



**Kato (Hong Kong) Holdings Limited**  
**嘉濤(香港)控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*Stock Code: 2189*



優質服務 敬老樂業  
以人為本 全身投入

**2025** ANNUAL  
REPORT

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# Corporate Information

## BOARD OF DIRECTORS

### *Executive Directors*

Ngai Ka Yee  
Ngai Shi Shing Godfrey (*Chairman and  
Chief Executive Officer*)  
Lau Kwok Wo (*appointed on 2 April 2024*)

### *Independent non-executive Directors*

Or Kevin  
Wu Wing Fong  
Wong Chun Kit (*appointed on 13 December 2024*)  
Lo Ning (*retired on 30 August 2024*)  
Wong Vinci (*resigned on 13 December 2024*)

## REGISTERED OFFICE

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

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1st Floor  
Tung Wai Court  
No. 3 Tsing Ling Path  
Tuen Mun  
New Territories  
Hong Kong

## COMPANY WEBSITE

[www.elderlyhk.com](http://www.elderlyhk.com)

## COMPANY SECRETARY

Kwok Chi Kan (*HKICPA*)

## AUTHORISED REPRESENTATIVES

Ngai Shi Shing Godfrey  
Kwok Chi Kan

## BOARD COMMITTEES

### *Audit Committee*

Or Kevin (*Chairman*)  
Wu Wing Fong  
Wong Chun Kit (*appointed on 13 December 2024*)  
Lo Ning (*retired on 30 August 2024*)  
Wong Vinci (*resigned on 13 December 2024*)

### *Remuneration Committee*

Or Kevin (*Chairman*)  
(*re-designated on 13 December 2024*)  
Wong Vinci (*Chairman*)  
(*resigned on 13 December 2024*)  
Ngai Shi Shing Godfrey  
Wu Wing Fong (*appointed on 13 December 2024*)  
Lo Ning (*retired on 30 August 2024*)

### *Nomination Committee*

Wu Wing Fong (*Chairlady*)  
(*appointed on 13 December 2024*)  
Lo Ning (*Chairlady*) (*retired on 30 August 2024*)  
Wong Vinci (*Chairman*)  
(*re-designated on 30 August 2024 and  
resigned on 13 December 2024*)  
Ngai Shi Shing Godfrey  
Or Kevin



# Corporate Information

## **CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR**

Union Registrars Limited  
Suites 3301-04, 33/F  
Two Chinachem Exchange Square  
338 King's Road, North Point  
Hong Kong

## **LEGAL ADVISER AS TO HONG KONG LAWS**

Loeb & Loeb LLP  
2206-19 Jardine House  
1 Connaught Place  
Central  
Hong Kong

## **AUDITOR**

PricewaterhouseCoopers  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
22/F Prince's Building  
Central  
Hong Kong

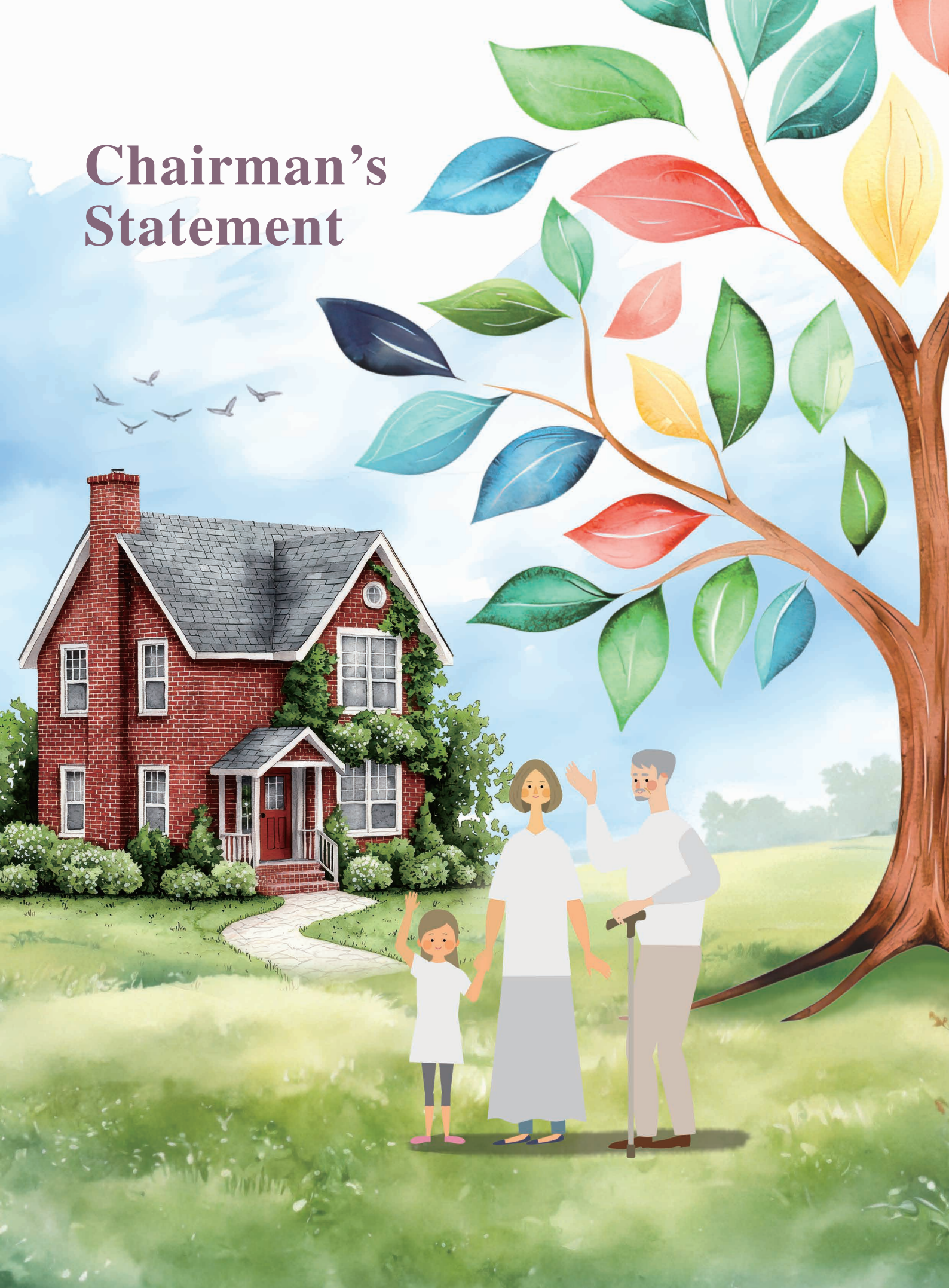
## **PRINCIPAL BANKERS**

Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation  
Limited  
Bank of China (Hong Kong) Limited  
Shanghai Commercial Bank Limited





# Chairman's Statement



# Chairman's Statement

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Kato (Hong Kong) Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present the annual report of the Group for the year ended 31 March 2025 (the “**Year**”).

## OVERVIEW

The Group is an established operator of residential care homes for the elderly (the “**RCHE(s)**”) in Hong Kong offering a wide range of residential care services for the elderly including (i) the provision of accommodation, professional nursing and care-taking services, nutritional management, medical services, physiotherapy and occupational therapy services, psychological and social care services, individual care plans and recreational services; and (ii) the sale of healthcare and medical goods and the provision of add-on healthcare services to the residents.

As at 31 March 2025, the Group had a network of eleven care and attention homes for the elderly with 1,378 residential care places strategically located across six districts in Hong Kong. During the Year, two new care and attention homes with an aggregate 178 residential care places located in Lam Tin commenced operation.

The government has articulated a policy of aging in place, supported by residential care only if necessary. Furthermore, older adults also expressed a wish to remain in the same residence and community which they are familiar with. To actualise “Ageing in place as the core, institutional care as back-up (居家安老為本·院舍照顧為後援)”, since May 2020, the Group has expanded its scope of services by offering community care services for the elderly, such as day care services and home-based care services. As at 31 March 2025, four of our attention homes and elderly centres are the recognised service providers under the pilot scheme on Community Care Service Voucher (the “**CCSV**”), with a total capacity of centre-based services of 100 places and home-based services of 800 voucher holders, while two of our care and attention homes for the elderly were entitled to offer day care services with a total of 30 subsidised day care places pursuant to the Bought Place Scheme Day Care Units for the Elderly.

During the Year, the Group became a Recognised Service Provider under the Residential Care Services Scheme in Guangdong (“**GDRCS Scheme**”) and started to provide subsidised care and attention places for elderly persons joining the scheme. GDRCS Scheme provides an option for elderly persons on the Central Waiting List for subsidised care and attention places to choose to live in the residential care homes for the elderly in Guangdong designated under the Scheme. Two residential care homes for the elderly operated under a partnership formed by the Group and Mainland elderly service operators, located in Shenzhen and Foshan commenced operation during the Year.

## FINANCIAL PERFORMANCE

The Group's revenue for the Year was approximately HK\$317.1 million (Previous Year: approximately HK\$271.3 million), recording a year-on-year increase of approximately 16.9%. The profit for the Year was decreased by approximately 67.0% to approximately HK\$21.1 million (Previous Year: approximately HK\$64.1 million). The decrease in profit for the Year was mainly attributable to (i) recognition of fair value loss on investment properties of HK\$23.3 million (Previous Year: gain of HK\$18.6 million); (ii) increase in finance costs, net of HK\$6.3 million due to the increase in average borrowings during the Year.





# Chairman's Statement

## PROSPECTS

Our principal business objectives are to solidify our established market position in the private RCHE industry in Hong Kong and enhance our market position in the care and attention homes sector.

As reflected in the Company's motto: "Quality Service; Respecting and Positive; People-oriented; and Full Dedication (優質服務, 敬老樂業, 以人為本, 全身投入)", we are committed to providing quality residential care home services to our residents. As part of our continuing effort to maintain a high quality of our services, we have implemented standardised management and operational procedures and quality controls across our network of care and attention homes for the elderly. With the Group's experienced management team and reputation in the market, the Group will continue to expand its network of RCHE in strategic locations in Hong Kong to serve more elderly residents when there are suitable opportunities.

In June 2024, a new care and attention home located in Lam Tin with 76 residential care places under first phase commenced operation, second phase with approximately 146 residential care places is expected to commence operation in the third quarter of 2025. Also, another new care and attention home located in Lam Tin with 102 residential care places commenced operation in September 2024. In April 2025, the Group completed the acquisition of a target company, together with the business license for operating the elderly residential care home in Tsuen Wan, the Group has commenced carrying out the alteration and addition works on the premises so as to establish a new care and attention home with approximately 192 residential care places and expected to commence operation in the fourth quarter of 2025.

Having considered the surge in available properties in the market and significant decrease in property prices, in July 2021, the Group completed the acquisition of four pieces of lands in Yuen Long for establishment of a new care and attention home, which is anticipated to provide approximately 250 residential care places for the elderly. It is expected to commence operation in late 2026.

