo-Chieh

REPORT OF THE DIRECTORS

The Directors have no financial, business, family or other material relationships with each other.

According to Bye-law, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting. A retiring director shall be eligible for re-election. Mr. Wang Linbo and Ms. Cao Jie Min shall retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

There were no service contracts entered into between the Company and the Directors. The Directors will be subject to the general requirement of retirement by rotation and re-election at the annual general meeting of the Company under the Bye-laws.

The Company has received the annual written confirmation from each of the independent non-executive Directors of their independence to the Company. The Company considers that all of the independent non-executive Directors are independent in accordance with the guidelines set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 11 and 12 of the annual report.

DIRECTORS' REMUNERATION

The Directors' fees are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Company's remuneration and nomination committee with reference to the Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 March 2025, none of the Directors or their associates (if any, as defined under the Listing Rules) was interested in any business which competes or is likely to compete with the businesses of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

Save as disclosed in note 32 to the financial statements, none of Directors of the Company or their connected entities had a material interest, whether directly or indirectly, in any 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 at any time during the year ended 31 March 2025.

DIRECTORS' INTEREST AND SHORT POSITIONS IN SHARES

As at 31 March 2025, no Directors has registered an interest or short position in the share capital (the "Shares") of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules:

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-Laws of the Company, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all losses, damages and expenses which he/she may incur or sustain by reason of any act done about the execution of duties of his/her office or otherwise in relation thereto.

There is appropriate directors' and officers' liabilities insurance coverage for the Directors and officers of the Group.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 31 March 2025, so far as known to the Directors, there was no person who had an interest or short position in the shares of the Company and underlying shares which would require disclosure to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, beneficially interested in 5% or more of the issued share capital of the Company.

CONNECTED TRANSACTIONS

During the year under review, the Company did not enter into any non-exempted connected transaction within the meaning of the Listing Rules.

Significant related party transactions entered into by the Group during the year ended 31 March 2025, which do not constitute connected transactions under the Listing Rules, are disclosed in note 32 to the financial statements.

NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Group had no material event after reporting period.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of directors, the Company maintained a sufficient public float throughout the year ended 31 March 2025.

AUDITOR

Jon Gepsom CPA Limited acted as auditor of the Company and audited the Group's consolidated financial statements for the financial year ended 31 March 2025. A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Jon Gepsom CPA Limited as auditor of the Company. There is no change of auditor in preceding three years.

ON BEHALF OF THE BOARD

Han Wei
Chairman

Hong Kong, 30 June 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICE

In view of the corporate governance practices, the Company has adopted a set of clear guidelines to explain its policies, practices and procedures which aim at meeting our Shareholders' expectations. The Company has committed to maintain a high standard of corporate governance based on the principles of the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company recognizes the maintenance of good corporate governance practices is essential to the growth of the Company. In the opinion of the Directors, the Company had complied with the CG Code throughout the year ended 31 March 2025 except for the code provisions A.2.1 and E.1.2. Details of the deviation are set out in the relevant section below.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of the directors, all directors confirmed that they had complied with the required standards as set out in the Model Code throughout the year ended 31 March 2025.

BOARD OF DIRECTORS

The Board comprises six directors, including three executive Directors and three independent non-executive directors. Details of the board composition are set out in the Report of Directors on page 13.

The Board formulates overall strategies and policies of the Group. It also ensures the availability of adequate capital and managerial resources to implement the strategies adopted, the adequacy of systems of financial and internal controls and the conduct of business in conformity with applicable laws and regulations. Decisions requiring the board's approval include, among others, all matters of objective and strategic importance, corporate governance practices, changes in board members, major transactions and investment commitments, annual budget, all policy matters etc. The day-to-day management, administration and operation of the Company are delegated to senior management which is accountable to the Board for the implementation of the Group's overall strategies and coordination of overall business operations.

The Company also recognized and embraced the benefits of having a diverse board to the quality of its performance. The Board will take into account a number of measurable objectives to achieve its diversity, including but not limited to gender, age, cultural and educational background, or professional experience. Such objectives will be reviewed from time to time to ensure their appropriateness in determining the optimum composition of the Board.

CORPORATE GOVERNANCE REPORT

The Board members are fully committed to their roles and have always acted, individually and collectively, in the best interests of the Company and its shareholders at all times. To the best knowledge of the Company, there is no financial, business, family or other relevant relationship amongst directors. Biographical details of the directors are set out on pages 11 and 12 under the section headed “Biographical Details of Directors and Senior Management” of this annual report.

The number of full board meetings and general meetings held during the year ended 31 March 2025 and the directors’ respective attendance record are summarised as follows:

	Number of general meeting Attended/Held	Number of Board meeting Attended/Held
Executive Directors		
Han Wei	0/1	12/12
Au Tat On	1/1	12/12
Wang Linbo	0/1	12/12
Independent Non-executive Directors		
Cao Jie Min	0/1	12/12
Liang Kuo-chieh	0/1	12/12
Tang Yiu Kay	1/1	12/12

* By reference to the number of meetings held during the director’s tenure

The code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. The chairman was unable to attend the Company’s annual general meeting held on 27 August 2024 due to his other work commitments.

The Board will continue to improve its corporate governance practices appropriate to the conduct and development of its business and to review such practices from time to time to ensure that they are in line with the latest developments and statutory standards.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Han Wei, the chairman of the Company, also acted as chief executive officer of the Company during the year under review, deviating from the requirement of the code provision A.2.1. The Board considered that this structure was conducive with strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently.

The chairman of the Company takes the lead in formulating overall strategies and policies of the Group which include compliance with good corporate governance practices and to facilitate active contribution of directors in board activities. He also ensures that all Directors are properly briefed on issues arising at board meetings and have received adequate, complete and reliable information in a timely manner with the assistance of the company secretary.

EXECUTIVE DIRECTORS

The executive Directors are responsible for management of the Group and executing the strategies adopted by the Board. They lead the Group's management team in accordance with the directions set by the Board and are responsible for ensuring that proper internal control system is in place and the Group's business conforms to applicable laws and regulations.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. Their participations provide adequate checks and balances to safeguard the interests of the Group and its shareholders. The Board consists of three independent non-executive directors and one of them has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each of the independent non-executive directors a confirmation of independence for the year pursuant to the Listing Rules. On this basis, the Company considers all such directors to be independent.

CONTINUING PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

During the year, all Directors were provided with regular updates on corporate governance and regulatory requirements under which the Group conducts its business. Directors are encouraged to attend relevant training courses at the Company's expenses. All directors confirmed that they have participated in continuous professional development by attending seminars or studying relevant materials on the topics related to corporate governance and regulations.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTIONS AND BOARD COMMITTEES

In view of the corporate governance practices, the Company has adopted a set of clear guidelines to explain its policies, practices and procedures which aim at meeting our shareholders' expectations. The Company has committed to maintain a high standard of corporate governance based on the principles of the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company recognizes the maintenance of good corporate governance practices is essential to the growth of the Company. In the opinion of the Directors, the Company had complied with the CG Code throughout the year ended 31 March 2025 except for the code provisions A.2.1 and E.1.2. Details of the deviation are set out in the relevant section below.

AUDIT COMMITTEE

The Company has established an audit committee ("Audit Committee") which currently comprises three independent non-executive directors. The duties of the Audit Committee include the following:

- To act as the key representative body for overseeing the Company's relations with the external auditor, and to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to consider any questions of its resignation or dismissal.
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences.
- To develop and implement policy on engaging an external auditor to supply non-audit services.
- To monitor integrity of the Company's financial statements and annual report and accounts, half-year report and to review significant financial reporting judgments contained therein.
- To review the Company's financial controls, internal control and risk management systems.
- To discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system.
- To consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings.
- To review the Group's financial and accounting policies and practices.
- To review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response.

CORPORATE GOVERNANCE REPORT

- To ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter.
- To consider other topics, as defined by the Board.
- To review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters, and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.
- To perform the duties as set out in Code Provision C.3.3 of the CG Code.

During the year ended 31 March 2025, the Audit Committee held 2 meetings, details of attendance are set out below:–

Members	Number of meetings Attendance/Held
Tang Yiu Kay (<i>Chairman</i>)	2/2
Cao Jie Min	2/2
Liang Kuo-chieh	2/2

* By reference to the number of meetings held during the director's tenure

The Audit Committee during the year in conjunction with the auditor has reviewed the internal controls, interim and annual results of the Group and its other duties (if relevant) in the CG Code.

The Board has not taken any different view from that of the Audit Committee regarding selection, appointment, resignation or dismissal of external auditor.

REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

The remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee") of the Company have been established by the Board. Both committees currently comprise three independent non-executive directors. The duties of the Remuneration Committee include the following:

- To make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.
- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- To review and determine the remuneration packages of the directors with reference to their duties and responsibilities with the Company.

CORPORATE GOVERNANCE REPORT

- To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.
- To review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive.
- To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.
- To ensure that no director or any of his/her associates is involved in deciding his/her own remuneration.

The duties of the Nomination Committee include the following:

- To review the structure, size and composition (including the 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.
- To identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.
- To assess the independence of independent non-executive Directors.
- To make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors, in particular the chairman of the board and the chief executive officer.

In addition, the Nomination Committee as a whole is responsible for reviewing the board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors. Where vacancies exist, the Nomination Committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations.

For the avoidance of doubt, the Directors and their associates do not participate in decisions making relating to their own remuneration.

During the year ended 31 March 2025, the Remuneration Committee and Nomination Committee held 1 meeting, details of attendance are set out below:-

Members	Nomination Committee	Remuneration Committee
	Number of meetings Attendance/Held	Number of meetings Attendance/Held
Cao Jie Min	1/1	1/1
Au Tat On	1/1	1/1
Tang Yiu Kay	1/1	1/1

* By reference to the number of meetings held during the director's tenure

CORPORATE GOVERNANCE REPORT

INVESTMENT COMMITTEE

The investment committee (the “Investment Committee”) of the company has been established by the Board. This Committee currently comprise one executive director and two independent non-executive directors. The duties of the Investment Committee include the following:

- I. To review, evaluate and approve any investment project or financial investment activities other than very substantial transactions and connected transactions as defined by the Hong Kong Listing Rules (“Investments”);
- II. analyses, consider, and determine whether any proposed investment project is in the best interests of the Company and its shareholders as a whole;
- III. review the Company’s investing capital and financing strategy from time to time;
- IV. monitor significant transactions and/or investment plans which might cause significant impact to the Company’s treasury position;
- V. review, evaluate, and approve any reports in relation to the Company’s investment or treasury position;
- VI. To supervise the implementation of investment project which is duly approved by the Board;
- VII. To assess and determine whether the Investment is in the interests of the Company and the shareholders of the Company as a whole;
- VIII. To report to the Board on its activities, investment portfolio and any investment projects under review following each Committee meeting;
- IX. To carry out other duties as may be determined from time to time by the Board;

During the year ended 31 March 2025, the Investment Committee held 12 meetings, details of the attendance are set out below:-

Members	Number of meetings Attendance/Held
Han Wei	12/12
Au Tat On	12/12
Wang LinBo	12/12

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing all information and representations contained in the financial statements of the Group for the year. The Directors consider that the financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and management with an appropriate consideration to materiality. The Directors, having made appropriate enquiries, are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The statement of the auditor of the Company regarding their responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 29 to 35 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board places great importance on risk management and internal control and has ultimate responsibilities for overseeing management in the design, implementation and monitoring of the risk management and internal control system of the Group on an ongoing basis. The Board is also committed to review the adequacy and effectiveness of the Group's risk management and internal control systems.

The Group has been maintaining the risk management and internal control systems with aims to manage rather than eliminate the risk of failure to achieve business objectives, and provide reasonable and not absolute assurance against material misstatements or losses caused by judgment in decision making process, human error, fraud or other irregularities.

In order to comply with the applicable code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules, the Board has retained APEC RISK MANAGEMENT LIMITED, an independent professional firm as the outsourced internal auditor with a view to facilitating adequacy of resources and quality of review to satisfy the Group's internal audit function as required by the Listing Rules and to assist the Board to perform annual review on the effectiveness of the Group's risk management and internal control systems for the year ended 31 March 2025.

During the year ended 31 March 2025, the Group has reviewed an internal audit charter which defined the scope and the duties and responsibilities of the internal audit function and its reporting protocol. The Group has conducted an annual risk assessment which identified respective strategic risks, operational risks, financial risks and compliance risks for each of the major business segment of the Group. Risk factors were analyzed and consolidated at the Group level. Based on the risk assessment results following a risk based methodology audit approach, a three-years' audit plan was updated which prioritized the risks identified into annual audit projects. Annual review was performed according to the audit plan with a view to assisting the Board and the Audit Committee to evaluate the effectiveness of the Group's risk management and internal control systems. The review also covered material controls, including financial, operational and compliance controls at entity and operational levels. The Group has taken further steps to enhance its risk management and internal control systems according to some weaknesses, which were found during risk assessment and examination of the internal control, and strengthen the implementation of all the risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

The Group has been maintaining procedures in handling and dissemination of inside information in an accurate and secure manner and to avoid possible mishandling of inside information within the Group.

Based on the risk management and internal control systems established and maintained by the Group, the work performed by the external auditor, the internal auditor, and reviews performed by the management, respective Board committees and the Board, the Audit Committee and the Board are of the view that the Group has maintained sound, effective and adequate risk management and internal control system during the year ended 31 March 2025.

AUDITOR'S REMUNERATION

An analysis of the auditor's remuneration is set out as follows:

Services rendered	For the year ended 31 March 2025 Approximately HK\$'000	For the year ended 31 March 2024 Approximately HK\$'000 (Restated)
Audit services paid/payable to the existing auditor	942	942
Non-audit services paid/payable to the existing auditor	198	150
Total:	1,140	1,092

SHAREHOLDERS' RIGHTS

Pursuant to Article 58 of the Bye-laws and the Companies Act 1981 of Bermuda (the "Companies Act"), the Board may whenever it thinks fit call special general meetings, and shareholders holding at the date of deposit of the requisition 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 at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board and such meeting shall be held within two (2) months after the deposit of such requisition. The requisition must state the purposes of the meeting and the matter referred to in any proposed resolution or the business to be dealt with at that meeting, and must be signed by the requisitionists and deposited at the registered office of the Company. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act.

Shareholders may send written enquiries to the Company, for the attention of the Board or the secretary of the Company, by post to Room 4303, 43/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong. Shareholders may also direct their questions about their shareholdings to Tricor Investor Services Limited, the Company's Hong Kong share registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS

The Company endeavours to develop and maintain continuing relationships and effective communications with its shareholders and investors. To facilitate and enhance the relationships and communication, the Company has established, including but not limited to, the following various channels:

- annual general meeting provides a forum for shareholders of the Company to raise comments and exchange views with the Board. The chairman and the Directors are available at annual general meetings to address Shareholders' queries;
- separate resolutions are proposed at general meetings on each substantially separate issue and procedures for demanding a poll in general meetings are included in circulars to the shareholders to facilitate the enforcement of shareholders' rights;
- interim and annual results are announced as early as possible so that the Shareholders are kept informed of the Group's performance and operations; and
- corporate website of www.736.com.hk contains extensive information and updates on the Company's business developments and operations, financial information and other information.

CONSTITUTIONAL DOCUMENTS

A copy of the latest version of the Company's constitutional documents including the memorandum of association of the Company and the Bye-laws were posted on the websites of the Company and the Stock Exchange respectively.

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

INDEPENDENT AUDITOR'S REPORT



Jon Gepsom CPA Limited

1003-1005, 10/F., Siu On Centre
188 Lockhart Road, Wan Chai, Hong Kong

中職信

(香港)會計師事務所有限公司
香港灣仔駱克道 188 號
兆安中心 10 樓 1003-1005 室

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Properties Investment Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 36 to 134, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies 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 issued by the Hong Kong Institute of Certified Public Accountants (the "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.

INDEPENDENT AUDITOR'S REPORT

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. The key audit matters we identified are:

1. Allowance of expected credit losses on loan receivables; and
2. Valuation of investment properties.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter

Allowance of expected credit losses on loan receivables

Refer to notes 2(h), 4(i), 5(a)(i) and 21 to the consolidated financial statements.

We identified the allowance of expected credit losses on loan receivables as a key audit matter due to the significant management judgement involved in identification and measurement of loss allowance for expected credit losses.

The Group had loan receivables totalling approximately HK\$405,364,000 as at 31 March 2025, net of accumulated allowance of expected credit losses of approximately HK\$279,068,000 recognised as at 31 March 2025.

Under the expected credit losses ("ECLs") approach, management assesses the ultimate recovery of loan receivables, by considering various factors, including the ageing of the receivables balances, borrower's current creditworthiness, the past collection history and the realisable value of collaterals from borrowers and their guarantors.

How the matter was addressed in the audit

Our procedures in relation to allowance of expected credit losses on loan receivables included:

- Understanding through enquiry with the management the established policies and procedures on credit risk management of the Group, assessing and evaluating the design of controls with respect to identification of impaired loan receivables;
- In respect of loan receivables, examining, on a sample basis, loan agreements for the legal enforceable right to dispose the securities collateral if any, for settlement of borrowers' obligations;
- On a sample basis, evaluating management's judgement over the recoverability and creditworthiness of the borrowers and assessing whether the ECLs made by management were adequate and appropriate against the available information, such as the recoverable amount of collaterals, past collection history of borrowers, the Group's actual loss experience and subsequent repayment of monies or additional collateral received from clients or their guarantors;
- assessing the appropriateness of management's estimate of loss allowance by evaluating management's assessment of whether the credit risk of loan receivables has increased significantly since initial recognition;
- Assessing the appropriateness of the management's judgement in determining the significant increase in the credit risk;
- Assessing the reasonableness of the Group's ECL models by examining the model input used by the management to form judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information including economic variables and assumptions used in each of the economic scenarios and their probability weightings and assessing whether there is an indication of management bias when recognising loss allowances;
- Recalculating the amount of the ECL on loan receivables and assessing the appropriateness and adequacy of the ECL at the end of the reporting period; and
- Reviewing the appropriateness of disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter

Valuation of investment properties

Refer to notes 2(g), 5(a)(ii) and 17 to the consolidated financial statements.

The Group's investment properties including owned and leased properties) amounting to approximately HK\$165,980,000 were carried at fair value as at 31 March 2025.

The fair values of the Group's investment properties were measured using an income capitalisation approach based on valuations carried out by an independent valuer or management of the Company.

The inherent risk in relation to the valuation of investment properties is considered significant as the valuations are dependent on certain key assumptions and inputs, including rental growth rate, market yield and estimated rental value per square meter, that require significant judgement and estimation which were subjective. Therefore, we identified the valuation of investment properties as a key audit matter.

How the matter was addressed in the audit

Our procedures in relation to valuation of investment properties included:

- Assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors including subjectivity;
- Understanding and evaluating key internal controls over the Group's valuation of investment properties;
- Evaluating the outcome of prior period valuation of investment properties to assess the effectiveness of management's estimation process;
- Evaluating the competence, capabilities, independence and objectivity of the independent valuer and management and obtaining an understanding of the independent valuer's scope of work and their terms of engagement;
- Evaluating the appropriateness and consistency of the management and independent valuer's valuation approaches to assess if they meet the requirements of HKFRS Accounting Standards and industry norms with the assistance of our valuation specialists;
- Challenging the reasonableness of the key estimates and assumptions adopted based on available market data and our knowledge of the property industry in the PRC with the assistance of our valuation specialists; and
- Obtaining the detailed work of the management and independent valuer on investment properties to evaluate the accuracy and relevance of key data inputs underpinning the valuations on a sample basis.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors 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 AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, 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 HKSA's 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 HKSA's, 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.
- 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 consolidated 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.

INDEPENDENT AUDITOR'S REPORT

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

Jon Gepsom CPA Limited

Certified Public Accountants

Wong Ka Bo, Jimmy

Audit Engagement Director

Practising Certificate Number P07560

10/F, Siu On Centre, 188 Lockhart Road, Wan Chai
Hong Kong, 15 July 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	7	53,527	66,393
Fair value changes on investment properties	17	(9,135)	(7,868)
Loss on deemed disposal of investment property upon termination of lease	17	–	(57,054)
Unrealised (loss)/gain on trading securities	19	4,436	(22,544)
Allowance of expected credit loss on loan and interest receivables from money lending business, trade receivables and other receivables, net	9(c)	(93,411)	(38,027)
Other income	8(a)	73	534
Other gains and losses, net	8(b)	2,564	(39,068)
Administrative expenses		(15,384)	(25,652)
Loss from operations		(57,330)	(123,286)
Finance costs	9(a)	(7,314)	(7,529)
Loss before taxation	9	(64,644)	(130,815)
Income tax	12	(1,069)	–
Loss for the year		(65,713)	(130,815)
Attributable to:			
Owners of the Company		(65,713)	(130,815)
LOSS PER SHARE	14		
Basic (HK Cents)		(24.6)	(49.0)
Diluted (HK Cents)		(24.6)	(49.0)

The notes on pages 43 to 134 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(65,713)	(130,815)
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of:		
– financial statements of group entities	(4,727)	(13,219)
Total comprehensive income for the year	(70,440)	(144,034)
Attributable to:		
Owners of the Company	(70,440)	(144,034)

The notes on pages 43 to 134 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, Plant and equipment	15	1,849	1,954
Right-of-use assets	16	65	2,389
Investment properties	17	165,980	177,063
Loan receivables	21	357,481	108,527
		525,375	289,933
Current assets			
Trade and other receivables	20	22,047	73,227
Loan receivables	21	47,883	326,926
Financial assets at fair value through profit or loss	19	26,636	23,206
Cash and bank balances	22(a)	2,257	651
		98,823	424,010
Current liabilities			
Other payables	23	54,431	92,276
Other borrowings	24(b)	12,291	9,520
Interest-bearing borrowings	24(a)	5,250	4,227
Lease liabilities	25	1,368	3,841
Unconvertible bonds	26	–	420
Tax payable		9,295	8,234
		82,635	118,518
Net current assets		16,188	305,492
Total assets less current liabilities		541,563	595,425
Non-current liabilities			
Interest-bearing borrowings	24(a)	92,295	74,245
Deferred tax liabilities	27	–	–
Lease liabilities	25	7,647	9,119
		99,942	83,364
NET ASSETS		441,621	512,061

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	28	106,867	106,867
Reserves	30	334,754	405,194
TOTAL EQUITY		441,621	512,061

Approved and authorised for issue by the board of directors on 30 June 2025.

On behalf of the board

Han Wei
Director

Au Tat On
Director

The notes on pages 43 to 134 form part of these financial statements.