## APPRECIATION

Our continued success depends on all our staff's commitment, dedication and professionalism. On behalf of the Board, I would like to express our heartfelt gratitude to all the frontline health care workers for their tireless work and professionalism in taking care of residents. The Board would also like to thank every member of our staff for their diligence and dedication and to express our sincere appreciation to our shareholders, business partners, clients and suppliers for their continuous and valuable support.

**Ngai Shi Shing Godfrey**  
*Chairman and Executive Director*

Hong Kong, 23 June 2025



# Management Discussion and Analysis

## BUSINESS REVIEW

### Elderly home care services

Kato (Hong Kong) Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is an established operator of residential care homes for the elderly (the “**RCHE(s)**”) in Hong Kong offering a comprehensive range of residential care services for the elderly, including (i) the provision of accommodation, professional nursing and care-taking services, nutritional management, medical services, physiotherapy and occupational therapy services, psychological and social care services, individual care plans and recreational services; and (ii) the sale of healthcare and medical goods and the provision of add-on healthcare services to the residents.

As at 31 March 2025 and 2024, the Group had a network of eleven (2024: nine) care and attention homes for the elderly with 1,378 (2024: 1,229) residential care places strategically located across six (2024: five) districts in Hong Kong. The Group’s care and attention homes operate under the brand names of “Fai To 輝濤”, “Kato 嘉濤”, “Happy Luck Home”, “Tsuen Wan Centre”, “Pine Villa”, “Ka Shui Garden 嘉瑞園” and “Hing Tin Elderly Centre”.

The Group’s customers primarily consisted of two groups, namely (i) the Social Welfare Department (the “**SWD**”) with which the Group entered into contractual arrangements pursuant to which the SWD purchased residential care places from the Group under the Enhanced Bought Place Scheme (“**EBPS**”) or pursuant to which the SWD subsidised residential care places from the Group under the awarded tender operating a Contract Home; and (ii) individual customers who settled their own residential fee, being those who were subsidised by the SWD under the Residential Care Service Voucher Scheme for the Elderly and those who were subsidised by the SWD under the EBPS but settled the unsubsidised portion by themselves.

The following table sets forth a summary of the basic information of the Group’s RCHEs as at 31 March 2025:

	Location	Year of commencement of operations by the Group	Number of residential care places (excluding isolated beds)		Total	Classification under the EBPS
			Under the EBPS and Contract Home	For individual customers not under the EBPS and Contract Home		
Kato Home for the Elderly (“ <b>Kato Elderly Home</b> ”)	Tuen Mun	1999	126	54	180	EA1 <sup>(1)</sup>
Kato Home for the Aged	Tuen Mun	1998	86	17	103	EA1 <sup>(1)(3)</sup>
Fai-To Home for the Aged (On Lai) Branch (“ <b>Fai To Home (On Lai)</b> ”)	Tuen Mun	1997	28	19	47	EA1 <sup>(1)(3)</sup>
Fai To Home for the Aged (Tuen Mun) Branch (“ <b>Fai To Home (Tuen Mun)</b> ”)	Tuen Mun	1995	47	43	90	EA2 <sup>(2)(4)</sup>
Fai To Sino West Combined Home for the Aged (“ <b>Fai To Sino West Home</b> ”)	To Kwa Wan	2000	143	151	294	EA1 <sup>(1)</sup>
Happy Luck Elderly Home Limited (“ <b>Happy Luck Home</b> ”)	Tsuen Wan	2015	75	71	146	EA1 <sup>(1)</sup>
Tsuen Wan Elderly Centre Limited (“ <b>Tsuen Wan Centre</b> ”)	Tsuen Wan	2008	79	71	150	EA1 <sup>(1)</sup>
Pine Villa	Tseung Kwan O	2013	N/A	90	90	N/A
Ka Shui Garden Nursing Home for the Elderly (“ <b>KSG Nursing Home</b> ”)	Sham Shui Po	2023	80	20	100	N/A
Hing Tin Elderly Centre (“ <b>Hing Tin Centre</b> ”)	Lam Tin	2024	N/A	76	76	N/A
Ka Shui Garden Nursing Home for the Elderly (Tak Tin) (“ <b>KSG Tak Tin</b> ”)	Lam Tin	2024	42	60	102	N/A
			706	672	1,378	





# Management Discussion and Analysis

## Notes:

1. Being one of the two categories under the EBPS. EA1 homes have higher requirements in terms of staffing and per capita net floor space as compared to EA2 homes. As required under the EBPS, the staffing requirement for an EA1 homes with 40 places is 21.5, calculated on the basis of eight working hours per staff per day including relief staff and its per capita net floor area is 9.5 m<sup>2</sup>.
2. Being one of the two categories under the EBPS. EA2 homes have lower requirements in terms of staffing and per capita net floor area as compared to EA1 homes. As required under the EBPS, the staffing requirement for an EA2 homes with 40 places is 19, calculated on the basis of eight working hours per staff per day, including relief staff, and its per capita floor net area is 8 m<sup>2</sup>.
3. Fai To Home (On Lai) and Kato Home for the Aged upgraded to EA1 in August 2024 and September 2024 respectively.
4. Fai To Home (Tuen Mun) subsequently upgraded to EA1 in May 2025.

The following table sets forth the average monthly occupancy rate of each respective care and attention homes as at 31 March 2025 and 2024:

	Average monthly occupancy rate <sup>(Note)</sup> as at 31 March	
	2025 %	2024 %
Kato Elderly Home	97.5	96.0
Kato Home for the Aged	90.0	83.9
Fai To Home (On Lai)	91.5	75.1
Fai To Home (Tuen Mun)	83.8	89.6
Fai To Sino West Home	94.5	84.4
Happy Luck Home	92.9	85.4
Tsuen Wan Centre	84.2	81.1
Pine Villa	98.7	97.1
KSG Nursing Home	90.3	92.9
Hing Tin Centre	74.5	N/A
KSG Tak Tin	96.4	N/A
Overall	91.5	87.3

## Note:

The monthly occupancy rate is calculated by dividing the number of beds occupied as at the month end by the total number of beds available at each of our care and attention homes as at the relevant month end. The average monthly occupancy rate for the year is calculated by dividing the sum of the monthly occupancy rates by the total number of months in that year.



# Management Discussion and Analysis

## Community care and day care services for the elderly

### (i) Home-based and centre-based services

Since May 2020, the Group has expanded its scope to community care by offering home-based services under the pilot scheme on Community Care Service Voucher (the “**CCSV**”) for the elderly launched by the SWD, which aim to help families in need of home care services while relieving their financial and caregiving pressures, including hospital outpatient and discharge escort, caregiver training, home safety assessment, physiotherapy, nursing support, etc.

As at 31 March 2025 and 2024, Fai To Sino West Home, Ka Shui Garden Day Care Centre (Hung Hom), Ka Shui Garden Day Care Centre (Tsuen Wan), Kato Elderly Home and Pine Villa are the recognised service providers under the pilot scheme on CCSV, covering four (2024: five) contract homes, with a total capacity of centre-based services of 100 (2024: 120) places and home-based services of 800 (2024: 1,000) voucher holders.

### (ii) Day care service

Day-care centres for elderly provide on-site elderly care services during daytime, which generally exclude overnight care services. To extend the Group’s reach to non-residents, since May 2020, the Group has commenced providing day care services to elderly, covering a range of centre-based care and support services during daytime to enable the day care service users who suffer from moderate to severe level of impairment to achieve optimal level of functioning, develop their potential, improve their quality of life, and continue to live in their own homes wherever feasible and possible. As at 31 March 2025 and 2024, two of the Group’s care and attention homes for the elderly were entitled to offer day care services with a total of 30 subsidised day care places pursuant to the Bought Place Scheme Day Care Units for the Elderly (the “**BPS**”).

## Medical and laboratory services

The Group tapped into medical diagnostic and imaging and health check markets in Hong Kong in 2022. The Group provide versatile healthcare services, including but not limited to general physical examinations, X-ray, ECG, mammography, ultrasound, DEXA Bone Densitometry and various laboratory tests. As at 31 March 2025, the Group had three (2024: four) medical and health check-up centres located across three (2024: four) districts in Hong Kong.



# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

The Group's revenue was principally generated from the provision of residential care services and day care services for the elderly in Hong Kong. The Group's revenue was derived from (i) rendering of elderly home care services; (ii) sales of elderly home related goods; (iii) rental and management fee income; (iv) rendering of elderly community care services; and (v) rendering of medical and laboratory services. The following table sets forth the breakdown of revenue for the Group's revenues by types of services for the year ended 31 March 2025 (the "Year") and the year ended 31 March 2024 (the "Previous Year"):

	2025		2024	
	HK\$'000	%	HK\$'000	%
<b>Rendering of elderly home care services</b>				
— residential care places purchased by the SWD under the EBPS and the Contract Home	131,465	41.5	120,451	44.4
— residential care places purchased by individual customers	101,497	32.0	80,213	29.6
<b>Sales of elderly home related goods</b>	51,165	16.1	43,278	16.0
<b>Rental and management fee income</b>	284,127	89.6	243,942	90.0
<b>Rendering of elderly community care services</b>	13,466	4.2	8,104	2.9
<b>Rendering of medical and laboratory services</b>	11,028	3.5	8,956	3.3
<b>Rendering of medical and laboratory services</b>	8,493	2.7	10,332	3.8
<b>Total</b>	<b>317,144</b>	<b>100.0</b>	<b>271,334</b>	<b>100.0</b>

The total revenue of the Group increased by approximately HK\$45.8 million or 16.9% from approximately HK\$271.3 million for the Previous Year to approximately HK\$317.1 million for the Year, which was mainly due to (i) increase in revenue from rendering of elderly home care services as two new care and attention homes located in Lam Tin commenced operation during the Year; and (ii) increase in rental and management fee income as the Group completed acquisition of the properties located at Tsuen Wan in February 2024 and rented to an independent third party for operation of an elderly home since then.

Revenue generated from provision of elderly home care services mainly represent (i) the rendering of elderly home care services (such as residence, professional nursing and caretaking services, nutritional management, medical services, psychological and social care and individual care plans); and (ii) sales of elderly home related goods which include the sale of diapers, nutritional milk, wipes, and blood glucose test strips to our residents on an as-needed basis. The revenue from provision of elderly home care services increased from approximately HK\$243.9 million in the Previous Year to approximately HK\$284.1 million for the Year mainly due to (i) commencement of operation for two care and attention home located in Lam Tin with 178 residential care places during the Year; and (ii) the increase in average monthly occupancy rate.





# Management Discussion and Analysis

To address the increasing attention to health and prevention by the consumers, in 2022, the Group ventured into new business opportunities into medical diagnostic and imaging and health check market through provision of a variety of services including but not limited to physical examinations, laboratory analysis, X-ray, ECG, ultrasound, etc. Revenue generated from provision of medical and laboratory services amounted to HK\$8.5 million for the Year (Previous Year: HK\$10.3 million).

## Employee benefit expenses

Employee benefit expenses comprised of wages and salaries, retirement benefit scheme contributions, staff welfare and benefits, directors' remunerations, provision for long service payments and share-based payment expense. The employee benefits expenses increased from approximately HK\$107.7 million for the Previous Year to approximately HK\$133.8 million for the Year, which was mainly due to the (i) increase in number of staff due to commencement of operation for two care and attention homes located in Lam Tin with 178 residential care places during the Year; and (ii) general salaries increment for staff.