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	Special reserve HK\$'000	Contributed surplus HK\$'000	Equity settled share-based compensation reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 April 2023	106,867	2,093,405	(11,153)	136,012	–	(7,652)	(1,661,384)	656,095
Changes in equity for 2023/2024:								
Loss for the year	–	–	–	–	–	–	(130,815)	(130,815)
Other comprehensive expense:								
Exchange differences arising on translation of:								
– financial statements of group entities	–	–	–	–	–	(13,219)	–	(13,219)
Total comprehensive expense for the year	–	–	–	–	–	(13,219)	(130,815)	(144,034)
Balance at 31 March 2024	106,867	2,093,405	(11,153)	136,012	–	(20,871)	(1,792,199)	512,061
Balance at 1 April 2024	106,867	2,093,405	(11,153)	136,012	–	(20,871)	(1,792,199)	512,061
Changes in equity for 2024/2025:								
Loss for the year	–	–	–	–	–	–	(65,713)	(65,713)
Other comprehensive expense:								
Exchange differences arising on translation of:								
– financial statements of group entities	–	–	–	–	–	(4,727)	–	(4,727)
Total comprehensive expense for the year	–	–	–	–	–	(4,727)	(65,713)	(70,440)
Balance at 31 March 2025	106,867	2,093,405	(11,153)	136,012	–	(25,598)	(1,857,912)	441,621

The notes on pages 43 to 134 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Operating activities			
Loss before taxation from continuing operations		(64,644)	(130,815)
Adjustments for:			
Finance costs	9(a)	7,314	7,529
Interest income	8(a)	–	(1)
Depreciation on property, plant and equipment	9(c)	65	196
Depreciation on right-of-use assets	9(c)	2,319	2,379
Valuation loss on investment properties	17	9,135	7,868
Loss on deemed disposal of investment property upon termination of lease		–	57,054
Unrealised (gain)/loss on trading securities	19	(4,436)	22,544
Allowance of expected credit loss on loan and interest receivables from money lending business, net	9(c)	93,411	38,027
Loss on disposal of property, plant and equipment		23	–
Changes in working capital		43,187	4,781
Decrease/(increase) in trade and other receivables		25,657	(10,422)
(Increase)/decrease in loan receivables		(40,370)	1,823
Decrease in trading securities		1,006	1,342
(Decrease)/increase in trade and other payables		(37,229)	16,582
Cash (used in)/generated from operations		(7,749)	14,106
Hong Kong Profits Tax paid		–	(29)
Net cash (used in)/generated from operating activities		(7,749)	14,077

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
Investing activity			
Interest received on bank deposits		–	1
Net cash generated from investing activity		–	1
Financing activities			
Proceeds from new other borrowings		2,771	7,700
Proceeds from new interest bearing borrowings		18,165	–
Repayment of bank borrowings		–	(8,267)
Repayment of unconvertible bond		(420)	(2,380)
Repayments of lease liabilities		(3,830)	(24,163)
Interest paid for other borrowings		(1,210)	(709)
Interest paid for interest-bearing bank borrowings		(5,520)	(5,988)
Interest paid for lease liabilities		(584)	(832)
Net cash generated from/(used in) financing activities		9,372	(34,639)
Net increase/(decrease) in cash and cash equivalents		1,623	(20,561)
Cash and cash equivalents at 1 April		651	971
Effect of foreign exchange rate changes		(17)	20,241
Cash and cash equivalents at 31 March		2,257	651
Analysis of the balances of cash and cash equivalents			
Cash and bank balances	22	2,257	651

The notes on pages 43 to 134 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. CORPORATE INFORMATION

China Properties Investment Holdings Limited (the “Company”) is an investment holding company. The principal activities of its subsidiaries are set out in note 18 to the consolidated financial statements.

The Company was incorporated and domiciled in Bermuda with limited liability under the Companies Act (1981) of Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Room 4303, 43/F., China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong.

2. MATERIAL ACCOUNTING POLICIES INFORMATION

a) STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standard, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRS Accounting Standards which are first effective or available for early adoption for current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

b) BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of measurement

The consolidated financial statements for the end of reporting period comprise the Company and its subsidiaries (together referred to as “Group”).

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that financial assets at fair value through profit or loss and investment properties are stated at their fair value as explained in the accounting policies set out in notes 2(d) and 2(f) below.

Items included in the consolidated financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is the functional currency of the Company and the Group’s presentation currency. All amounts are rounded to the nearest thousand except where otherwise indicated.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amount of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

b) BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Basis of measurement (Continued)

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.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 5.

c) SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, investments in subsidiaries is stated at cost less impairment losses (see note 2(h)).

d) OTHER INVESTMENTS IN EQUITY SECURITIES

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries, are as follows:

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVTPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 4(vi). These investments are subsequently accounted for as follows, depending on their classification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

d) OTHER INVESTMENTS IN EQUITY SECURITIES (Continued)

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at fair value through other comprehensive income ("FVOCI") (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(g)(ii).

e) PROPERTIES, PLANT AND EQUIPMENT

Property, plant and equipment, other than construction in progress, are stated in the consolidated statement of financial position at cost less accumulated depreciation and accumulated impairment losses (see note 2(j)).

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(h)):

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- items of property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment (see note 2(h)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Leasehold improvements	5 years or over the remaining term of the lease, if shorter
Furniture and equipment	5 years
Motor vehicles	4 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

e) PROPERTIES, PLANT AND EQUIPMENT (Continued)

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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss during the reporting period in which they are incurred.

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 property, plant and equipment are determined as the difference between the net proceeds on disposal and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

f) INVESTMENT PROPERTIES

Investment properties, including property under development, are land and/or buildings which are owned or held under a leasehold interest (see note 2(i)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(g)(i).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

g) LEASING

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

g) LEASING (CONTINUED)

As a lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property and inventory are presented within “investment properties”.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

g) LEASING (CONTINUED)

As a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

g) LEASING (CONTINUED)

As a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(i), then the Group classifies the sub-lease as an operating lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

h) CREDIT LOSSES AND IMPAIRMENT OF ASSETS

(i) *Credit losses from financial instruments*

The Group recognises a loss allowance for expected credit losses (“ECLs”) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, loan receivables and trade and other receivables);

Financial assets measured at fair value, including financial assets measured at FVTPL are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

h) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (Continued)

(i) Credit losses from financial instruments (Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are assessed individually based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

h) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (Continued)

(i) *Credit losses from financial instruments (Continued)*

Significant increases in credit risk (Continued)

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

h) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (Continued)

(i) Credit losses from financial instruments (Continued)

Basis of calculation of interest income

Interest income recognised in accordance with note 2(s)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

h) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (Continued)

(ii) *Impairment of non-financial assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

h) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (Continued)

(ii) *Impairment of non-financial assets (Continued)*

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) *Interim financial reporting and impairment*

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

i) LOAN RECEIVABLES

Loan receivables are carried at amortised cost using the effective interest method less allowance for credit loss (see note 2(h)(i)) except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such case, loan receivables are stated at cost less allowance for credit loss. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of reporting period. These are classified as non-current assets.

Interest income is recognised on an effective interest basis.

j) TRADE AND OTHER RECEIVABLES

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses (see note 2(h)(i)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

k) CONTRACT LIABILITIES

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2(g)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(j)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(g)(iii)).

l) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2(h)(i).

m) OTHER PAYABLES

Other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

n) INTEREST-BEARING BORROWINGS/UNCONVERTIBLE BONDS

Interest-bearing borrowings and unconvertible bonds are measured initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings and unconvertible bonds are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing cost (see note 2(s)).

o) OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

p) INCOME TAX

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amount of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

p) INCOME TAX (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the assets can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax assets can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

p) INCOME TAX (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

q) REVENUE AND OTHER INCOME

Income is classified by the Group as revenue when it arises from loan interest, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a service is transferred to the customer 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.

Further details of the Group's revenue and other income recognition policies are as follows:

i) *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 incentive 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

q) REVENUE AND OTHER INCOME (Continued)

ii) *Dividend income*

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

iii) *Interest income*

Interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

r) TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transactions date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

r) TRANSLATION OF FOREIGN CURRENCIES (Continued)

The results of foreign operations are translated into HK\$ at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into HK\$ at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange fluctuation reserve.

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

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

s) BORROWING COSTS

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 capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

t) DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, which comprises the post-tax profit or loss of the discontinued operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

u) RELATED PARTIES

- a) A person, or a close member of that person's family, is related to the Group if that person:
 - i) has control or joint control over the Group;
 - ii) has significant influence over the Group; or
 - iii) is a member of the key management personnel of the Group or the Group's parent.
- b) An entity is related to the Group if any of the following conditions applies:
 - i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - vi) The entity is controlled or jointly controlled by a person identified in (a).
 - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

v) EMPLOYEE BENEFITS

i) *Short-term employee benefits*

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.

ii) *Termination benefits*

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

w) SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the board of directors, which is the chief operating decision maker ("CODM") for the purposes of allocating resources to, and assessing the performance, the Group's various lines of business and geographical locations.

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.

x) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) NEW AND 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 HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 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 Noncurrent 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 new and 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 these consolidated financial statements.

(b) NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not applied any new and revised HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 April 2024. These new and revised HKFRS Accounting Standards include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial statements – Classification by the Borrower of a Term Loan at Contains a Repayment on Demand Clause	1 January 2027

Except as described below, the application of the new and amendments to HKFRS Accounting Standards has had no material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other HKFRS Accounting Standards

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements ("HKAS 1"). It carries forward many requirements from HKAS 1 unchanged. HKFRS 18 brings major changes to the statement of profit or loss and notes to the financial statements as follows:

- (a) HKFRS 18 requires an entity:
 - (i) to classify income and expenses into operating, investing and financing categories in the statement of profit or loss, plus income taxes and discontinued operations;
 - (ii) to present two new defined subtotals, namely, operating profit or loss and profit or loss before financing and income taxes.
- (b) It requires an entity to disclose management-defined performance measures ("MPM") and reconciliations between MPM and subtotals listed in HKFRS 18 or totals or subtotals required by HKFRS Accounting Standards.
- (c) It sets out requirements to help an entity determine whether information about items should be in the primary financial statements or in the notes and provides principles for determining the level of detail needed for the information.

HKFRS 18 also set out classification requirements for foreign exchange differences, the gain or loss on the net monetary position, and gains and losses on derivatives and designated hedging instruments.

In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 Basis of Preparation of Financial Statements and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18 and consequential amendments to other HKFRS Accounting Standards are effective for annual reporting 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 consolidated statement of profit or loss and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact on the consolidated financial statements.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's major financial instruments include trade and other receivables, loans receivables, other loan and interest receivables, financial assets at fair value through profit or loss, cash and cash equivalents, other borrowings, interest-bearing bank borrowings, other payables and unconvertible bonds.

Details of these financial instruments are disclosed in respective notes. The Group has exposure to the credit risk, liquidity risk, currency risk, interest rate risk and equity price risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

i) CREDIT RISK AND IMPAIRMENT ASSESSMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, loan receivables, other receivables and bank balances.

- a) As at 31 March 2025 and 2024, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any loss allowance.
- b) The Group limits its exposure to credit risk by placing deposits with financial institutions that meet the established credit rating or other criteria. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.
- c) The other loan and interest receivable with gross carrying amount of HK\$Nil (2024: HK\$Nil) was credit impaired as the management of the Company considered that there was evidence indicating the amount cannot be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

i) CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

- d) In respect of trade receivables arising from rental income from investment properties, in order to minimise the credit risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its tenants' financial position and condition are performed on each and every major tenant periodically. These evaluations focus on the tenant's past history of making payments when due and current ability to pay, and take into account information specific to the tenant as well as pertaining to the economic environment in which the tenant operates. The Group has net trade receivables of HK\$8,227,000 (2024: HK\$29,875,000) from the tenants. The Group has net received rental deposits amounting to HK\$4,960,000 (2024: HK\$4,960,000) from the tenants as collateral. Rents are usually due upon presentation of billing.

In respect of loan receivables from clients, the objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem. The Group manages and analyses the credit risk for each of their new and existing clients before standard payment terms and conditions are offered by assessing the credit quality of the customer, taking into account its financial position, past experience and other factors. The Group holds collateral against loan receivables in the form of private equities and properties located in Hong Kong held by individual customers. Loan receivables balances are monitored on an ongoing basis, management reviews the recoverable amount of loan receivables at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced. Interest income are usually billed on quarterly basis.

The Group had other receivable amounting to HK\$6,541,000 (2024: HK\$11,164,000) as at year ended 31 March 2025. In order to reduce the credit risk, the management of the Company has assessed the credit quality of each debtor taking into account its financial position and other factors. For the years ended 31 March 2025 and 2024, based on the assessment, the management considered that the expected credit losses of this debtor was minimal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

i) CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

- e) The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor, tenant and margin client. The default risk of the industry in which debtors, tenants or margin client operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group had concentration of credit risk as for 30% (2024: 30%) of the loan receivables, and 100% (2024: 100%) of rental receivables were due from the Group's five largest debtors, and the three (2024: three) largest tenants respectively.
- f) The Group's internal credit risk grading assessment comprises the following categories:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

i) CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and other item which are subject to ECL assessment:

	Notes	12-month or lifetime ECL	2025 Gross carrying amount HK\$'000	2024 Gross carrying amount HK\$'000
Financial assets at amortised cost:				
Trade receivables	20	Lifetime ECL (not credit-impaired and assessed individually)	8,227	29,875
		Credit-impaired	11,227	543
Interest receivables – money lending	20	12-month ECL (not credit-impaired and provision matrix)	–	–
		Lifetime ECL (not credit-impaired and provision matrix)	150	1,452
		Credit-impaired	–	1,315
Other receivables	20	12-month ECL (not credit-impaired and assessed individually)	6,541	11,164
Loan receivables	21	12-month ECL (not credit-impaired and assessed individually)	–	–
		Lifetime ECL (not credit-impaired and assessed individually)	679,432	641,238
		Credit-impaired	5,000	5,000
Cash and bank balances	22	12-month ECL (not credit-impaired and assessed individually)	2,257	651

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

i) CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables, and other loan and interest receivables. For details of the movement in ECL of interest receivables from money lending business and loan receivables, please refer to note 4(i)(h) and note 4(i)(i), respectively.