## Food and beverage costs

Food and beverage costs are food ingredients and beverages costs used for the provision of meals to the residents. Food and beverage costs increased from approximately HK\$11.6 million for Previous Year to approximately HK\$13.8 million for the Year due to (i) commencement of operation for two care and attention homes located in Lam Tin during the Year; and (ii) increase in average monthly occupancy rate.

## Subcontracting fees, net

Subcontracting fees, net mainly represents fees paid to occupational therapists, occupational therapist assistants, physiotherapists and physiotherapist assistants, offset by government subsidies. The increase in subcontracting fees from HK\$6.0 million for the Previous Year to HK\$9.8 million for the Year was mainly attributed by the commencement of operation for two care and attention homes located in Lam Tin during the Year.

## Finance costs, net

Finance costs, net mainly represented interest expenses on bank borrowings and lease liabilities. The finance costs increased by HK\$6.3 million from HK\$8.4 million for the Previous Year to HK\$14.7 million for the Year was mainly due to the increase in average borrowings during the Year.

## Fair value change on investment properties

As at 31 March 2025, the Group's investment properties mainly comprise commercial complex, retail shops, fresh market stalls, cooked food stalls, storerooms and car park spaces in Lam Tin and are leased to third parties under operating leases for rental income. The investment properties were revalued based on valuations performed by an independent professionally qualified valuer. The Group recorded a fair value loss on investment properties amounted to HK\$23.3 million for the Year (Previous Year: gain of HK\$18.6 million).

## Profit for the Year

As a result of the foregoing, profit for the Year decreased by approximately 67.0% to approximately HK\$21.1 million for the Year as compared to HK\$64.1 million for the Previous Year.



# Management Discussion and Analysis

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's net assets increased to approximately HK\$442.2 million as at 31 March 2025 (2024: approximately HK\$434.5 million). Such increase was mainly the result of the operating profits during the Year. As at 31 March 2025, the Group's net current assets was approximately HK\$2.6 million (2024: approximately HK\$7.0 million), including cash and cash equivalents of approximately HK\$51.1 million (2024: approximately HK\$37.4 million) which were denominated in Hong Kong Dollar.

The current ratio, which is calculated as the total current assets divided by the total current liabilities, was approximately 1.0 times as at 31 March 2025 (2024: approximately 1.1 times).

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group level. To manage the Group's exposure to fluctuations in interest rates, appropriate funding policies will be applied, including the use of bank borrowings or placing of new shares. The management will continue its efforts to obtain the most privileged rates and favourable terms available to the Group for its financing.

The Group monitors its capital on the basis of the gearing ratio, which is expressed as a percentage of net debt divided by total capital. Net debt is calculated as the sum of bank borrowing and lease liabilities less the sum of short-term bank deposits, restricted bank deposits and cash and cash equivalents. Total capital represents total equity as shown on the consolidated statement of financial position of the Group.

The gearing ratio as at 31 March 2025 and 2024 were as follows:

	2025 HK\$'000	2024 HK\$'000
Bank borrowings	207,771	234,314
Lease liabilities	125,189	149,989
	332,960	384,303
Less: Short-term bank deposits	(1,600)	(30,100)
Restricted bank deposits	(10,895)	(10,491)
Cash and cash equivalents	(51,057)	(37,420)
	(63,552)	(78,011)
Net debt	269,408	306,292
Total equity	442,228	434,527
Gearing ratio	60.9%	70.5%

As at 31 March 2025, the gearing ratio of the Group decreased to 60.9% (2024: 70.5%) due to repayments of in bank borrowings during the year.



# Management Discussion and Analysis

As at 31 March 2025, bank borrowings of the Group bore floating interest rates and denominated in HK\$. The maturity profile of bank borrowings of the Group are set out as follows:

	HK\$'000
Within 1 year	28,100
More than 1 year but less than 2 years	21,373
More than 2 years but less than 5 years	50,037
More than 5 years	108,261
	207,771

## COMMITMENTS

As at 31 March 2025, the Group had capital commitments for property and equipment, amounting to approximately HK\$7.4 million (2024: HK\$13.9 million) after netting off the prepayment for the purchase of property and equipment.

## INVESTMENT PROPERTIES

As at 31 March 2025, the Group's investment properties comprise commercial complex, retail shops, fresh market stalls, cooked food stalls, storerooms and car park spaces in Lam Tin and Tsuen Wan and are leased to third parties under operating leases for rental income. As at 31 March 2025, the Group's investment properties amounted to HK\$344.8 million (2024: HK\$368.1 million) and were revalued based on valuations performed by an independent professionally qualified valuer.

## SIGNIFICANT INVESTMENTS

As at 31 March 2025 and 2024, the Group did not hold any significant investment, with a value of over 5% of the total assets of the Group.





# Management Discussion and Analysis

## MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

On 16 December 2024, the Group and Ms. Kowk Hoi Yin and Ms. Lee Tao Ying (the “**Vendors**”) entered into the Sale and Purchase Agreement, pursuant to which the Group conditionally agreed to acquire and the vendors agreed to dispose of the entire issued share capital of Hong Tak Home For the Elderly (Tsuen Wan) Limited (康德護理院(荃灣)有限公司) (the “**Target Company**”), together with the business license for operating the elderly residential care home, at a consideration of HK\$2,000,000. The target company owned and managed the operation of an elderly residential care home in Tsuen Wan. The acquisition was completed in April 2025. The Group has commenced carrying out the alteration and addition works on the premises so as to establish a new care and attention home with approximately 192 residential care places. The new care and attention home is expected to commence operation in the fourth quarter of 2025.

For further details, please refer to the announcement of the Company dated 16 December 2024.

Save as disclosed above and elsewhere in this report, the Group did not conduct any material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

In July 2021, the Group completed acquisition of four parcels of land in Yuen Long for establishment of a new care and attention home with approximately 250 residential care places. Such new care and attention home is expected to commence operation in late 2026.

Save as disclosed above and elsewhere in this report, the Group does not have any plans for material investments and capital assets acquisitions for the coming 12 months.

## CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2025 and 2024.

## FOREIGN EXCHANGE EXPOSURE

The Group solely operates in Hong Kong and the majority of the Group's transactions and the Group's cash and cash equivalents are denominated in HK\$. The Group is not exposed to foreign currency risk on transaction that is in a currency other than the respective functional currency of the Group entities. The Group did not resort to any foreign currency hedging facilities during the Year but the management will continuously monitor foreign exchange exposure and will consider hedging significant foreign currency exposure where appropriate.

## PLEDGE OF ASSETS

As at 31 March 2025, investment properties, property and equipment and right-of-use assets with an aggregate carrying amount of approximately HK\$447.0 million (2024: HK\$455.1 million) and restricted bank deposit of approximately HK\$10.9 million (2024: HK\$10.5 million) were pledged to secure banking facilities granted to the Group. Save for the above, the Group had no other pledge of assets as at 31 March 2025 and 2024.



# Management Discussion and Analysis

## EMPLOYEES AND REMUNERATION POLICIES

The total number of full-time and part-time employees were 585 and 469 as at 31 March 2025 and 2024, respectively. The Group's employee benefit expenses mainly includes salaries, discretionary bonuses, medical insurance coverage, staff quarter, other staff benefits and contributions to retirement schemes. Share options are granted to certain Directors and other eligible employees of the Group to reward their contributions under the share option scheme of the Company. During the Year, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$133.8 million (Previous Year: approximately HK\$107.7 million).

Remuneration is determined generally with reference to the qualification, experience and work performance of the relevant employee, whereas the payment of discretionary bonus is generally subject to work performance of the relevant employee, the financial performance of the Group and general market conditions.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and that the risks of non-compliance with such requirements. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong in all material respects during the Year.

Save as disclosed on page 31 under the headline of "DIRECTORS' SECURITIES TRANSACTIONS" of this annual report, the Group complies with the requirements under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") for the disclosure of information and corporate governance during the Year.

## ENVIRONMENTAL POLICY

The Group recognises its responsibility to protect the environment from its business activities. The Group continually seeks to identify and manage environmental impacts.

## RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as valuable assets of the Group. In order to motivate employees, the Group provides reasonable remuneration package, implements periodic appraisal system and provide on-going trainings to our employees.

The Group treasures the long-term relationships developed with its customers and suppliers. The Group put emphasis on efficient communication, response and feedback actions, which are crucial for building stable relationships with business partners.

The Group values relationships with its stakeholders. The Group maintains an ongoing dialogue with its stakeholders, employees and customers through general meetings, regular performance reviews, appraisals and interview sessions so as to facilitate efficient communication and collective constructive feedback. Such feedback is considered essential in the decision-making process of the Group's daily operation from improving its business performance to bringing insights for future development.



# Management Discussion and Analysis

## PROSPECTS

According to Hong Kong population projections for 2022–2046 released by the Census and Statistics Department, the number of elderly persons in Hong Kong is projected to increase from 1.45 million in 2021 to 2.74 million, over a third of the total number of people in the city, by 2046. This is partly as a result of the unique demographic challenges that Hong Kong faces. It has the highest life expectancy in the world, with women living on average to 87.9 years old and men 82.5 years, while its birth rate plummeted to 4.4 per 1,000 population in 2023, which invariably leads to escalating demand on residential care home services among older adults.

Our principal business objectives are to solidify our established market position in the private RCHE industry in Hong Kong and enhance our market position in the care and attention homes sector. Also, the Group will continue to participate in various community care related programmes for the provision of accessible, comprehensive, co-ordinated and person-centred care services to the community.

As reflected in the Company's motto: "Quality Service; Respecting and Positive; People-oriented; and Full Dedication (優質服務·敬老樂業·以人為本·全身投入)", the Group is committed to providing quality residential care home services to our residents. As part of our continuing effort to maintain a high quality of our services, the Group has implemented standardised management and operational procedures and quality controls across our network of care and attention homes for the elderly. With the Group's experienced management team and reputation in the market, the Group will continue to expand its network of RCHE in strategic locations in Hong Kong to serve more elderly residents when there are suitable opportunities.

In June 2024, a new care and attention home located in Lam Tin with 76 residential care places under first phase commenced operation, second phase with approximately 146 residential care places is expected to commence operation in the third quarter of 2025. Also, another new care and attention home located in Lam Tin with 102 residential care places commenced operation in September 2024. In April 2025, the Group completed the acquisition of a target company, together with the business license for operating the elderly residential care home, the Group is carrying out the alteration and addition works on the premises for establishment a new care and attention home located in Tsuen Wan with 192 residential care places and expected to commence operation in the fourth quarter of 2025.

Having considered the surge in available properties in the market and significant decrease in property prices, the Group completed the acquisition of four pieces of lands in Yuen Long in July 2021 for establishment of a new care and attention home, which is anticipated to provide approximately 250 residential care places and expected to commence operation in late 2026.