	Trade receivables Lifetime ECL (credit-impaired) HK\$'000 (note)	Other loan and interest receivables Lifetime ECL (credit-impaired) HK\$'000	Total HK\$'000
At 1 April 2023	11,597	45,138	56,735
Reversals	(11,074)	(45,138)	(56,212)
Exchange adjustments	20	–	20
At 31 March 2024 and 1 April 2024	543	–	543
Additions	10,684	–	10,684
Exchange adjustments	–	–	–
At 31 March 2025	11,227	–	11,227

Note:

For trade receivables, the Group has applied the provision matrix to measure the loss allowance at lifetime ECL. The Group determines the ECL for trade receivables with reference to past default experience for recurring customers and current past due exposure for new customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

i) CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

g) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	2025 HK\$'000	2024 HK\$'000
Neither past due nor impaired	—	—
Past due but not impaired		
– Less than 3 months past due	—	—
– 3 to 6 months past due	—	—
– Over 6 months past due	8,227	29,875
	8,227	29,875

Receivables that were neither past due nor impaired related to a number of customers for whom there was no recent history of default.

Receivables that were past due but not impaired mainly relate to customers and tenants that have a good track record with the Group. For the year ended 31 March 2025, based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group hold rental deposits of HK\$4,960,000 (2024: HK\$4,960,000) as collateral over the balances related to rent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

i) CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

h) Interest receivables from money lending business that are not impaired

As at 31 March 2025 and 2024, an analysis of the gross amount of interest receivable from money lending business is as follows:

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
Stage 1	–	–	–	–
Stage 2	–	150	–	150
Stage 3	–	–	–	–
Gross amount as at 31 March 2025	–	150	–	150

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
Stage 1	–	–	–	–
Stage 2	–	1,452	–	1,452
Stage 3	–	–	1,315	1,315
Gross amount as at 31 March 2024	–	1,452	1,315	2,767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

i) CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

h) *Interest receivables from money lending business that are not impaired (Continued)*

Movement in the allowance for interest receivable from money lending business

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
At 31 March 2024	–	–	1,315	1,315
Decrease during the year, net	–	–	(1,315)	(1,315)
At 31 March 2025	–	–	–	–

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
At 31 March 2023	–	–	1,315	1,315
Decrease during the year, net	–	–	–	–
Exchange adjustments	–	–	–	–
At 31 March 2024	–	–	1,315	1,315

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

i) CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

i) *Loan receivables that are not impaired*

As at 31 March 2025 and 2024, an analysis of the gross amount of loans receivables is as follows:

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
Stage 1	–	–	–	–
Stage 2	–	679,432	–	679,432
Stage 3	–	–	5,000	5,000
<u>Gross amount as at 31 March 2025</u>	<u>–</u>	<u>679,432</u>	<u>5,000</u>	<u>684,432</u>

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
Stage 1	–	–	–	–
Stage 2	–	641,238	–	641,238
Stage 3	–	–	5,000	5,000
<u>Gross amount as at 31 March 2024</u>	<u>–</u>	<u>641,238</u>	<u>5,000</u>	<u>646,238</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

i) CREDIT RISK AND IMPAIRMENT ASSESSMENT (Continued)

i) *Loan receivables that are not impaired (Continued)*

Movement in the allowance for loan receivables

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
At 1 April 2024	–	205,785	5,000	210,785
Increase/(decrease) during the year, net	–	68,030	–	68,030
Exchange adjustments	–	253	–	253
At 31 March 2025	–	274,068	5,000	279,068

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
At 1 April 2023	–	146,631	25,000	171,631
Increase during the year, net	–	58,027	(20,000)	38,027
Exchange adjustments	–	1,127	–	1,127
At 31 March 2024	–	205,785	5,000	210,785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

ii) LIQUIDITY RISK

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the Company's board approval. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on interest-bearing bank borrowings and unconvertible bonds as a significant source of liquidity.

The following tables set out the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

	2025							2024						
	Weighted average effective interest rate	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000	Total contractual undiscounted cash outflow HK\$'000	Carrying amount HK\$'000	Weighted average effective interest rate	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000	Total contractual undiscounted cash outflow HK\$'000	Carrying amount HK\$'000
Other payables	-	54,431	-	-	-	54,431	54,431	-	87,316	-	-	-	87,316	87,316
Interest-bearing borrowings	6.55%	7,725	22,120	30,231	75,771	135,847	97,545	7.1%	4,523	5,103	20,876	53,465	83,967	78,472
Unconvertible bonds	5%	-	-	-	-	-	-	5%	441	-	-	-	441	420
Lease liabilities	5.4%	1,825	1,764	3,528	3,528	10,645	9,015	5.45%	4,457	1,846	5,353	3,569	15,225	12,960
		63,924	23,884	33,759	79,299	200,866	160,934		96,737	6,949	26,229	57,034	186,949	179,168

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

iii) CURRENCY RISK

a) *Exposure to currency risk*

The Group is exposed to currency risk related primarily to loan receivables, that are denominated in currencies other than the functional currency of the relevant group entities.

Most of the Group's transactions, assets and liabilities are denominated in HK\$, which is the same as the functional currency of the entity to which they related.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities 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.

Exposure to foreign currencies (expressed in HK\$)

	2025	2024
	Renminbi	Renminbi
	HK\$'000	HK\$'000
Loan receivables	380,549	288,311
Overall exposure to currency risk	380,549	288,311

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

iii) CURRENCY RISK (Continued)

b) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) 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.

	2025		2024	
	Appreciate/ (depreciate) in foreign exchange rates	(Decrease)/ increase in loss after tax HK\$'000	Appreciate/ (depreciate) in foreign exchange rates	(Decrease)/ increase in profit after tax HK\$'000
Renminbi	5%	(1,869)	5%	(2,434)
	(5%)	1,869	(5%)	2,434

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss after tax and equity 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 re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

iv) INTEREST RATE RISK

The Group's interest rates risk arises primarily from the Group's cash at bank, loan receivables, unconvertible bonds and interest-bearing borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider to hedge significant interest rate exposures when the need is anticipated.

At 31 March 2025, it is estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would increase/decrease (2024: increase/decrease) the Group's loss (2024: loss) after tax and accumulated losses by approximately HK\$975,000 (2024: HK\$706,000). This is attributable to variable rate interest-bearing bank borrowings.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 1% increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next annual reporting period. The analysis is performed on the same basis for both years.

v) EQUITY PRICE RISK

The Group is exposed to equity price changes arising from trading of listed securities classified as financial assets at fair value through profit or loss. The sensitivity analysis has been determined based on the exposure to equity price risk.

The Group's trading securities are listed on the Stock Exchange of Hong Kong.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

v) EQUITY PRICE RISK (Continued)

At 31 March 2025, it is estimated that an increase/(decrease) of 10% (2024: 10%) in the fair value of the Group's trading securities with all other variables held constant would have (decrease)/increase (2024: (decrease)/increase) the Group's loss (2024: loss) after tax (and accumulated losses) and increase/(decrease) the Group's other components of consolidated equity as follows:

	2025	2024
	(Decrease)/ increase in loss after tax and accumulated losses HK\$'000	(Decrease)/ increase in loss after tax and accumulated losses HK\$'000
Increase/(decrease) in fair value	2,664/(2,664)	2,321/(2,321)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

vi) FAIR VALUE MEASUREMENT

a) *Financial assets and liabilities measured at fair value*

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group has a team headed by the chief financial officer performing valuations for the financial instruments, including unlisted investments fund under financial assets at fair value through profit or loss which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the directors and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the directors. Discussion of the valuation process and results with the directors and the audit committee is held twice a year, to coincide with the reporting dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

vi) FAIR VALUE MEASUREMENT (Continued)

a) Financial assets and liabilities measured at fair value (Continued)

	Fair value measurements as at 31 March 2025 categorised into				Fair value measurements as at 31 March 2024 categorised into			
	Level 1	Level 2	Level 3	Fair value at 31 March 2025	Level 1	Level 2	Level 3	Fair value at 31 March 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurements assets:								
Financial assets at fair value through profit or loss								
– Trading securities	26,636	–	–	26,636	23,206	–	–	23,206

During the years ended 31 March 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

b) Fair value of financial assets and liabilities carried at other than fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values. The fair value is estimated at the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. ACCOUNTING JUDGEMENTS AND ESTIMATES

a) KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

i) *Estimated loss allowance for receivables*

Trade and other receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group individually assess each borrower to calculate ECL for the loan receivables. The provision rates are based on internal credit ratings. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The amount of the loss allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2025, the carrying amount of trade receivables, other loan and interest receivables, interest receivables from money lending business and loan receivables are HK\$19,454,000, net of loss allowance of HK\$11,227,000 (2024: carrying amount of HK\$30,418,000, net of loss allowance of HK\$543,000), HK\$Nil, net of loss allowance of HK\$Nil (2024: carrying amount of HK\$Nil, net of loss allowance of HK\$Nil), HK\$150,000, net of loss allowance of HK\$Nil (2024: carrying amount of HK\$2,767,000, net of loss allowance of HK\$1,315,000), and HK\$684,432,000, net of allowance for expected credit loss of HK\$279,068,000 (2024: HK\$435,453,000, net of allowance of expected credit loss of HK\$210,785,000), respectively.

ii) *Fair value of investment properties*

Investment properties are carried in the consolidated statement of financial position at 31 March 2024 at their fair value. The fair value was based on a valuation on these properties conducted by an independent firm of professional valuers and management using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

The carrying amount of investment properties as at 31 March 2025 was approximately HK\$165,980,000 (2024: HK\$177,063,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

b) CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

In determining the carrying amounts of some assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

i) *Deferred taxation on investment properties*

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. 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.

ii) *Classification of leases*

The Group has entered into certain leases whereby the Group has determined that it has transferred substantially all the risks and rewards incidental to ownership of the leased properties to the lessees, as the present values of the minimum lease payments (which include lease payments and residual values guaranteed by third parties) of the lease amount to at least substantially all of the fair values of the leased assets at the inception of the leases.

The determination of whether the Group has transferred substantially all the risks and rewards incidental to ownership depends on an assessment of the relevant lease arrangements relating to the lease and this has involved critical judgements on classification between right-of-use assets and investment properties by management. Details please refer to note 18 of notes to the consolidated financial statements.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. If the management of the Group determine substantial of the risks and rewards over the lease period was transferred to the third party, the relevant lease should be follow the HKAS 40 Investment Property and measured at fair value at the end of each reporting period. If the aforesaid condition not met, the lease should be classified under HKFRS 16 Lease, recognised as the right-of-use assets and amortised over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

b) CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

iii) *Significant increase in credit risk*

As explained in note 2(j)(i) to the consolidated financial statements, ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

6. SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in these financial statements, are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by the board of directors, which is the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment.

The CODM considers the business from product perspectives. The Group has presented the following two reportable segments. These segments are managed separately. The properties investment segment and money lending service segment offer very different products and services.

PROPERTIES INVESTMENT: The properties investment reportable operating segment derives its revenue primarily from leasing of investment properties.

MONEY LENDING BUSINESS: The money lending business reportable segment derives its revenue primarily from lending out loans and receive interest.

No reportable operating segment has been aggregated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT REPORTING (Continued)

a) SEGMENT RESULTS, ASSETS AND LIABILITIES

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned by/(loss) from each segment without allocation of central administration costs such as directors' salaries, unallocated finance costs, corporate income, depreciation, interest income, fair value change of trading securities and valuation gain of property under development. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT REPORTING (Continued)

a) SEGMENT RESULTS, ASSETS AND LIABILITIES (Continued)

All assets are allocated to reportable segments other than financial assets at fair value through profit or loss, property under development and corporate assets. All liabilities are allocated to reportable segments other than deferred tax liabilities, tax payables, unconvertible bonds and corporate liabilities.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resources allocation and assessment of segment performance for the years ended 31 March 2025 and 2024 is set out below.

	2025			2024		
	Properties investment HK\$'000	Money lending business HK\$'000	Total HK\$'000	Properties investment HK\$'000	Money lending business HK\$'000	Total HK\$'000
Revenue from external customers	9,633	43,895	53,527	19,739	46,654	66,393
Reportable segment revenue	9,633	43,895	53,527	19,739	46,654	66,393
Reportable segment (loss)/profit before taxation, including:	(33,431)	(20,571)	(54,002)	(62,067)	(45,802)	(107,869)
Interest income on						
– Bank deposits	–	–	–	1	–	1
Depreciation and amortisation						
– Property, plant and equipment	(65)	–	(65)	(196)	–	(196)
– Right-of-use assets	(2,319)	–	(2,319)	(2,379)	–	(2,379)
Valuation loss on investment properties	(9,135)	–	(9,135)	(7,868)	–	(7,868)
Allowance of expected credit loss on loan and interest receivables and trade receivables	(25,381)	(68,030)	(93,411)	–	(38,027)	(38,027)
Finance costs	(7,314)	–	(7,314)	(7,529)	–	(7,529)
Reportable segment assets	181,244	405,517	586,761	230,193	435,455	665,648
Additions to non-current assets during the year	–	–	–	–	–	–
Reportable segment liabilities	132,268	27,077	159,345	145,839	8,164	154,004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT REPORTING (Continued)

b) RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS, ASSETS AND LIABILITIES AND OTHER ITEMS:

	2025 HK\$'000	2024 HK\$'000
(i) Revenue		
Total reportable segment revenue	53,527	66,393
Consolidated revenue	53,527	66,393
(ii) Loss		
Total reportable segments' loss	(54,002)	(107,869)
Unallocated corporate income	4,509	532
Depreciation	–	–
Unallocated finance costs	–	–
Unallocated corporate expenses	(15,154)	(23,478)
Consolidated loss before taxation	(64,644)	(130,815)
(iii) Assets		
Reportable segments' assets	586,761	689,435
Financial assets at fair value through profit or loss	26,636	23,206
Unallocated corporate assets	10,801	1,304
Consolidated total assets	624,198	713,945
(iv) Liabilities		
Reportable segments' liabilities	159,345	181,960
Unconvertible bonds	–	420
Tax payables	9,295	8,234
Unallocated corporate liabilities	13,937	11,335
Consolidated total liabilities	182,577	201,949

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT REPORTING (Continued)

b) RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS, ASSETS AND LIABILITIES AND OTHER ITEMS: (Continued)

(v) Other items

	2025			
	Properties investment HK\$'000	Money lending business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Interest income				
– bank deposits	–	–	–	–
Depreciation	(280)	–	–	(280)
Finance cost	(7,314)	–	–	(7,314)

	2024			
	Properties investment HK\$'000	Money lending business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Interest income				
– bank deposits	1	–	–	1
Depreciation	(2,575)	–	–	(2,575)
Finance cost	(7,529)	–	–	(7,529)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT REPORTING (Continued)

c) GEOGRAPHICAL INFORMATION

The following is an analysis of geographical location of (i) the Group's revenue from operation external customers and (ii) the Group's non-current assets. The geographical location of customers refers to the location at which the services were provided or the goods delivered. The Group's non-current assets (other than financial instruments) include property, plant and equipment, right-of-use assets, investment properties, intangible assets and goodwill. The geographical location of property, plant and equipment, right-of-use assets and investment properties are based on the physical location of the asset. In the case of intangible assets and goodwill, they are based on the location of operation to which they are allocated.

	Revenue from external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong (place of domicile)	25,084	32,853	357,881	1,472
PRC	28,443	33,540	167,394	288,461
	53,527	66,393	525,375	288,933

d) INFORMATION ABOUT MAJOR CUSTOMERS

For both years, no single customer contributed for 10% or more of the total revenue of the Group.

7. REVENUE

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Rental income from investment properties	9,633	19,739
Loan interest income	43,895	46,654
	53,527	66,393

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

8. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	2025 HK\$'000	2024 HK\$'000
a) Other income		
Interest income on bank deposits	–	1
Sundry income	73	533
	73	534
b) Other gains and losses		
Net foreign exchange gain/(loss)	2,564	(39,068)
	2,564	(39,068)

9. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) the following:

	2025 HK\$'000	2024 HK\$'000
a) Finance costs		
Interest expense on bank borrowings	5,520	5,988
Interest expense on other borrowings	1,210	709
Interest expense on lease liabilities	584	832
	7,314	7,529

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

9. LOSS BEFORE TAXATION (Continued)

	2025 HK\$'000	2024 HK\$'000
b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	7,127	7,238
Contribution to defined contribution retirement plans	399	326
	7,526	7,564
c) Other items		
Auditor's remuneration		
– audit services	942	942
– other services	198	150
Depreciation on property, plant and equipment	65	196
Depreciation on right-of-use assets	2,319	2,379
Gross rental income from investment properties	(10,915)	(21,032)
Allowance of expected credit loss on loan and interest receivables from money lending business, net	93,411	38,027
Variable lease payments not included in the measurement of lease liabilities	720	720
Loss on deemed disposal of investment property upon termination of lease	–	57,054

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, and the chief executive's emoluments are as follows:

	2025			
	Fees HK\$'000	Salaries and other benefits in kind HK\$'000	Retirement scheme contribution HK\$'000	Total HK\$'000
Executive directors				
Au Tat On	–	287	–	287
Han Wei (<i>chief executive</i>)	–	1,662	–	1,662
Wang Lin Bo	–	150	–	150
	–	2,099	–	2,099
Independent non-executive directors				
Cao Jie Min	120	–	–	120
Liang Kuo-Chieh	120	–	–	120
Tang Yiu Kay	120	–	–	120
	360	–	–	360
Total	360	2,099	–	2,459

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

	2024			
	Fees HK\$'000	Salaries and other benefits in kind HK\$'000	Retirement scheme contribution HK\$'000	Total HK\$'000
Executive directors				
Au Tat On	–	287	–	287
Han Wei (<i>chief executive</i>)	–	1,929	67	1,996
Wang Lin Bo	–	150	–	150
	–	2,366	67	2,433
Independent non-executive directors				
Cao Jie Min	120	–	–	120
Liang Kuo-Chieh	120	–	–	120
Tang Yiu Kay	120	–	–	120
	360	–	–	360
Total	360	2,366	67	2,793

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

The independent non-executive directors' emoluments were for their services as directors of the Company.

No emoluments have been paid to the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 March 2025 and 2024. No director waived or agreed to waive any emoluments during the years ended 31 March 2025 and 2024.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 32 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS

FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2024: one) is director of the Company whose emoluments are included in the disclosure in note 10 above. The emoluments of the remaining four (2024: four) individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other emoluments	2,697	2,313
Contributions to retirement benefit scheme	72	65
	2,769	2,378

The emoluments of the four (2024: four) individuals with the highest emoluments are within the following bands:

	Number of individuals	
	2025	2024
Nil – HK\$1,000,000	4	4
HK\$1,000,001 – HK\$1,500,000	–	–
	4	4

No inducement payments to join or upon joining the Group or as compensation for loss of office were paid or payable to any of the five highest paid individuals' for the years ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. INCOME TAX

- a) Income tax credit recognised in profit or loss represents:

	2025 HK\$'000	2024 HK\$'000
Hong Kong Profits Tax		
Current tax	1,069	–
Deferred tax		
Origination and reversal of temporary differences (note 30)	–	–
Income tax credit	1,069	–

For years ended 31 March 2025 and 2024, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime for the qualifying corporation established in Hong Kong and the remaining corporations are calculated at a flat rate of 16.5%.

The provision for PRC Enterprise Income Tax ("EIT") is calculated at 25% (2024: 25%) of the estimated assessable profits for the year. No provision for EIT was provided for as the Company's subsidiaries operating in PRC incurred losses for the years ended 31 March 2025 and 2024.

- b) Reconciliation between tax credit and accounting loss at applicable tax rates:

	2025 HK\$'000	2024 HK\$'000
Loss before taxation	(64,644)	(130,815)
Notional tax on loss before taxation, calculated at the tax rates applicable to respective tax jurisdictions	(11,198)	(25,723)
Tax effect of non-taxable income	–	–
Tax effect of non-deductible expenses	13,090	26,611
Tax effect of temporary differences not recognised	(247)	(307)
Tax effect of tax loss not recognised	(576)	(581)
Income tax	1,069	–

13. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2025 (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

14. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of HK\$65,713,000 (2024: loss attributable to owners of the Company of HK\$130,815,000) and the weighted average number of 267,167,000 ordinary shares in issue during the year (2024: 267,167,000 ordinary shares).

DILUTED LOSS PER SHARE

No diluted loss per share has been presented as the Group had no potential dilutive ordinary shares outstanding for both years.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK\$'000	Furniture and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost				
At 1 April 2023	2,469	3,604	18,465	24,538
Additions	–	–	–	–
Exchange alignment	(61)	(101)	(299)	(461)
At 31 March 2024 and 1 April 2024	2,408	3,503	18,166	24,077
Disposal	–	–	(235)	(235)
Exchange alignment	(22)	(114)	(80)	(216)
At 31 March 2025	2,386	3,389	17,851	23,626
Accumulated depreciation				
At 1 April 2023	1,326	2,767	18,207	22,300
Charge for the year	–	6	190	196
Exchange alignment	(6)	(110)	(257)	(373)
At 31 March 2024 and 1 April 2024	1,320	2,663	18,140	22,123
Charge for the year	–	2	63	65
Disposal	–	–	(212)	(212)
Exchange alignment	(11)	(29)	(159)	(199)
At 31 March 2025	1,309	2,636	17,832	21,777
Carrying amount				
At 31 March 2025	1,077	753	19	1,849
At 31 March 2024	1,088	840	26	1,954

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. RIGHTS-OF-USE ASSETS

	Leased properties HK\$'000
As at 1 April 2024	
Carrying amount	2,389
As at 31 March 2025	
Carrying amount	65
For the year ended 31 March 2025	
Depreciation charge	2,319

Lease liabilities of HK\$9,015,000 (2024: HK\$12,960,000) are recognised with related right-of-use assets of HK\$65,000 as at 31 March 2025 (2024: HK\$2,389,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	2025 HK\$'000	2024 HK\$'000
Expense relating to variable leases	720	720
Total cash outflow for leases	4,414	4,574
Additions to right-of-use assets	–	1,943

For the year ended 31 March 2025, total cash outflow from leases arising from right-of-use assets is approximately HK\$4,414,000 (2024: approximately HK\$4,574,000).

For both years, the Group leases various offices for its operations. Lease contracts are entered into for fixed term of 2 to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. 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 consolidated statement of financial position shows the following amounts relating to leases:

	2025 HK\$'000	2024 HK\$'000
Opening net book amount as at 1 April	2,389	2,965
Additions	–	1,943
Depreciation charge	(2,319)	(2,379)
Early termination of leases	–	–
Exchange difference	(5)	(140)
Closing net book amount as at 31 March	65	2,389

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. INVESTMENT PROPERTIES

Fair value

	2025 HK\$'000	2024 HK\$'000
At 1 April	177,063	277,160
Deemed disposal upon termination of lease	–	(78,740)
Decrease in fair value recognised in profit or loss	(9,135)	(7,868)
Exchange alignment	(1,948)	(13,489)
	165,980	177,063

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. Details of the operating leases arrangements are included in note 35 to the consolidated financial statement.

All of the Group's investment properties are situated in the PRC.

All of the Group's investment properties were revalued at the end of each reporting period by Castores Magi (Hong Kong) Limited, an independent firm of professional valuers, who has recognised and relevant professional qualification and recent experience in the location and category of properties being valued. Valuation for investment properties was derived using the income capitalisation approach based on the income derived from existing tenancies with due provision for any reversionary income potential of the properties and discounted at the market yield. The Group's chief financial officer has discussion with the valuers on the valuation assumptions and valuation results when the valuation is performed at the end of each reporting period. All of the fair value measurements of the Group's investment properties were categorised into Level 3 of the fair value hierarchy.