During the Year, the Group became a Recognised Service Provider under the Residential Care Services Scheme in Guangdong ("**GDRCS Scheme**") and started to provide subsidised care and attention places for elderly persons joining the scheme. GDRCS Scheme provides an option for elderly persons on the Central Waiting List for subsidised care and attention places to choose to live in the residential care homes for the elderly in Guangdong designated under the Scheme. Two residential care homes for the elderly operated under a partnership formed by the Group and Mainland elderly service operators, located in Shenzhen and Foshan commenced operation during the Year.

The Group is confident for its sustainable growth and believes that its management team with extensive industry experience and its agile operations team are able to adapt to the rapid changes of the demand from the community and adjust the business strategy in accordance with market trends.





# Biographical Details of Directors and Senior Management

## EXECUTIVE DIRECTORS

**Ms. Ngai Ka Yee (“Ms. Ngai”)**, aged 79, is the founder of the Group. Ms. Ngai was appointed as a Director on 2 October 2018 and was designated as an executive Director on 2 October 2018. Ms. Ngai founded the Group through the establishment of the first care and attention home for the elderly in May 1991. She has over 33 years of experience in the RCHE industry in Hong Kong.

Ms. Ngai is the director of various subsidiaries of the Company. Ms. Ngai is the mother of Mr. Ngai Shi Shing Godfrey and Mr. Lam Kong.

**Mr. Ngai Shi Shing Godfrey (“Mr. Ngai”)**, aged 51, was appointed as a Director on 19 April 2018 and was designated as an executive Director and chief executive officer on 2 October 2018. Mr. Ngai has been appointed as the Chairman of the Board since 15 October 2020. Mr. Ngai joined the Group in September 1998 as director and chief executive officer of Crawfield International Limited. Mr. Ngai has over 26 years of experience in the RCHE industry in Hong Kong. Mr. Ngai obtained (i) a Higher Diploma in Manufacturing Engineering (Product Engineering and Design) from Hong Kong Technical Colleges in July 1996, and (ii) a Master of Science in Engineering Business Management from The University of Warwick in January 1998.

Mr. Ngai was appointed as the chairman of Tai Po North District Scout Council from May 2011 to May 2012. Mr. Ngai was awarded the Bronze Award for Volunteer Service from the director of Social Welfare and Volunteer-in-Chief for four consecutive years from 2006 to 2009. He was also awarded the Outstanding Director Award of the Chartered Association of Directors in December 2010. Mr. Ngai was commended Distinguished Service for Community Building under Secretary for Home Affairs’ Commendation Scheme 2021 for his dedicated service and outstanding contribution to youth affairs in Wong Tai Sin district. Mr. Ngai was also appointed as the member of Wong Tai Sin District Council, chairman of executive committee of the Elderly Services Association of Hong Kong in January 2024 and a member of Elderly Commission.

Mr. Ngai is the director of various subsidiaries of the Company. Mr. Ngai is the son of Ms. Ngai Ka Yee and the brother of Mr. Lam Kong.

**Mr. Lau Kwok Wo (“Mr. Lau”)**, aged 67, was appointed as an executive Director on 2 April 2024. Mr. Lau was a civil servant of the Hong Kong government from April 1980 to November 2018 with his position last held as the chief social security officer. He was a commander of AsiaWorld-Expo Quarantine Centre from 2019 to 2020 and a commander of AsiaWorld-Expo Holding Centre from 2022 to 2023. Mr. Lau has been a director of Ensure Medical Care Company Limited, a subsidiary of the Company, since October 2023. He obtained his diploma in management studies from the Hong Kong Polytechnic University in 1999.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Or Kevin (“Mr. Or”)**, aged 53, was appointed as an independent non-executive Director on 20 May 2019. Mr. Or graduated from Royal Melbourne Institute of Technology (now known as RMIT University) in Australia with a bachelor’s degree in business in October 1994.



# Biographical Details of Directors and Senior Management

Mr. Or began his career at PricewaterhouseCoopers in 1996 and has since accumulated over 22 years of experience in the audit field. The following table highlights Mr. Or's professional experience:

Name of Company	Principal business activities	Current position/ last position held	Roles and responsibilities	Duration
Linkers CPA Limited	Provision of accounting and auditing services	Director	Heading the Assurance and Learning & Development Divisions of the firm	From December 2016 to present
PricewaterhouseCoopers	Provision of accounting and auditing services	Senior manager	Provision of assurance services and advising small and medium-sized enterprises, entrepreneurs and companies seeking listing in Hong Kong	From November 1996 to December 2016

Mr. Or was admitted as a certified practising accountant of the Australian Society of Certified Practising Accountants in 1997 and a member of Hong Kong Society of Accountants in 1998. Since April 2018, Mr. Or has been the company secretary and an authorised representative of K W Nelson Interior Design and Contracting Group Limited, a company listed on GEM of the Stock Exchange (stock code: 8411). Since July 2018, Mr. Or has been an independent non-executive director of DLC Asia Limited (衍匯亞洲有限公司), a company listed on GEM of the Stock Exchange (stock code: 8210).

**Ms. Wu Wing Fong ("Ms. Wu")**, aged 45, was appointed as an independent non-executive Director on 8 August 2022. Ms. Wu has over 18 years of experience in merger and acquisition transactions as well as capital markets. Ms. Wu was employed by PricewaterhouseCoopers from October 2007 to November 2015, with her last position as senior manager of the advisory services department and she was employed by Seazen Group Limited, shares of which are listed on the Main Board of the Stock Exchange (stock code: 1030) as deputy general manager from November 2015 to November 2024.

Ms. Wu has been a member of the Hong Kong Institute of Certified Public Accountants since 2011. She graduated from Kelley School of Business at Indiana University with a bachelor of science degree in business administration with emphasis in finance in August 2005.

**Mr. Wong Chun Kit ("Mr. Wong")**, aged 38, was appointed as an independent non-executive Director on 13 December 2024. Mr. Wong holds the qualification of Registered Architect of the Architects Registration Board of the Hong Kong Special Administrative Region, Chartered Membership of the Royal Institute of British Architects, Property Management Practitioner (Tier 2) Licence and the Registered Engineer of The Guangdong Institute of Engineers.

Mr. Wong has around 13 years of experience in the construction industry, specializing in administration and coordination of the statutory and quality checkup in architectural and construction projects. He is currently a director of Cupio Architects Limited and Active Property and Facility Management Limited, and a technical director of Luk Hop Construction Engineering Limited. Prior to that, he worked for several architectural firms from 2012 to 2020, including Rocco Design Architects Limited, AGC Design Limited, Spiral Architectural Design Limited and SANAA Jimusho.

Mr. Wong presently serves as a member of Care Team (Wong Tai Sin) of the Home Affairs Department, a member of Area Committee (Wong Tai Sin Central) of the Home Affairs Department, a professional building consultant of East Kowloon District Residents' Committee and the president of Chinese University Architecture Alumni Association.

Mr. Wong obtained a Master of Architecture at the Chinese University of Hong Kong and Bachelor of Architecture (Hons) at the University of Nottingham.



# Biographical Details of Directors and Senior Management

## SENIOR MANAGEMENT

**Mr. Kwok Chi Kan (“Mr. Kwok”)**, aged 44, joined the Group in July 2018 as the chief financial officer, and is responsible for the accounting and financial planning and management, as well as overall corporate secretarial matters of the Group. Mr. Kwok graduated with a bachelor of science in applied accounting degree from Oxford Brookes University in 2006.

Mr. Kwok is a member of Hong Kong Institute of Certified Public Accountants since 2008. Mr. Kwok worked in H.T Wong & Co. Limited, an accountants’ firm in Hong Kong, from April 2003 to January 2007. From January 2007 to June 2008, Mr. Kwok worked in Grant Thornton, an international accountants’ firm, as a senior accountant. Mr. Kwok subsequently joined PricewaterhouseCoopers, an international accountants’ firm, in July 2008 until February 2018, with his last position as a senior manager before joining the Group.

Mr. Kwok was also appointed as the company secretary of the Company on 2 October 2018.

**Ms. Kwong Mei Ping (“Ms. Kwong”)**, aged 55, joined the Group in December 1996 as a personal care worker and is currently the head of nursing department of the Group and a home manager, and is responsible for supervising the care work for all the residents in the Group’s RCHes. Ms. Kwong graduated from The Open University of Hong Kong with a bachelor of education in primary education degree in 2000 and a higher diploma in nursing in 2012.

She was an enrolled nurse with the Nursing Council of Hong Kong from March 2008 until she has become a registered nurse with the Nursing Council of Hong Kong since June 2012. She joined Fai To Home for the Aged (Tuen Mun) Branch as an enrolled nurse in May 2008 and subsequently worked as a registered nurse in Tsuen Wan Elderly Centre since May 2012.

**Mr. Lam Kong (“Mr. Lam”)**, aged 57, joined the Group in October 1992 as a technician and is currently the project manager of the Group, and is responsible for managing projects of the Group with government authorities. He joined the Group in October 1992 as a technician until June 1997. From July 1997 to December 2003, he worked in the Group as senior technician. In January 2004, he was promoted to the position of assistant manager, where he was responsible for the repair and maintenance work of the Group’s RCHes, as well as the project management work of the Group. He was further promoted to the current position in January 2009.

Mr. Lam is both a shareholder and a director of each of Shing Kong Limited and Stand Harvest Limited, each of which is a connected person (as defined in the Listing Rules) of the Company. He is the son of Ms. Ngai and the brother of Mr. Ngai.

\* For identification purpose only





# Corporate Governance Report

The Company's corporate governance code is based on the principles and code provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 to the Listing Rules to ensure that the Company's business activities and decision making processes are regulated in a proper and prudent manner. The Company is committed to maintain high standards of corporate governance to safeguard interest of the Shareholders and ensure the quality of the constitution of the Board and transparency and accountability to the Shareholders.

The Company complied with all code provisions in the CG Code, except for the deviation from code provision C.2.1 of the CG Code as noted hereunder during the Year and up to the date of this annual report.

The Board has reserved for its decision and consideration issues in relation to (i) formulating the strategic objectives of the Group; (ii) considering and deciding the Group's significant operational and financial matters, including but not limited to substantial mergers and acquisitions and disposals; (iii) overseeing the Group's corporate governance practices; (iv) ensuring a risk management control system in place; (v) directing and monitoring senior management in pursuit of the Group's strategic objectives; and (vi) determining the remuneration packages of all Directors and the Group's senior management, including benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment. Implementation and execution of Board policies and strategies and the daily administrative matters are delegated to the respective Board committees and the management team of the Company.

The Board will conduct at least four regular Board meetings a year and additional meetings will be held or resolutions in writing signed by all Directors in lieu of a meeting will be arranged as and when required. If a substantial Shareholder or a Director has a conflict of interest in a transaction which the Board determines to be material, it will be considered and dealt with by the Board at a duly convened Board meeting with the presence of the independent non-executive Directors who, and whose close associates, have no material interest in the transaction. Comprehensive information on matters to be discussed at the Board meeting will be supplied to the Directors in a timely manner to facilitate discussion and decision-making.