On 1 June 2020, a wholly owned subsidiary of the Company (the "Lessee I") entered into a lease arrangement with an independent third party to the Group (the "Lessor I"), whereby the Lessee I agrees to rent and the Lessor I agrees to lease the whole building at No.1888, Songze Boulevard, Xujing Town, Qingpu District, Shanghai, the PRC, with an aggregate gross floor area of approximately 11,650 square meters (the "Leased Property I") with a term from 1 June 2020 to 31 October 2028. Pursuant to the lease arrangement, (i) the rental expense incurred from renting of the Leased Property I is approximately RMB4,000,000 per annum and the Lessee I shall pay the rental expenses every half year; and (ii) the Lessee I shall undertake the Lessor's outstanding renovation cost of the Leased Property I of approximately RMB32,000,000 in the following schedule as to RMB10,000,000 for 1 June 2020 to 30 May 2021, RMB5,000,000 per annum for 1 June 2021 to 30 May 2025 and RMB2,000,000 for 1 June 2026. For further details, please refer to the Company's announcement dated 22 December 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. INVESTMENT PROPERTIES (Continued)

On 10 December 2021, a wholly owned subsidiary of the Company (the “Lessee II”) entered into a lease arrangement with an independent third party to the Group (the “Lessor II”), whereby the Lessee II agrees to rent and the Lessor II agrees to lease the whole building at No. 194, Shuidian Road, HongKou District, Shanghai, the PRC, with an aggregate gross floor area of approximately 2,819 square meters (the “Leased Property II”) with a term from 10 December 2021 to 9 December 2031. Pursuant to the lease arrangement, (i) the rental expense incurred from renting of the Leased Property II is approximately RMB1,646,292 per annum and the Lessee II shall pay the rental expenses every year. For further details, please refer to the Company’s announcement dated 10 December 2021.

The Group intends to sublease the Leased Property I and Leased Property II to generate revenue for the Group and have subsequently successfully leased out the Leased Property I and Leased Property II. The Leased Property I and Leased Property II meets the definition of an investment property as defined under HKAS 40 Investment Properties where the Leased Property I and Leased Property II is a building held by the Lessee as a right-of-use asset to earn rentals, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. Accordingly, management of the Group considers it appropriate to classify the Leased Property I and Leased Property II as an investment property, as permitted under HKFRS 16 Leases.

Lease rental income amounting to approximately HK\$4,019,047 (2024: HK\$1,858,000) relating to the sub-leasing of Leased Property I for the year ended 31 March 2025 are included in operating lease income in the consolidated statement of profit or loss.

The Group’s investment properties of approximately HK\$19,932,000 (2024: HK\$25,180,000) were under lease arrangement. During the year ended 31 March 2025, fair value loss of these properties of approximately HK\$9,135,000 (2024: HK\$2,789,000 fair value loss) was recognised.

The remaining balance of the Group’s investment properties of approximately HK\$146,048,000 (2024: HK\$153,996,000) were pledged to secure general banking facilities granted to the Group (note 27). During the year ended 31 March 2025, fair value loss of these properties of approximately HK\$4,999,000 (2024: HK\$11,449,000) was recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. INVESTMENT PROPERTIES (Continued)

FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES

i) Fair value hierarchy

	Fair value measurements as at 31 March 2025 categorised into				Fair value measurements as at 31 March 2024 categorised into			
	Fair value at 31 March 2025	Level 1	Level 2	Level 3	Fair value at 31 March 2024	Level 1	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurement								
Investment properties:								
– Commercial – the PRC	165,980	–	–	165,980	177,063	–	–	177,063

During the year ended 31 March 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. INVESTMENT PROPERTIES (Continued)

FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES (Continued)

ii) Information about Level 3 fair value measurements

The following table shows the valuation techniques used in the determination of fair values for investment properties and key unobservable inputs used in the valuation models:

	Valuation techniques	Unobservable input	Range
Investment properties II Commercial - the PRC	Income capitalisation approach	Estimated rental value (per square metre and per month)	RMB109 – RMB136 (2024: RMB130 – RMB149)
		Rental growth rate	0% (2024: 0%)
		Market yield	5.6% (2024: 3.96%)
Investment properties III Commercial – the PRC	Income capitalisation approach	Estimated rental value (per square metre and per month)	RMB131 (2024: RMB133)
		Rental growth rate	0% (2024: 0%)
		Market yield	5.6% (2024: 4.75%)
Investment properties IV Commercial – the PRC	Income capitalisation approach	Estimated rental value (per square metre and per month)	RMB81 (2024: RMB109)
		Rental growth rate	0% (2024: 0%)
		Market yield	4.84% (2024: 4.75%)

A significant increase/(decrease) in the estimated rental value (per square metre and per month) and rental growth rate in isolation would result in a significant increase/(decrease) in the fair value of the investment properties. A significant increase/(decrease) in the market yield in isolation would result in a significant decrease/(increase) in the fair value of the investment properties.

There were no changes in the valuation techniques used during the two years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group as at 31 March 2025:

Name	Place of incorporation and business	Particulars of issued and paid up capital	<u>Proportion of ownership interest</u>			Principal activity
			Group's effective interest	Held by the company	Held by a subsidiary	
Luck Grow Group Limited	The British Virgins Islands	1 ordinary share of US\$1 each	100%	100%	–	Investment holding
Lok Wing Group Limited	Hong Kong	HK\$50,000,000 ordinary shares	100%	–	100%	Investment holding
上海祥宸行置業有限公司 Shanghai Xiang Chen Hang Place The Industry Co Limited* (Note (i))	PRC	US\$12,571,540	100%	–	100%	Property investment
Allied China Development Limited	The British Virgins Islands	1 ordinary share of US\$1 each	100%	100%	–	Investment holding
View Success Holdings Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	–	100%	Investment holding
北京博思嘉睿商務顧問有限公司 (Note (i))	PRC	HK\$4,000,000	100%	–	100%	Agency service
Triglory Group Limited	The British Virgins Islands	1 ordinary share of US\$1 each	100%	100%	–	Investment holding
Triple Glory Holdings Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	–	100%	Money lending business
China Properties Investment North America Inc.	Canada	10,000 ordinary shares of CAD300 each	100%	–	100%	Property development
Big Fair International Limited	The British Virgins Islands	1 ordinary share of US\$1 each	100%	100%	–	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. SUBSIDIARIES (Continued)

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group as at 31 March 2025: (Continued)

Name	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the company	Held by a subsidiary	
Fair Union Investment Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	–	100%	Investment holding
C.P. Securities International Limited	Hong Kong	183,819,999 ordinary shares of HK\$1 each	100%	–	100%	Financial services
C.P. Financial Management Limited	Hong Kong	4,800,000 ordinary shares of HK\$1 each	100%	–	100%	Financial services
GR Global Limited	The British Virgins Islands	100 ordinary shares of US\$1 each	100%	100%	–	Investment holding
HKFM Global Fund SPC	Cayman Islands	100 management shares of US\$1 each	100%	–	100%	Financial services
HKFM Investment Management Limited	Cayman Islands	1 ordinary share of US\$1 each	100%	–	100%	Financial services
上海閱宸貿易有限公司 (Note(ii))	PRC	RMB5,000,000	100%	–	100%	Dormant

Note:

- (i) This subsidiary is wholly-foreign-owned enterprise under PRC law.
- (ii) This subsidiary is sino-foreign equity joint venture under PRC law.

* The English name is for identification only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 March 2025, the Group's financial assets at FVTPL represented trading equity securities listed in Hong Kong with the following details:

	Trading securities HK\$'000
Balance at 1 April 2023	47,092
Sales proceeds	(1,342)
Loss on fair value change	(22,544)
Balance at 31 March 2024	23,206
Balance at 1 April 2024	23,206
Sales proceeds	(1,006)
Gain on fair value change	4,436
Balance at 31 March 2025	26,636
Analysed for reporting purposes as:	
Current assets	26,636
Non-current assets	—
	26,636

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Details of the investments in trading securities were as follows:

Stock Name	Stock Code	Nature of business	No. of share held 31/3/2024	Approx. % shareholding as at 31/3/2024	Market value as at 31/3/2024 HK\$'000	Change in no. of share held for the year ended 31/3/2025	No. of share held 31/3/2025	Approx. % shareholding as at 31/3/2025	Market value as at 31/3/2025 HK\$'000	Realised gain/(loss) on disposal for the year ended 31/3/2025 HK\$'000	Unrealised gain/(loss) on fair value change for the year ended 31/3/2025 HK\$'000	Total gain/(loss) on dealing of trading securities for the year ended 31/3/2025 HK\$'000
SEEC MEDIA	205	Advertising and sales of books and magazines; Securities Broking; Money Lending; E-commerce	4,665,000	0.63%	1,563	–	4,665,000	0.63%	695	–	(868)	(868)
QPL International	243	Manufacture and sale of integrated circuit lead frames heatsinks, stiffeners and investment holding	1,214,250	0.54%	181	–	1,214,250	0.42%	262	–	81	81
AMCO United Holding Limited	630	Engaged in manufacture and sale of medical devices products and plastic moulding products; provision of construction services; provision of money lending and investment in securities	7,394,000	1.53%	880	–	7,394,000	0.76%	399	–	(481)	(481)
CN CULTURE GP#	745	Engaged in e-commerce, advertisement and movie production businesses	655,000	0.83%	99	–	655,000	0.28%	69	–	(30)	(30)
CN CULTURE RTS	RIGHT ISSUE		–	–	–	1,310,000	1,310,000	–	28	–	28	28
Unity Investments Holdings Limited	913	Investment in listed companies in Hong Kong stock markets, and also investment in unlisted companies	2,633,000	0.93%	1,738	–	2,633,000	0.74%	587	–	(1,150)	(1,150)
Asia-Pac Financial Investment Company Limited	8193	Asset advisory, asset appraisals, corporate services and consultancy, and other services	187,000	0.08%	14	–	187,000	0.07%	23	–	10	10
China Environmental Energy Investment Limited	986	Carrying trading of gold and diamond; money lending business; Internet service and financial service	5,374,000	0.41%	328	–	5,374,000	0.41%	371	–	43	43
Milan Station Holdings Limited	1150	Retailing of handbags, fashion accessories and embellishments operation	3,250,000	0.36%	344	–	3,250,000	0.31%	338	–	(7)	(7)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Details of the investments in trading securities were as follows: (Continued)

Stock Name	Stock Code	Nature of business	No. of share held 31/3/2024	Approx. % shareholding as at 31/3/2024	Market value as at 31/3/2024 HK\$'000	Change in no. of share held for the year ended 31/3/2025	No. of share held 31/3/2025	Approx. % shareholding as at 31/3/2025	Market value as at 31/3/2025 HK\$'000	Realised gain/(loss) on disposal for the year ended 31/3/2025 HK\$'000	Unrealised gain/(loss) on fair value change for the year ended 31/3/2025 HK\$'000	Total gain/(loss) on dealing of trading securities for the year ended 31/3/2025 HK\$'000
Lerado Financial Group Company Limited	1225	Providing financial services, including securities broking, margin financing and money lending etc., and manufacturing and distributing children plastic toys and medical care products	10,700,000	4.65%	1,862	-	10,700,000	4.65%	1,455	-	(407)	(407)
Luxxu Group Limited	1327	Engaged in the manufacture and sales of own-branded watches, OEM watches and third-party watches	3,000,000	0.56%	288	(2,400,000)	600,000	0.56%	94	-	(194)	(194)
LUXXU GROUP RTS			-	-	-	-	600,000		8	-	8	8
Sino Splendid Holdings Limited	8006	Engaged in travel media operations; provision of contents and advertising services in a well-known financial magazine; investment in securities and money lending business	4,750,000	3.21%	898	-	4,750,000	3.21%	570	-	(328)	(328)
Hao Wen Holdings Limited	8019	Carrying money lending business, trading and manufacturing of biomass fuel and trading of electronic parts	7,500,000	2.1%	1,650	(1,100,000)	6,400,000	1.8%	2,944	580	1,536	2,116
WLS Holdings	8021	Engaged in the provision of scaffolding and fitting out services and management contracting services for construction and buildings work, money lending business and securities investment business	401,500,000	2.79%	9,636	-	401,500,000	2.79%	15,659	-	6,023	6,023
KPM Holding Limited	8027	Provision of design, fabrication, installation and maintenance of signage and related products	1,920,000	0.81%	388	-	1,920,000	0.81%	303	-	(84)	(84)
Luxey International (Holdings) Limited	8041	Engaged in manufacturing and trading of high end swimwear and garment products; trading and provision of on-line shopping and media related services; and money lending business	6,124,000	2.26%	1,531	-	6,124,000	2.26%	1,439	-	(92)	(92)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Details of the investments in trading securities were as follows: (Continued)

Stock Name	Stock Code	Nature of business	No. of share held 31/3/2024	Approx. % shareholding as at 31/3/2024	Market value as at 31/3/2024 HK\$'000	Change in no. of share held for the year ended 31/3/2025	No. of share held 31/3/2025	Approx. % shareholding as at 31/3/2025	Market value as at 31/3/2025 HK\$'000	Realised gain/(loss) on disposal for the year ended 31/3/2025 HK\$'000	Unrealised gain/(loss) on fair value change for the year ended 31/3/2025 HK\$'000	Total gain/(loss) on dealing of trading securities for the year ended 31/3/2025 HK\$'000
China 33 Media Group Limited [#]	8087	Provision of advertising services of printed media for railway networks; film and entertainment investment in Hong Kong and the PRC and prepaid card business in Hong Kong	3,569,500	2.07%	378	(2,977,125)	592,375	0.548%	361	56	110	166
Wealth Glory Holdings Limited	8269	Trading of natural resources and commodities; money lending business; investment in coal trading business; development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; and investment in securities	6,925,000	0.77%	291	-	6,925,000	0.77%	312	-	21	21
Kingland Group Holdings Limited	1751	Concrete structures and buildings coring, sawing, bursting and crushing, and other services	120,000	0.07%	62	-	120,000	0.05%	49	-	(13)	(13)
Asia Grocery Distribution Limited	8413	Sales of goods in Hong Kong	7,120,000	0.612%	1,075	-	7,120,000	0.612%	669	-	(406)	(406)
					<u>23,206</u>				<u>26,636</u>	<u>636</u>	<u>3,799</u>	<u>4,436</u>

[#] Share consolidation during the year ended 31 March 2025

Notes:

- The carrying amounts of the above financial assets are mandatorily measured at fair value through profit or loss in accordance with HKFRS 9.