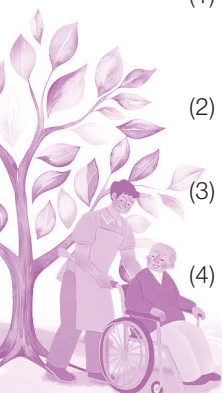
## COMPOSITION OF THE BOARD

As at the date of this report, the Board comprised of three executive Directors and three independent non-executive Directors. During the Year and up to the date of this report, the name and office of each of the members of the Board and the Board committees of the Company are as follows:

Board members	Office
Ngai Ka Yee	Executive Director
Ngai Shi Shing Godfrey	Chairman, chief executive officer and executive Director
Lau Kwok Wo ( <i>appointed on 2 April 2024</i> ) <sup>(1)</sup>	Executive Director
Or Kevin	Independent non-executive Director
Wu Wing Fong	Independent non-executive Director
Wong Chun Kit ( <i>appointed on 13 December 2024</i> ) <sup>(4)</sup>	Independent non-executive Director
Lo Ning ( <i>retired on 30 August 2024</i> ) <sup>(2)</sup>	Independent non-executive Director
Wong Vinci ( <i>resigned on 13 December 2024</i> ) <sup>(3)</sup>	Independent non-executive Director

The following changes to the Board composition have taken place since the date of the last corporate governance report:

- (1) Mr. Lau Kwok Wo has been appointed as an executive Director on 2 April 2024. He has obtained legal advice referred to in Rule 3.09D of the Listing Rules on 2 April 2024 and has confirmed he understood his obligations as a director.
- (2) Ms. Lo Ning retired from her position as an independent non-executive Director with effect from 30 August 2024, due to her other business engagements, which require more of her time and dedications.
- (3) Mr. Wong Vinci resigned as an independent non-executive Director with effect from 13 December 2024 in order to devote more time to his other business commitments.
- (4) Mr. Wong Chun Kit has been appointed as an independent non-executive Director on 13 December 2024. He has obtained legal advice referred to in Rule 3.09D of the Listing Rules on 12 December 2024 and has confirmed he understood his obligations as a director.



# Corporate Governance Report

## Audit Committee members

Or Kevin (*Chairman*)

Wu Wing Fong

Wong Chun Kit (*appointed on 13 December 2024*)<sup>(3)</sup>

Lo Ning (*retired on 30 August 2024*)<sup>(1)</sup>

Wong Vinci (*resigned on 13 December 2024*)<sup>(2)</sup>

## Remuneration Committee members

Or Kevin (*Chairman*) (*re-designated on 13 December 2024*)<sup>(4)</sup>

Wong Vinci (*Chairman*) (*resigned on 13 December 2024*)<sup>(2)</sup>

Ngai Shi Shing Godfrey

Wu Wing Fong (*appointed on 13 December 2024*)<sup>(5)</sup>

Lo Ning (*retired on 30 August 2024*)<sup>(1)</sup>

## Nomination Committee members

Wu Wing Fong (*Chairlady*) (*appointed on 13 December 2024*)<sup>(5)</sup>

Lo Ning (*Chairlady*) (*retired on 30 August 2024*)<sup>(1)</sup>

Wong Vinci (*Chairman*) (*re-designated on 30 August 2024 and resigned on 13 December 2024*)<sup>(2)</sup>

Ngai Shi Shing Godfrey

Or Kevin

The following changes to the Board Committee composition have taken place since the date of the last corporate governance report:

- (1) Ms. Lo Ning ceased to be the chairlady of the Nomination Committee, a member of each of the Audit Committee and the Remuneration Committee with effect from 30 August 2024.
- (2) Mr. Wong Vinci re-designated as the chairman of the Nomination Committee with effect from 30 August 2024 and ceased to be the chairman of each of the Nomination Committee and Remuneration Committee and a member of the Audit Committee with effect from 13 December 2024.
- (3) Mr. Wong Chun Kit has been appointed as a member of the Audit Committee with effect from 13 December 2024.
- (4) Mr. Or Kevin has been redesignated from a member to the chairman of the Remuneration Committee with effect from 13 December 2024.
- (5) Ms. Wu Wing Fong has been appointed as the chairlady of the Nomination Committee and a member of the Remuneration Committee with effect from 13 December 2024.



# Corporate Governance Report

The attendance record of each Director at Board meetings, audit committee meetings, remuneration committee meeting, nomination committee meeting and extraordinary and annual general meetings for the Year is set out in the following table:

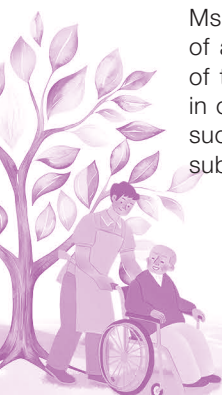
	Board Meeting (attendance/ total no. of meetings held)	Audit Committee (attendance/ total no. of meetings held)	Remuneration Committee (attendance/ total no. of meetings held)	Nomination Committee (attendance/ total no. of meetings held)	Annual General Meeting held on 30 August 2024 (attendance/ total no. of meetings held)	Extraordinary General Meeting held on 19 February 2025 (attendance/ total no. of meetings held)
<i>Executive Directors</i>						
Ngai Ka Yee	4/4	—	—	—	1/1	1/1
Ngai Shi Shing Godfrey	4/4	—	1/1	1/1	1/1	1/1
Lau Kwok Wo (appointed on 2 April 2024)	4/4	—	—	—	1/1	1/1
<i>Independent non-executive Directors</i>						
Or Kevin	4/4	2/2	1/1	1/1	1/1	1/1
Wu Wing Fong	4/4	2/2	—	—	1/1	1/1
Wong Chun Kit (appointed on 13 December 2024)	1/1	—	—	—	—	1/1
Lo Ning (retired on 30 August 2024)	2/2	1/1	1/1	1/1	—	—
Wong Vinci (resigned on 13 December 2024)	3/3	2/2	1/1	1/1	1/1	—

Ms. Ngai Ka Yee and Mr. Ngai Shi Shing Godfrey, each an executive Director, has signed a service contract with the Company on 20 May 2019 for an initial term of three years, commencing from 13 June 2019 (the “**Listing Date**”) (subject to termination in certain circumstances as stipulated in the relevant service contracts) and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term, subject to the rotation, removal, vacation or termination of such office as set out in the articles of association of the Company (the “**Articles**”).

Mr. Lau Kwok Wo, an executive Director, has signed a service contract with the Company on 2 April 2024 for an initial term of three years, commencing from 2 April 2024 and subject to the rotation, removal, vacation or termination of such office as set out in the Articles.

Mr. Or Kevin, being the independent non-executive Director, has signed a letter of appointment with the Company on 20 May 2019 for an initial term of two years, commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant letter of appointments) and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term, subject to the rotation, removal, vacation or termination of such office as set out in the Articles.

Ms. Wu Wing Fong and Mr. Wong Chun Kit, each an independent non-executive Director, has signed a letter of appointment with the Company on 6 August 2022 and 13 December 2024 respectively for an initial term of two years, commencing from 8 August 2022 and 13 December 2024 respectively (subject to termination in certain circumstances as stipulated in the relevant letters of appointments) and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term, subject to the rotation, removal, vacation or termination of such office as set out in the Articles.





# Corporate Governance Report

According to article 83 of the Articles, any Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall be eligible for re-election.

According to article 84 of the Articles, one-third of the Directors for the time being, or if their number is not 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. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election.

Accordingly, Mr. Or Kevin, Ms. Wu Wing Fong and Mr. Wong Chun Kit shall retire as the Directors pursuant to articles 83 and 84 of the Articles and being eligible, offer themselves for re-election. Mr. Or Kevin, Ms. Wu Wing Fong and Mr. Wong Chun Kit will offer themselves for re-election at the annual general meeting of the Company to be held on Wednesday, 10 September 2025 (the “**AGM**”).

The Board composition is regularly reviewed to ensure that it has a balance of skills and experience appropriate for the requirement of the business of the Group. A balanced composition of executive Directors and independent non-executive Directors is maintained to ensure independence and effective management. The Company has satisfied the Rules 3.10(1) and (2), and 3.10A of the Listing Rules in having at least three independent non-executive Directors, representing at least one-third of the Board and at least one of the independent non-executive Directors with appropriate professional qualifications or accounting or related financial management expertise. Save as disclosed under the “Biographical Details of Directors and Senior Management” in this report, there is no relationship (including financial, business, family or other material/relevant relationship(s)) among the members of the Board.

The appointment of new Directors is to be recommended by the Remuneration Committee and the Nomination Committee and approved by the Board or by the shareholders of the Company in a general meeting based on a formal written procedure and policy for the appointment of new Directors. When selecting potential candidates for the Directors, their skills, experience, expertise, devotion of time and non-conflicts of interests are the key factors. In considering the re-appointment of Directors, the Board, with the assistance and recommendation from the Nomination Committee, will also take into account a number of factors, including but not limited to the structure, size and composition of the Board, the candidates’ qualifications and their ability to devote sufficient time as and when required to discharge their responsibilities as a Director and to make positive contribution to the development of the Company’s strategy, policies and performance.

The daily operation and management of the business of the Group, among other matters, and the implementation of strategies are delegated to the executive Directors and senior management. They report periodically to the Board on their work and business decisions.

All Directors have been fully consulted about any matters proposed for inclusion in the agenda for regular meetings. The chairman of the Board has delegated the responsibility for drawing up the agenda for each Board meeting to the company secretary of the Company (the “**Company Secretary**”).

With the assistance of the Company Secretary, the chairman of the Board seeks to ensure that all Directors are properly briefed on issues arising at the Board meetings and have received adequate and reliable information in a timely manner.

Notices of at least 14 days are given to the Directors for regular meetings, while the Board papers are sent to the Directors not less than three days before the intended date of a Board or Board committee meeting. With respect to other meetings, the Directors are given as much notice as is reasonable and practicable in the circumstances. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles. The Company Secretary ensures that the procedures and all applicable rules and regulations are complied with. Minutes of the Board meetings and meetings of the Board committees are kept by the Company Secretary and are available for inspection at any time on reasonable notice by any Director.



# Corporate Governance Report

Minutes of Board meetings and Board committee meetings records sufficient details of the matters considered and decisions reached, including any concerns raised by the Directors or dissenting views expressed. Draft minutes are normally circulated to Directors or members of the relevant Board committees for comments within a reasonable time after each meeting.

Any material transaction, which involves a conflict of interests between a substantial shareholder or a Director and the Company, will be considered and dealt with by the Board at a duly convened Board meeting with the presence of the independent non-executive Directors who and whose close associates, have no material interest in the transaction. Directors would abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest in such transactions.

The Directors have full access to information of the Group and are able to obtain independent professional advice whenever they deem necessary. The Directors will be updated with legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties from time to time. The Audit Committee, Nomination Committee and Remuneration Committee are provided with sufficient resources to perform their duties.

The Board is of the view that the following mechanisms adopted by the Company pursuant to code provision B.1.4 of the CG Code are effective in ensuring that independent views and inputs are available to the Board:

- The Board is represented by sufficient number of independent non-executive Directors which meets the requirement of the Listing Rules.
- In assessing suitability of the Director candidates, the Board will consider their profiles, including their character, experience, qualifications and time commitment and will also consider the Board's overall composition and skill matrix as well as the Company's diversity policy.
- The Board will review each Director's time commitment to the Company's business annually.
- The Board will assess independent non-executive Directors' independence upon appointment and annually.
- Directors are required to abstain from voting in matters in which he/she has material interest.
- The Audit Committee, the Nomination Committee and the Remuneration Committee are authorised by the Board to obtain outside legal or other independent professional advice as necessary to assist the respective committee.

The quality of deliberations at meetings of the Board are reviewed during the annual evaluation of the Board's performance. The Board has reviewed and considered that the above mechanisms have been duly implemented and are effective in ensuring that independent views and input are available to the Board during the Year.

The Company has received from each of the independent non-executive Directors an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent.



# Corporate Governance Report

## Responsibilities

In the course of discharging their duties, the Directors act in good faith, with due diligence and care, and in the best interests of the Company and its Shareholders. Their responsibilities include (i) regular board meetings focusing on business strategy, operational issues and financial performance; (ii) monitoring the quality, timeliness, relevance and reliability of internal and external reporting; (iii) monitoring and managing potential conflicts of interest of management, board members and Shareholders, including misuse of corporate assets and abuse in connected transaction; and (iv) ensuring processes are in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

## Director's Responsibilities for the Consolidated Financial Statements

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group and ensure that the consolidated financial statements of the Group are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the consolidated financial statements of the Group. In preparing the accounts for the Year, the Directors have, among other things:

- selected suitable accounting policies and applied them consistently;
- approved adoption of all Hong Kong Financial Reporting Standards which are in conformity with the International Financial Reporting Standards;
- made disclosure by following requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and
- made judgements and estimates that are prudent and reasonable and have prepared the accounts on the going concern basis.

The Directors confirm that, to the best of their knowledge, information and belief, and having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The reporting responsibilities of the Group's auditor, PricewaterhouseCoopers, are set out in the Independent Auditor's Report on pages 58 to 61 to this annual report.

## Chairman and Chief Executive

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Ngai is the chief executive officer of the Company and was appointed as the chairman of the Board on 15 October 2020. Although this deviates from the practice under code provision C.2.1 of the CG Code, where it provides that the two positions should be held by two different individuals, as Mr. Ngai has considerable experience in the enterprise operation and management of the Company, the Board believes that it is in the best interests of the Company and the Shareholders as a whole to have Mr. Ngai as chairman of the Board so that it can benefit from his experience and capability in leading the Board in the long-term development of the Company and for more effective planning and execution of business strategies. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.





# Corporate Governance Report

## Board Diversity Policy

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity on the Board.

The Company recognises and embraces the benefits of diversity in Board members. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of directors. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments will be based on merit while taking into account diversity including gender diversity. The Company aims to build and maintain a Board with a diversity of directors, in terms of skills, experience, knowledge, expertise, culture, independence, age and gender.

Measurable objectives have been set to implement the Board Diversity Policy and selection of candidates will be based on a range of diversity perspectives as stated in the above. By adopting such criteria, it also facilitates the Company to develop a pipeline of candidates to the Board to achieve gender diversity. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this annual report, the Board comprises six Directors, three of whom are independent non-executive Directors and independent of management, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of professional background, skills and gender.

During the Year, the Board, via the Nomination Committee, conducted an annual review of the implementation and effectiveness of the Board Diversity Policy and is satisfied that the Board Diversity Policy has been properly implemented and is effective.

## Gender Diversity

The Board values gender diversity. As of 31 March 2025 and the date of this report, the Board had two female Directors, and four male Directors, as such has achieved gender diversity in respect of the Board. The Board is of the view that gender should not be the only factor in selecting a candidate for the Board. The Company would follow the Board Diversity Policy to take into account various factors in identifying suitable candidates for appointment to the Board, and may adjust the proportion of female Board members over time as appropriate.

While we believe our future employee recruitment should predominantly be merit-based and do not consider it appropriate to set any target gender ratio for our workforce, we recognise and embrace the benefits of having a diverse workforce, and will continue to enhance the diversity of our workforce, subject to availability of suitable candidates.

Details of gender ratio of the workforce (including senior management) for the Year are set out in the “Environmental, Social and Governance Report”.



# Corporate Governance Report

## Board Meetings and General Meetings

During the Year, the Board held four meetings to review and approve, among other things, (i) the audited annual results of the Company for the year ended 31 March 2024; (ii) environmental, social and governance report 2024; (iii) the unaudited interim results of the Company for the six months ended 30 September 2024; and (iv) other matters on the business and operation of the Group. During the Year, an annual general meeting held on 30 August 2024 and an extraordinary general meeting held on 19 February 2025 to approve, inter alia, (i) the approval of audited annual results of the Company for the year ended 31 March 2024 and of the Renewal Letters (as defined in the Report of the Directors) and the transactions contemplated thereunder; and (ii) discloseable and connected transactions in relation to renewal of existing leases and entering into new tenancy agreement.

## Delegation by the Board

The Board has established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Specific responsibilities of each committee are described below. All committees have defined terms of reference which are no less exacting than those set out in the CG Code.

## Audit Committee

The Audit Committee was established on 20 May 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. As at the date of this report, the Audit Committee comprises three members, namely Mr. Or Kevin, Ms. Wu Wing Fong and Mr. Wong Chun Kit. The chairman of the Audit Committee is Mr. Or Kevin, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. During the Year, the Company has fully complied with Rule 3.21 of the Listing Rules.

The primary duties of the Audit Committee include, but are not limited to, the following: (i) making recommendations to the Board on the appointment and removal of the external auditor; (ii) reviewing the financial statements of the Group and monitoring the integrity of such financial statements; and (iii) overseeing the financial reporting system and internal control procedures.

During the Year, the Audit Committee held two meetings to, inter alia, review the interim and annual results of the Group, risk management and internal control systems of the Group, review and approve the annual audit and non-audit services fees for the Year, recommend the re-appointment of the Group's auditor, to the Board for approval and transact any other business in accordance with its terms of reference. There was no disagreement between the Board and the Audit Committee on the selection and re-appointment of the external auditor during the Year.

The Company's audited consolidated financial statements for the Year have been reviewed by the Audit Committee. The Audit Committee considered that the relevant audited consolidated financial statements have been prepared in compliance with the applicable accounting principles and requirements of the Stock Exchange and disclosures have been fully made.

## Remuneration Committee

The Remuneration Committee was established on 20 May 2019 with written terms of reference in compliance with paragraph E.1 of the CG Code. As at the date of this report, the Remuneration Committee comprises three members, namely, Mr. Or Kevin, Mr. Ngai Shi Shing Godfrey and Ms. Wu Wing Fong. The chairman of the Remuneration Committee is Mr. Or Kevin.



# Corporate Governance Report

The primary duties of the Remuneration Committee include, but are not limited to, the following: (i) making recommendations to the Board on the policy and structure for the remuneration of all the Directors and senior management; (ii) making recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy; (iii) determining the specific remuneration packages of all Directors and senior management; (iv) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time; and (v) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management.

During the Year, the Remuneration Committee held one meeting to, inter alia, (i) review the remuneration policy and structure of the Directors and the senior management; (ii) review the remuneration package of the Directors and senior management; and (iii) transact any other business in accordance with its terms of reference.

Since there were no shares granted under the Share Option Scheme (as defined in the Report of the Directors), no material matters relating to the Share Option Scheme under Chapter 17 of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the Year.

Details of the directors' remuneration and five highest paid individuals for the Year as regarded to be disclosed pursuant to the CG Code are provided in note 8 to the audited consolidated financial statements in this report.

During the Year, the remuneration of the senior management (excluding directors) of the Group by band is set out below:

	Number of individuals
Nil to HK\$1,000,000	1
HK\$1,000,001–HK\$1,500,000	1
HK\$1,500,001–HK\$2,000,000	2

Details of the emolument policy of the Group are also set out in the "Emolument Policy" section contained in the Report of the Directors in this annual report.

## Nomination Committee

The Nomination Committee was established on 20 May 2019 with written terms of reference in compliance with paragraph B.3 of the CG Code. As at the date of this report, the Nomination Committee comprises three members, namely Ms. Wu Wing Fong, Mr. Or Kevin and Mr. Ngai Shi Shing Godfrey. The chairlady of the Nomination Committee is Ms. Wu Wing Fong.

The primary functions of the Nomination Committee include, but are not limited to, the following: (i) reviewing the structure, size, diversity and composition of the Board; (ii) assisting the Board in maintain a Board skills matrix; (iii) assessing the independence of the independent non-executive Directors; (iv) making recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for the Directors; and (v) supporting the regular evaluation of the performance of the Board.





# Corporate Governance Report

During the Year, the Nomination Committee held one meeting to, inter alia, (i) review and consider that the structure, size, diversity and composition of the Board and the Board Diversity Policy; (ii) assess the independence of the independent non-executive Directors; (iii) recommend the re-election of the retiring Directors at the annual general meeting of the Company held on 30 August 2024; (iv) recommend the aforesaid matters to the Board for approval; and (v) transact other business in accordance with its terms of reference.

The Nomination Committee regularly review the Board composition by considering the benefits of all aspects of diversity, including but not limited to those described under the heading of Board Diversity Policy in this annual report.

## Nomination Policy

The Company adopted the nomination policy (the “**Nomination Policy**”). The Nomination Policy aims at setting out the process for the nomination of a candidate for the Company's directorship, the process and criteria to be adopted by the Nomination Committee in selecting and recommending a candidate for directorship in the Company as well as the subsequent procedures for considering and (if thought fit) approving the nomination by the Board and (as appropriate) the Shareholders, in order to facilitate the constitution of the Board with a balance of skills, knowledge, ability, experience and diversity of perspectives that is appropriate to the requirements of the Company's business operations and environment as well as the industry in which the Company operates. The Nomination Policy supplements the terms of reference of the Nomination Committee.

The Nomination Committee shall conduct the following processes (coupled with the following criteria) with a view to assessing and evaluating whether such candidate is suitably qualified to be appointed as a Director before making recommendations to the Board:

1. to assess such candidate's qualifications, professional and educational background, skills, knowledge, ability, experience and expertise and also potential time commitment and attention to perform director's duties, with reference to the corresponding professional knowledge and industry experience which may be relevant to the Company and also the potential contributions that such candidate could bring to the Board;
2. in addition, without prejudice to paragraph 1 above, to assess such candidate's personal ethics, character, integrity and reputation which would be important to the overall business culture of the Company;
3. with reference to the Board Diversity Policy (as adopted and amended by the Board from time to time), to take into account the then current structure, size and composition of the Board and the Company's corporate strategy, with due regard to the benefits of the appropriate diversity of perspectives within the Board as well as a strong independent element on the Board;
4. to consider Board succession planning considerations and the long-term needs of the Company;
5. in case of a candidate for an independent non-executive Director, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of Listing Rules; and (ii) the requirements relating to independent non-executive directors set out in code provision B.3.4 of the CG Code; and
6. to consider any other factors and matters as the Nomination Committee may consider appropriate.