The investments included above represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The market values of listed equity securities are based on closing bid prices at the end of reporting period.

- None of the above trading securities is individually carrying at value more than 5% of the Group's net assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	19,454	30,418
Less: loss allowance (note 4(i))	(11,227)	(543)
Trade receivables (net)	8,227	29,875
Deferred rental receivables	23,116	33,091
Less: loss allowance (note 4(i))	(18,535)	(9,677)
Deferred rental receivables (net)	4,581	23,414
Interest receivables from money lending business	150	2,767
Less: loss allowance (note 4(i))	–	(1,315)
Interest receivables (net)	150	1,452
Other receivables (note 20(b))	6,541	11,164
Financial assets at amortised cost	19,499	65,905
Prepayments and deposits	2,548	7,322
	22,047	73,227
Current portion	22,047	73,227
Non-current portion	–	–
	22,047	73,227

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- a) All of the trade and other receivables are expected to be recovered or recognised as expense within one year.
- b) The balance mainly represents other tax recoverable and cash advanced to staff.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. TRADE AND OTHER RECEIVABLES (Continued)

AGEING ANALYSIS

(i) Trade receivable

Trade receivables represent rental income receivables. Rental income receivables are payable by tenants/ residents upon receipts of billings within an average credit term of 0-30 days. Further details on the Group's credit policy are set out in note 4(i).

Trade receivables are net of loss allowance of HK\$11,227,000 (2024: HK\$543,000) with the following ageing analysis presented based on invoice dates:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	124	—
1 to 3 months	372	—
3 to 6 months	282	—
Over 6 months	7,449	29,875
	8,227	29,875

(ii) Interest receivables

The ageing analysis of interest receivables is presented based on invoice dates as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	—	8
1 to 3 months	150	1,444
3 to 6 months	—	—
6 to 12 months	—	—
	150	1,452

Interest receivables are due immediately from the date of billing. Further details on the Group's credit policy are set out in note 4(i).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

21. LOAN RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Loan receivables		
– Secured loans	308,244	331,811
– Unsecured loans	376,188	314,427
	684,432	646,238
Less: Allowance for secured and unsecured loan receivables	(279,068)	(210,785)
	405,364	435,453
Amount due within one year included under current assets	47,883	326,926
Amount due after one year included under non-current assets	357,481	108,527
	405,364	435,453

LOAN RECEIVABLES

The loans to customers had a loan period ranging from 12 to 60 months (2024: 12 to 60 months). The loans provided to customers bore fixed interest rate ranging from 10% to 15% per annum (2024: 10% to 15% per annum) and were repayable according to the loan agreements.

Included in the secured loan balances are loans of approximately HK\$285,023,000 (2024: HK\$326,811,000) secured by unlisted shares, loans of approximately HK\$5,000,000 (2024: HK\$5,000,000) secured by real estate in Hong Kong.

The fair values of the collaterals, as assessed by the management at respective loans' inception date are not less than the principal amount of the relevant loans.

AGEING ANALYSIS

	2025 HK\$'000	2024 HK\$'000
Within 90 days	33,458	221,926
91 to 180 days	7,490	69,822
181 to 365 days	6,935	35,178
Over 365 days	357,481	108,527
	405,364	435,453

The above ageing analysis is presented based on the maturity date, not of allowance.

The Group's financing advances to customers included in the loan receivables are due as of the due date specified in respective loan agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) CASH AND CASH EQUIVALENTS COMPRISE:

	2025 HK\$'000	2024 HK\$'000
Cash at bank and on hand	2,257	651
Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows	2,257	651

(b) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Other borrowings (Note 24) HK\$'000	Interest bearing borrowings (Note 24) HK\$'000	Unconvertible bonds (Note 26) HK\$'000	Lease liabilities (Note 25) HK\$'000	Total HK\$'000
At 1 April 2024	9,520	78,472	420	12,960	101,372
Proceed from new other borrowings	2,771	18,165	–	–	20,936
Repayment of lease liabilities	–	–	–	(3,830)	(3,830)
Repayment of bank borrowings	–	–	–	–	–
Redemption of unconvertible bonds	–	–	(420)	–	(420)
Interest paid	(1,210)	(5,520)	–	(584)	(7,314)
Total changes from financing cash flow	11,081	91,117	–	8,546	110,744
Effect of foreign exchange rate changes	–	908	–	(115)	793
Other changes					
Interest expenses	1,210	5,520	–	584	7,314
New leases entered	–	–	–	–	–
Early termination of lease	–	–	–	–	–
Total other changes	1,210	5,520	–	584	7,314
At 31 March 2025	12,291	97,545	–	9,015	118,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(b) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

	Other borrowings (Note 24) HK\$'000	Interest bearing borrowings (Note 24) HK\$'000	Unconvertible bonds (Note 26) HK\$'000	Lease liabilities (Note 25) HK\$'000	Total HK\$'000
At 1 April 2023	1,820	86,739	2,800	37,123	128,482
Proceed from new other borrowings	7,700	–	–	–	7,700
Repayment of lease liabilities	–	–	–	(5,363)	(5,363)
Repayment of bank borrowings	–	(8,267)	–	–	(8,267)
Redemption of unconvertible bonds	–	–	(2,380)	–	(2,380)
Interest paid	(709)	(5,988)	–	(832)	(7,529)
Total changes from financing cash flow	6,991	(14,255)	(2,380)	(4,531)	(14,175)
Effect of foreign exchange rate changes	–	–	–	(773)	(773)
Other changes					
Interest expenses	709	5,988	–	832	1,529
New leases entered	–	–	–	1,943	1,943
Early termination of lease	–	–	–	(21,634)	(21,634)
Total other changes	709	5,988	–	(18,859)	(12,162)
At 31 March 2024	9,520	78,472	420	12,960	101,372

23. OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Other payables and accruals	42,083	77,796
Amount due to a director (note 32(b))	12,291	9,520
Financial liabilities measured at amortised cost	54,374	87,316
Rental deposit received	57	4,960
	54,431	92,276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. BORROWINGS

(a) INTEREST-BEARING BORROWINGS

At 31 March 2025, the secured bank borrowings were due for repayment as follows:

	2025 HK\$'000	2024 HK\$'000
Current liabilities		
Within 1 year or on demand	5,250	4,227
Non-current liabilities		
After 1 year but within 2 years	19,486	4,769
After 2 years but within 5 years	25,295	19,510
After 5 years	47,514	49,966
	92,295	74,245
Total	97,545	78,472

All of the interest-bearing borrowings were carried at amortised cost.

None of the portion of interest-bearing borrowings due for repayment after one year contain a repayment on demand clause.

The range of effective interest-rates (which are also equal to contractual interest rates) on the Group's bank borrowings are as follows:

	2025	2024
Effective interest rates:		
Variable-rate borrowings (Note)	6%	9%

At 31 March 2025, the bank borrowings were secured by the investment properties of the Group with an aggregate carrying amount of approximately HK\$146,048,000 (2024: approximately HK\$153,996,000) (see note 17).

Note: The Group's variable-rate borrowings carrying interest at the People's Bank of China's RMB benchmark loan interest rate plus 75% (2024: 75%) of the interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. BORROWINGS (Continued)

(b) OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Current liabilities		
<u>Within 1 year or on demand</u>	12,291	9,520

At 31 March 2025, other borrowings included an amount of HK\$12,291,000 (2024: HK\$9,520,000) advanced from related party. The borrowing carries no interest rate and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

25. LEASE LIABILITIES

The consolidated statement of financial position shows the following amounts relating to leases:

	2025 HK\$'000	2024 HK\$'000
Opening net book amount as at 1 April	12,960	37,123
Additions	–	1,943
Repayment	(4,414)	(4,531)
Interest expenses	584	832
Early termination of lease	–	(21,634)
Exchange alignment	(115)	(773)
Closing net book amount as at 31 March	9,015	12,960

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable:		
Within one year	1,368	3,841
Within a period of more than one year but not more than two years	1,374	1,379
Within a period of more than two years but not more than five years	2,973	4,398
More than five years	3,300	3,342
	9,015	12,960
Less: Amount due for settlement within 12 months shown under current liabilities	(1,368)	(3,841)
Amount due for settlement after 12 months shown under non-current liabilities	7,647	9,119

The weighted average incremental borrowing rates applied to lease liabilities were 5.4% for the year ended 31 March 2025 (2024: 4.0% to 8.0%).

The maturity analysis of lease liabilities is disclosed in note 4(ii) to the consolidated financial statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

26. UNCONVERTIBLE BONDS

	2025 HK\$'000	2024 HK\$'000
Current	–	420

The amount represented one unconvertible bond of HK\$10,000,000 (2024: HK\$10,000,000), with a principal amount of HK\$10,000,000 entered into by the Company on or about 19 October 2019, and with a maturity date of 23 October 2022, which was extended to 23 October 2023.

The unconvertible bond bears interest at 5% per annum (2024: 5% per annum) on the outstanding aggregate principal amount. The interest is payable in arrears annually on the anniversary of the issue date or the redemption date. The Company may redeem the principal amounts of outstanding bonds in whole or in part at any time before the maturity date.

During the year ended 31 March 2025, the Company fully repaid the outstanding amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

27. DEFERRED TAXATION

DEFERRED TAX ASSETS NOT RECOGNISED

As at 31 March 2025, the Group has estimated unused tax losses of RMB52,211,000 (2024: RMB48,720,000) available for offset against future profits that may be carried forward for a period of up to five years for PRC EIT purposes. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

At the end of the reporting period, the Group has deductible temporary differences of HK\$93,411,000 (2024: HK\$123,562,000) arising from the allowance of expected credit losses. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. SHARE CAPITAL

	Number of ordinary shares '000	Per share HK\$	HK\$'000
Authorised:			
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	750,000	0.40	300,000
			HK\$'000
Issued and fully paid:			
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	267,167	0.40	106,867

29. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme (the "Scheme") which was adopted on 2 September 2021. The principal terms of the share option scheme as follow:

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to provide incentives or rewards to the Participants thereunder for their contribution to the Group.

2. PARTICIPANTS:

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of Participants, to take up Options to subscribe for Shares: (a) any Eligible Employee; and (b) any non-executive director (including any independent non-executive directors) of the Group. The basis of eligibility of any of the above classes of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

29. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 3.1 The maximum number of Shares to be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time. The issued share capital of the Company at 267,166,606 Shares as at the date of 31 March, 2025. The number of share available for issue under the Share Option Scheme to the Participants to subscribe for is 13,358,330 represent 5% of the issued share capital of the Company as at the date of 31 March 2025.

The total number of option share available for grant as at 1 April 2024 and 31 March 2025 is 13,358,330.