As to the re-appointment of a Director, the Nomination Committee will, mutatis mutandis, apply the above processes (coupled with the above criteria) and (in the case of an independent non-executive Director) assess whether such Director has remained independent in the context of the Listing Rules and should be re-elected at the next general meeting of the Company.

The entire Board is ultimately responsible for the selection and appointment or recommendation (as the case may be) of candidates for the Company's directorship, and accordingly, shall consider the recommendations from the Nomination Committee and make a decision.



# Corporate Governance Report

In view of the foregoing, the nomination procedures to select and recommend candidates for the Company's directorship could be summarised as follows:

1. The chairman of the Nomination Committee will, upon receipt of a nomination from the nominating Director or the company secretary of the Company (as the case may be), convene a meeting of the Nomination Committee to consider the same in accordance with its terms of reference.
2. For filling a casual vacancy to the Board, the Nomination Committee will conduct the relevant selection process (coupled with the relevant selection criteria) against the nominated candidate and make recommendations to the Board for consideration, and the Board will then make a decision as to whether the nominated candidate shall be eligible to be appointed as a Director.
3. For proposing a candidate to stand for election as the Director at a general meeting of the Company:
  - (a) the Nomination Committee will make nominations to the Board for consideration, and the Board will then make recommendations to the Shareholders for consideration; and
  - (b) in accordance with Rule 13.70 of the Listing Rules, the Company shall issue an announcement or supplementary circular setting out the information required by the Listing Rules not less than 10 business days prior to the date of the general meeting. For more details, as mentioned above, please see the procedures for a Shareholder to propose a person for election as a Director (as amended from time to time) which are accessible on the Company's website.
4. For re-appointing a Director:
  - (a) subject to (b) below, the Nomination Committee will conduct the relevant selection process (coupled with the relevant selection criteria) against the Director proposed to be re-appointed and make recommendations to the Board for consideration, and the Board will then make a decision as to whether the Director shall be eligible to be re-appointed as a Director; and
  - (b) if the Director proposed to be re-appointed or re-elected due to retirement by rotation under the Company's articles of association is an independent non-executive Director who has served the Board for more than 9 years, the Nomination Committee shall also assess whether the Director has remained independent in the context of the Listing Rules and should be re-elected at the next general meeting of the Company and make recommendations to the Board for consideration. The Board will then make a decision as to whether the Director has remained independent in the context of the Listing Rules, and if so, recommend the proposed re-appointment/re-election of the Director to the Shareholders for consideration at the next general meeting of the Company.

Pursuant to code provision C.1.5 of the CG Code, the Directors have disclosed to the Company at the time of their appointments and from time to time thereafter the number and nature of offices held in public companies or organisations, other significant commitments, and the identity of the public companies or organisations involved.

## CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out in paragraph A.2.1 of the CG Code. These duties include (i) to develop and review the policies and practices on corporate governance of the Group; (ii) to review and monitor the training and continuous professional development of the Directors and senior management; (iii) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and employees; and (v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report of the Company. During the Year, the Board reviewed and performed these corporate governance functions.



# Corporate Governance Report

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”). In response to the specific enquiry made by the Company, all Directors except Mr. Ngai, have confirmed that they have complied with the Model Code during the Year.

Due to the last-minute delay of the publication of the annual results announcement for the Previous Year, which was originally scheduled to be published at night on 25 June 2024 but was only published in the morning of 26 June 2024, Mr. Ngai's broker purchased 4,152,000 shares of the Company on 26 June 2024, which constituted an unintentional and technical non-compliance with Rule A.3(a)(i) of the Model Code. Mr. Ngai had complied with the notification requirements under Rule B.8 of the Model Code. The Stock Exchange has subsequently issued a guidance letter to Mr. Ngai regarding such non-compliance.

In order to prevent similar non-compliance in the future, the Company will take the following remedial actions to optimize the Company's internal control system:

- (a) the Company's finance department, as led by the chief financial officer, has been reminded to strictly adhere to the planned financial reporting schedule, allow sufficient time for finalizing the financial results to be published, and obtain all professional parties' sign-off at least one hour before the close of the relevant publication window under the Listing Rules in the future;
- (b) all Directors have been reminded again of the requirements of the Model Code and the importance of compliance with the Model Code;
- (c) the Company Secretary will be required to timely notify all the Directors of any change in blackout period (including any last-minute change) so as to reduce the likelihood of any Director overlooking the relevant requirements;
- (d) the Directors will be required to acknowledge the blackout notification in writing, thereby reducing the chance that any Director might overlook the blackout period; and
- (e) continue to provide regular training to the Directors, senior management and staff of the Company so as to ensure compliance with and enhance their (including their associates') awareness of good corporate governance practices.



# Corporate Governance Report

## CONTINUOUS PROFESSIONAL DEVELOPMENT FOR DIRECTORS

Directors must keep abreast of their collective responsibilities. During the Year, each Director received training of the statutory and regulatory obligations of a director of a listed company in Hong Kong. The Directors are continually updated with business and market changes, and legal and regulatory developments to facilitate the discharge of their responsibilities through various Board meetings, resolutions, memoranda, Board papers, and updates on corporate governance practices and director's responsibilities under the Listing Rules, applicable laws and other relevant statutory requirements.

During the Year in accordance with code provision C.1.4 of the CG Code, the Board members participated in the following training programmes:

Name of Directors	Types of training	
	Attending training(s)/ seminar(s)/ in-house briefing(s)	Reading materials updating on new rules and regulations
<i>Executive Directors</i>		
Ngai Ka Yee	√	√
Ngai Shi Shing Godfrey	√	√
Lau Kwok Wo ( <i>appointed on 2 April 2024</i> )	√	√
<i>Independent Non-executive Directors</i>		
Or Kevin	√	√
Wu Wing Fong	√	√
Wong Chun Kit ( <i>appointed on 13 December 2024</i> )	√	√
Lo Ning ( <i>retired on 30 August 2024</i> )	√	√
Wong Vinci ( <i>resigned on 13 December 2024</i> )	√	√

## DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance covers on directors' and officers' liabilities have been in force to protect the directors and officers of the Group from their risk exposure arising from the business of the Group and, as at the date of this report, the Directors and officers of the Company are indemnified under a directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers of the Company shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

## COMPANY SECRETARY

The Company Secretary functions to ensure a good information flow within the Board and between the Board and senior management of the Company, to provide advice to the Board in relation to the Directors' obligations under the Listing Rules and applicable laws and regulations and to assist the Board in implementing the corporate governance practices. Mr. Kwok, the Company Secretary, has attended not less than 15 hours of relevant professional training as required under Rule 3.29 of the Listing Rules during the Year.





# Corporate Governance Report

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it is responsible for monitoring the risk management and internal control systems of the Group on an ongoing basis and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. There is currently no internal audit functions within the Group, in light of nature and complexity of the business of the Group.

During the Year, the Board, through an independent external consulting firm, conducted an annual review of both design and implementation effectiveness of the risk management and internal control systems of the Group, covering all material controls including but not limited to financial, operational and compliance controls. Such annual review was done with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting functions as well as those relating to the Group's environmental, social and governance performance and reporting are adequate.

The results of the independent review and assessment are reported by the Audit Committee to the Board. Improvements in internal control and risk management measures to enhance the risk management and internal control systems of the Group and to mitigate risks of the Group are recommended for consideration and adoption by the Board. Based on the findings and recommendations, as well as the comments of the Audit Committee, the Board considers the internal control and risk management systems to be effective and adequate during the Year.

A discussion on the principal types of financial risks which the Group is facing is included in note 3 to the audited consolidated financial statements in this report and the "Principal Risks and Uncertainties" section contained in the Report of the Directors in this annual report.

For compliance with code provision D.2.4(e) of the CG Code, the Company has adopted the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission as its own guidelines in handling and dissemination of inside information. Unauthorised use of confidential information is strictly prohibited. The Group has established procedures to identify and evaluate events or circumstances which potentially involve or constitute inside information. Prior to disclosure, the Board is responsible for ensuring that any inside information relating to the Group is kept strictly confidential and restricting access to inside information to a limited number of parties on a need-to-know basis. The Group would strive to ensure disclosure of inside information to be made in a manner that provides for equal, timely and effective access by the public.

## AUDITOR'S REMUNERATION AND RESPONSIBILITIES

The Company has appointed PricewaterhouseCoopers as the external auditor of the Group. The remuneration paid or payable to PricewaterhouseCoopers in respect of the Group's annual audit services for the Year amounted to approximately HK\$2,000,000 and other non-audit services for the Year amounted to approximately HK\$300,000. The reporting responsibilities of PricewaterhouseCoopers are set out in the section "Independent Auditor's Report" on pages 58 to 61 of this annual report.



# Corporate Governance Report

## COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

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

The disclosure of the Group's information in a reasonable and time manner by the Board is to facilitate the Shareholders as well as the investors to have a better understanding of the business performance, operations and strategies of the Group. The Company's website at [www.elderlyhk.com](http://www.elderlyhk.com) allows the potential and existing investors as well as the public to get access to and acquire the Company's up-to-date corporate and financial information.

Shareholders are provided with contact details of the Company, such as telephone hotline, email address and postal address, in order to enable them to make any queries that they may have with respect to the Company.

Shareholders can also send their enquiries to the Board through these means. The contact details of the Company are provided in this annual report in the "Corporate Information" section of this annual report and the Company's website for further details.

The Board welcomes views of Shareholders and encourages them to attend general meetings to raise any concerns that they may have with the Board or the management directly. Board members and appropriate senior staff of the Group are available at the meetings to answer any questions raised by Shareholders.

Having considered the multiple channels of communication and engagement in place, it is satisfied that the shareholders communication policy was effective during the Year.

## PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

To safeguard Shareholders' interests and rights, separate resolutions are proposed at general meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. Besides, pursuant to article 58 of the Articles, the Board may whenever it thinks fit to call extraordinary general meetings. Any one or more members holding at the date of deposit of the requisition of 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 Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.



# Corporate Governance Report

Shareholders may send written enquiries to the Company or put forward any enquiries or proposals to the Board. The contact details are as follows:

Board of Directors

**Kato (Hong Kong) Holdings Limited**

Address: 1st Floor, Tung Wai Court, No. 3 Tsing Ling Path, Tuen Mun, New Territories, Hong Kong

Fax No.: (852) 3585 2908

To put forward proposals at an annual general meeting or a general meeting, the Shareholders shall submit a written notice of those proposals with detailed contact information to the Board or the Company Secretary at the Company's principal place of business in Hong Kong.

The request will be verified with the Company's branch share registrar in Hong Kong and upon its confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the proposed resolution in the agenda for the general meeting.

Moreover, the notice period concerning the notice to be given to all the Shareholders for consideration of the proposals submitted by the Shareholders concerned varies as follows pursuant to article 59 of the Articles:

- (a) for an annual general meeting, it shall be called by notice of not less than twenty-one (21) clear days; and
- (b) for all other general meetings, it shall be called by notice of not less than fourteen (14) clear days,

shall be given in the manner mentioned in the articles of association to all members, to the Directors and to the Auditor.

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the Company's principal place of business in Hong Kong and provide their full names, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

## CONSTITUTIONAL DOCUMENTS

There was no change in the constitutional documents of the Company during the Year.