- 3.2 The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option schemes of the Company) to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of the approval of the New Share Option Scheme (the "General Scheme Limit").
- 3.3 Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as "refreshed" must not exceed 10% of the Shares in issue as at the date of approval of such refreshed limit and for the purpose of calculating the limit as "refreshed", Options (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of New Share Option Scheme and any other share option schemes of the Company) previously granted under the New Share Option Scheme and any other share option schemes of the Company will not be counted.
- 3.4 Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.3) above, the Company may seek separate Shareholders' approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in subparagraph (3.3) above to Participants specifically identified by the Company before such approval is sought.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

29. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

4. MAXIMUM ENTITLEMENT TO EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) to each Participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to Shareholders' approval in general meeting of the Company with such Participant and his/her associates abstaining from voting. The number and terms (including the Subscription Price) of the Options to be granted to such Participant must be fixed before Shareholders' approval and the date of the meeting of the Board for proposing such further grant of Options should be taken as the date of Offer for the purpose of calculating the Subscription Price.

5. TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An Offer is open for acceptance by a Participant for the period specified in the letter of Offer provided that the Offer shall not be open for acceptance after the expiry of the New Share Option Scheme set out in paragraph 6 or after the New Share Option Scheme has been terminated in accordance with the provisions thereof. A consideration of HK\$1 is payable on acceptance of the Offer. An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the day on which the Offer is made but shall end in any event not later than 10 years from the Offer Date subject to the provisions for early termination thereof (the "Option Period"). Unless the Directors otherwise determined and stated in the Offer to a Participant, there is no minimum period for which an Option granted under the New Share Option Scheme must be held before it can be exercised.

6. LIFE OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is adopted by the Company at a general meeting of the Shareholders on 2 September 2021. For the Year ended 31 March 2025, there is no share options issued (2024: 0) during the year, under this scheme, and the outstanding share option is 0 (2024: 0), and has remaining life 6.42 years (2024: 7.42 years).

7. SUBSCRIPTION PRICE FOR SHARES

The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the making of the Offer (which shall be stated in the letter containing the Offer) but in any case the Subscription Price shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the Offer Date; and (iii) the nominal value of a Share. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for different periods during the Option Period provided that the Subscription Price for each of the different periods shall not be less than the Subscription Price determined in the manner set out herein.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. RESERVES

- a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Equity settled share-based compensation reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023	2,093,405	136,012	–	36,089	(1,773,875)	491,631
Change in equity for 2023/2024:						
Loss for the year	–	–	–	–	(38,230)	(38,230)
Exchange realignment for the year	–	–	–	–	–	–
Total comprehensive expense for the year	–	–	–	–	(38,230)	(38,230)
At 31 March 2024	2,093,405	136,012	–	36,089	(1,812,105)	453,401
Balance at 1 April 2024	2,093,405	136,012	–	36,089	(1,812,105)	453,401
Changes in equity for 2024/2025:						
Loss for the year	–	–	–	–	(46,108)	(46,108)
Exchange realignment for the year	–	–	–	2,564	–	2,564
Total comprehensive income for the year	–	–	–	2,564	(46,108)	(43,544)
Balance at 31 March 2025	2,093,405	136,012	–	38,653	(1,858,213)	409,857

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. RESERVES (Continued)

b) NATURE AND PURPOSES OF THE RESERVES

i) *Share premium*

The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981. The share premium account of the Company is distributable to the owners of the Company in the form of fully paid bonus shares.

ii) *Special reserve*

The Group's special reserve represents the difference between the nominal value of the shares and the share premium account of the subsidiaries acquired pursuant to the Group reorganisation in prior years, over the nominal value of the Company's shares issued in exchange therefore and the difference between the total consideration and the net assets value of the subsidiaries acquired for the year ended 31 March 2011.

iii) *Equity settled share-based compensation reserve*

The equity settled share-based compensation reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Company and others providing similar services recognised in accordance with the accounting policy adopted for share-based payments in note 2(x)(ii).

iv) *Exchange fluctuation reserve*

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of group entities whose functional currency is other than Hong Kong Dollars. The reserve is dealt with in accordance with the accounting policies set out in note 2(t).

v) *Contributed surplus*

The contributive surplus represents the credit arising from capital reduction for the year ended 31 March 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. RESERVES (Continued)

c) CAPITAL MANAGEMENT

The Group's objectives when managing capital are 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 management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate.

The Group monitors its capital structure using a gearing ratio on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing bank borrowings and unconvertible bonds). Total equity comprises all components of equity.

During the year ended 31 March 2025, the Group's strategy, which was unchanged from 2024, was to maintain a gearing ratio as low as feasible. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to the owners, return capital to the owners, issue new shares or sell assets to reduce debt. The gearing ratios at 31 March 2025 and 2024 were as follows:

	2025 HK\$'000	2024 HK\$'000
Total borrowings		
Interest-bearing borrowings (note 27)	97,545	78,472
Other borrowings (note 27)	12,291	9,520
Unconvertible bonds (note 29)	—	420
<u>Adjusted net debt</u>	<u>109,836</u>	<u>88,412</u>
<u>Total equity</u>	<u>441,621</u>	<u>512,061</u>
Gearing ratio	20.90	17.3

Management of the Group closely monitors, on a daily basis, the Regulated Subsidiaries' liquid capital level to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Regulated Subsidiaries has no non-compliance of capital requirements imposed by the SF(FR)R throughout both years.

The only externally imposed capital requirement for the Group is that it must have a public float of at least 25% of the shares in order to maintain its listing on the Stock Exchange. Based on information that is publicly available to the Company and within the knowledge of directors, the Company maintained a sufficient public float throughout the year ended 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

31. COMMITMENTS

OPERATING LEASE COMMITMENTS

The Group as lessor:

The Group leases its investment properties under operating lease arrangements to tenants, with leases negotiated for terms ranging from two to twelve years (2024: two to twelve years). The terms of the leases generally require the tenants to pay security deposits. At the end of the reporting period, the Group had total future minimum lease payments receivable under non-cancellable operating leases with its tenants falling due as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	17,943	18,087
In the second year	10,024	18,150
In the third year	8,427	12,193
In the fourth year	3,265	8,524
In the fifth year	2,099	3,302
Over five years	3,673	5,838
	45,431	66,094

The Group as lessee

The Group regularly entered into short-term leases for office premise. As at 31 March 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 16 to the consolidated financial statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

32. MATERIAL RELATED PARTY TRANSACTIONS

a) KEY MANAGEMENT PERSONNEL EMOLUMENTS

Emoluments for key management personnel, including amounts paid to the Company's directors as disclosed in note 10 and certain of the highest paid employees as disclosed in note 11 are as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term employee benefits	2,697	2,313
Post-employment benefits	72	65
	<u>2,769</u>	<u>2,378</u>

Total emoluments is included in "staff costs" (see note 9(b)).

b) OUTSTANDING BALANCES WITH RELATED PARTIES

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	2025 HK\$'000	2024 HK\$'000
Amounts due to a director (note 23)	<u>12,291</u>	<u>9,520</u>

The amounts due to a director is unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at fair value through profit or loss HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
Trading securities	26,636	–	26,636
Financial assets included in trade and other receivables	–	19,499	19,499
Loan receivables	–	405,364	405,364
Cash and bank balances	–	2,257	2,257
	26,636	427,120	453,756

Financial liabilities

	Financial liabilities at amortised cost HK\$'000
Financial liabilities included in other payables	54,374
Interest-bearing borrowings	97,545
Other borrowings	12,291
	164,210

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2024

Financial assets

	Financial assets at fair value through profit or loss HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
Trading securities	23,206	–	23,206
Financial assets included in trade and other receivables	–	54,741	54,741
Loan receivables	–	435,453	435,453
Cash and bank balances	–	651	651
	23,206	490,845	514,051

Financial liabilities

	Financial liabilities at amortised cost HK\$'000
Financial liabilities included in other payables	87,316
Interest-bearing bank borrowings	78,472
Other borrowings	9,520
Unconvertible bonds	420
	175,728

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Right-of-use assets		–	972
Investment in subsidiaries	18	16,860	16,860
		16,860	17,832
Current assets			
Trade and other receivables		22	22
Amounts due from related companies		386,088	370,854
Loan receivables		112,034	174,911
Financial assets at fair value through profit or loss		23,692	23,206
Cash and cash equivalents		33	33
		522,189	569,026
Current liabilities			
Trade and other payables		10,007	14,842
Unconvertible bonds		–	420
Amount due to a related party		2,150	2,150
Tax payable		8,168	8,168
Lease liabilities		–	1,010
		20,325	26,590
Net current asset		501,864	542,436
Total assets less current liabilities		518,724	560,268
Non-current liabilities			
Interest-bearing borrowings		2,000	–
NET ASSETS		516,724	560,268
EQUITY			
Equity attributable to owners of the Company			
Share capital	28	106,867	106,867
Reserves	30	409,857	453,401
TOTAL EQUITY		516,724	560,268

Approved and authorised for issue by the board of directors on 30 June 2025.

On behalf of the board

Han Wei
Director

Au Tat On
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. LITIGATION

In 1998, the Company brought up legal proceedings against ASG Capital Limited and ASG Brokerage Limited (the “Defendants”) for breach of the placing and underwriting agreement dated 9 December 1997 under which the Defendants failed to fulfill their underwriting obligations thereunder and for the recovery of HK\$40 million being the economic loss suffered by the Company together with interest and legal cost. The proceedings are now in pre-trial stage of discovery of documents of the parties and the date of the trial has not been fixed. The last action of the parties to the proceedings took place in middle of 2005 when solicitors acting for the Company in the legal proceedings served a notice to inspect documents to those acting for the Defendants.

36. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund (“MPF”) scheme for all Hong Kong eligible employees including executive directors. The assets of the MPF scheme are held separately from those of the Group in funds under the control of trustees.

The retirement benefit cost for the MPF scheme charged to the consolidated statement of profit or loss represents contributions payable to the MPF scheme by the Group at 5% specified in the rules of the MPF scheme.

Employees who are employed in the PRC are members of the state-sponsored pension scheme operated by the PRC government. The Group is required to contribute a certain percentage of their payroll to the pension scheme to fund the benefits. The only obligation of the Group with respect to the pension scheme is to make the required contributions under the scheme.

During the years ended 31 March 2025 and 2024, the Group had no forfeited contributions under the MPF Scheme and PRC retirement scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available as at 31 March 2025 and 2024 under the MPF Scheme and PRC retirement scheme which may be used by the Group to reduce the contribution payable in future years.

FIVE YEAR FINANCIAL SUMMARY

RESULTS

	2025 HK\$'000	Year ended 31 March			
		2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Continuing operations:					
Revenue	53,527	66,393	68,255	86,370	71,284
(Loss)/Profit before taxation	(66,644)	(130,815)	(61,755)	17,193	48,983
Income tax (expenses)/credit	(1,069)	–	4,575	(4,139)	(12,588)
(Loss)/Profit for the year from continuing operations	(65,713)	(130,815)	(57,180)	13,054	36,395
Discontinued operations:					
(Loss)/profit for the year from discontinued operations	–	–	–	(16)	(226)
(Loss)/Profit for the year	(65,713)	(130,815)	(57,180)	13,038	36,169

ASSETS AND LIABILITIES

	2025 HK\$'000	As at 31 March			
		2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	624,198	713,943	868,534	981,118	872,525
Total liabilities	(182,577)	(201,882)	(212,439)	(244,092)	(216,333)
Net assets	441,621	512,061	656,095	737,026	656,192

PROPERTIES HELD BY THE GROUP FOR INVESTMENT

As at 31 March 2025

	Location	Existing Use	Term of Lease
Self-owned Investment Properties			
1.	Unit Nos. 201 and 202 on Mezzanine Level, Yun Hai Building, Nos. 1329 and 1331 Huai Hai Zhong Road, Xuhui District, Shanghai, the PRC ("Investment Properties I")	Commercial	Medium term
2.	Whole of Levels 1 and 2, Shimei Mansion, No.445 Jiangning Road, Jingan District, Shanghai, the PRC	Commercial	Medium term
3.	Whole of Levels 3 and 4, Shimei Mansion, No.445 Jiangning Road, Jingan District, Shanghai, the PRC (Location 2 and 3 collectively as "Investment Properties II")	Commercial	Medium term
Leased Investment Properties			
4.	No.194, Shuidian Road, HongKou District, Shanghai, the PRC	Commercial	Medium term