# Report of the Directors

The Board is pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2025 (the “Year”).

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The major subsidiaries of the Company are established operator of residential care homes for the elderly in Hong Kong offering a wide range of residential care services and day care services for the elderly.

## RESULTS AND DIVIDEND

Details of the audited consolidated financial results of the Group for the Year are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income on pages 62 to 63 of this annual report.

The Board has recommended the declaration of a final dividend of HK2.0 cents per share for the Year (Previous Year: HK2.0 cents per share) to the shareholders of the Company. The proposed final dividend, subject to the approval of the shareholders of the Company, is expected to be paid on Monday, 29 September 2025 to the shareholders of the Company whose names appear on the register of members of the Company on Thursday, 18 September 2025.

The Board has resolved not to recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: HK1.0 cent per share paid on 5 January 2024).

## CLOSURE OF REGISTER OF MEMBERS

For determining members entitlement to attend and vote at the annual general meeting of the Company to be held on Wednesday, 10 September 2025 (the “AGM”), the record date of the AGM is Wednesday, 10 September 2025 and the register of members of the Company will be closed from Friday, 5 September 2025 to Wednesday, 10 September 2025, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer of the shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 p.m. on Thursday, 4 September 2025.

For determining members entitlement to the proposed final dividend (subject to approval by the shareholders at the AGM), the record date of final dividend is Thursday, 18 September 2025 and the register of members of the Company will be closed from Wednesday, 17 September 2025 to Thursday, 18 September 2025, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 p.m. on Tuesday, 16 September 2025.

## BUSINESS REVIEW

A discussion and analysis of the Group’s performance during the Year, the key factors affecting its results and financial position, and the information on the compliance with laws and regulations, environmental policy and relationships with stakeholders are set out in the section headed “Management Discussion and Analysis” of this annual report. Furthermore, a fair review of, and an indication of likely future development in the Group’s business, are set out in the sections headed “Chairman’s Statement” of this annual report.





# Report of the Directors

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, business and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group relating to its businesses:

- If the residential care home for the elderly licences are suspended, cancelled or not renewed, or if the Group fails to obtain a new residential care home for the elderly licence for any new care and attention home that the Group operates, the Group may be unable to maintain or expand the operations;
- the Group depends on the Social Welfare Department for a significant portion of the revenue;
- the Group depends on the reputation within the residential care home for the elderly industry and are subject to risks of negative publicity resulting from caretaking incidents or accidents and legal proceedings arising from the operations may harm the reputation;
- the Group is required to comply with staffing requirements and the Group's performance depends on the ability to recruit and retain quality and qualified staff. In addition, the residential care home for the elderly industry in Hong Kong is faced with manpower shortage which may adversely affect the labour costs;
- as the Group leases all of the properties for the operation of the care and attention homes, of which, six of the care and attention homes for the elderly were leased from the controlling Shareholders (as defined in the Listing Rules) (the "**Controlling Shareholder(s)**"), there is no assurance that the tenancy agreements will be successfully renewed or renewed on comparable term or will not be early terminated and the Group is subject to risk of rental price fluctuation in the real estate market in Hong Kong;
- the Group has limited or no control over the quality of the pharmaceuticals, medical equipment, consumables and other supplies the Group uses in the operations, and cannot guarantee that none of the products the Group uses are counterfeits free from defects and meet the relevant quality standards;
- the Group may not receive further government subsidies and the loss of which may affect the financial position; and
- media exposure of cases of abuse of residents in private RCHes has raised public concern and resulted in a negative perception about the service quality of private RCHes, which may eventually impact customers decision when selecting residential care services.

## FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 128 of this annual report. This summary does not form part of the audited consolidated financial statements.

## SUBSIDIARIES

Details (including the principal activities) of the Company's principal subsidiaries as at 31 March 2025 are set out in note 29 to the audited consolidated financial statements in this annual report.

## PROPERTY AND EQUIPMENT

Details of the movements in property and equipment of the Group during the Year are set out in note 12 to the audited consolidated financial statements.



# Report of the Directors

## CHARITABLE DONATIONS

Charitable and other donations made by the Group during the Year amounted to approximately HK\$0.9 million (2024: HK\$0.6 million).

## DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2025, the Company's distributable reserves available for distribution is approximately HK\$351.6 million (2024: HK\$397.4 million).

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders unless otherwise required by the Stock Exchange.

## SHARE CAPITAL AND EQUITY-LINKED AGREEMENT

Details of the movements in share capital of the Company during the Year are set out in note 20(a) to the audited consolidated financial statements.

Save as disclosed in "Share Option Scheme" below, the Company has not entered into any equity-linked agreements during the Year.

## DIRECTORS

During the Year and up to the date of this annual report, the Directors are named as follows:

### Executive Directors

Ngai Ka Yee  
Ngai Shi Shing Godfrey (*Chairman and Chief Executive Officer*)  
Lau Kwok Wo (*appointed on 2 April 2024*)

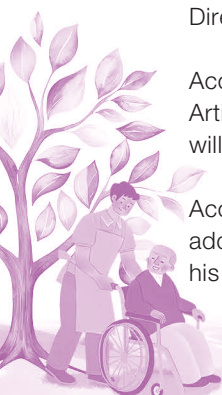
### Independent non-executive Directors

Or Kevin  
Wu Wing Fong  
Wong Chun Kit (*appointed on 13 December 2024*)  
Lo Ning (*retired on 30 August 2024*)  
Wong Vinci (*resigned on 13 December 2024*)

According to article 84 of the Articles, one-third of the Directors for the time being, or if their number is not 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. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election.

Accordingly, Mr. Or Kevin and Ms. Wu Wing Fong shall retire as the Directors pursuant to article 84 of the Articles and, being eligible, offer themselves for re-election at the AGM. Mr. Or Kevin and Ms. Wu Wing Fong will offer themselves for re-election as Director at the AGM.

According to article 83 of the Articles, any Director appointed to fill a casual vacancy on the Board or as an addition to the existing Board, shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.



# Report of the Directors

Accordingly, Mr. Wong Chun Kit, shall retire as the Director and, being eligible, offer himself for re-election at the AGM.

## CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Director an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors, and senior management of the Group are set out on pages 17 to 19 of this annual report.

## DIRECTORS' SERVICE CONTRACTS

Each of Ms. Ngai Ka Yee and Mr. Ngai Shi Shing Godfrey, being the executive Directors, has signed a service contract with the Company on 20 May 2019 for an initial term of three years, commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant service contracts) and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term, subject to the rotation, removal, vacation or termination of such office as set out in the Articles.

Mr. Lau Kwok Wo, being an executive Director, has signed a service contract with the Company on 2 April 2024 for an initial term of three years, commencing from 2 April 2024 and subject to the rotation, removal, vacation or termination of such office as set out in the Articles.

Mr. Or Kevin, being the independent non-executive Director, has signed a letter of appointment with the Company on 20 May 2019 for an initial term of two years, commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant letter of appointments) and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term, subject to the rotation, removal, vacation or termination of such office as set out in the Articles.

Each of Ms. Wu Wing Fong and Mr. Wong Chun Kit, being the independent non-executive Directors, has signed a letter of appointment with the Company on 6 August 2022 and 13 December 2024 respectively for an initial term of two years, commencing from 8 August 2022 and 13 December 2024 respectively (subject to termination in certain circumstances as stipulated in the relevant letters of appointments) and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term, subject to the rotation, removal, vacation or termination of such office as set out in the Articles.

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



# Report of the Directors

## DIVIDEND POLICY

The Company has adopted a dividend policy (the “**Dividend Policy**”) that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Board may distribute dividends by way of cash or by other means that it considers appropriate. The Board shall also take into account the following factors of the Group when considering the declaration and payment of dividends:

- (i) financial results;
- (ii) cash flow situation;
- (iii) business conditions and strategies;
- (iv) future operations and earnings;
- (v) capital requirements and expenditure plans;
- (vi) interests of Shareholders;
- (vii) any restrictions on payment of dividends; and
- (viii) any other factors that the Board may consider relevant.

## TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 8 and 18 to the audited consolidated financial statements in this annual report, no transactions, arrangements and contracts of significance in relation to the business of the Group to which the Company, or its holding company, or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year, nor was there any transaction, arrangement or contract of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries for the Year. There was also no contract of significance between the Company or one of the subsidiaries and the Controlling Shareholders or any of its subsidiaries.

## MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the Year.

## DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors on a named basis during the Year are set out in note 8 to the audited consolidated financial statements in this annual report.





# Report of the Directors

## EMOLUMENT POLICY

Under the emolument policy of the Company, the Remuneration Committee will consider factors such as salaries paid by comparable companies, time commitment, responsibilities and performance of the Directors and senior management, as the case may be, in assessing the amount of remuneration payable to the Directors and members of the senior management. The Remuneration Committee will periodically review the compensation levels of the key executives. Based on the performance and the executives' respective contribution to the Group, the Remuneration Committee may, within the aggregate remuneration amount having been approved in a Shareholders' meeting, make recommendations to the Board as to salary increases or payment of discretionary bonuses.

The Company has adopted a share option scheme to grant options to eligible participants as incentives or rewards for their contribution to the Group. Details of the scheme are set out in the paragraph headed "Share Option Scheme" below.

The Company provides a comprehensive benefit package for all employees as well as career development opportunities. This includes retirement schemes, medical insurance, other insurances, staff quarter, in-house training, on-the job training, external seminars and programmes organised by professional bodies and educational institutions.

## PERMITTED INDEMNITY PROVISION

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

During the Year, appropriate insurance covers on directors' and officers' liabilities was in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 31 March 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix C3 to the Listing Rules, were as follows:



# Report of the Directors

Name of Directors	Nature of interests	Number of Shares held <sup>(1)</sup>	Total	Percentage of shareholding in the Company's issued share capital <sup>(5)</sup> (%)
Ms. Ngai	Settlor of a family trust Beneficiary owner	624,000,000(L) <sup>(2)</sup> 10,000,000(L) <sup>(3)</sup>	634,000,000	63.40%
Mr. Ngai	Beneficiary of a family trust Beneficiary owner	624,000,000(L) <sup>(2)</sup> 22,436,000(L) <sup>(4)</sup>	646,436,000	64.64%

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) These Shares are held by Sheung Fung Limited ("**Sheung Fung**"), which is wholly owned by Shi Fung (PTC) Limited (the "**Trustee**"), the trustee of a family trust, namely, The Kwong and Ngai Family Trust which was established pursuant to the trust deed dated 19 March 2018 as amended and supplemented by a deed of variation of removal of beneficiaries dated 17 July 2018 (the "**Family Trust**"). Ms. Ngai is the settlor of the Family Trust and Mr. Ngai is the sole beneficiary of the Family Trust. By virtue of the SFO, Ms. Ngai and Mr. Ngai are deemed to be interested in the Shares held by Sheung Fung.
- (3) It represents the interests in underlying shares in respect of the share option granted by the Company, details of which are disclosed in the paragraph headed "Share Option Scheme" below. Ms. Ngai has 10,000,000 share options.
- (4) It represents 12,436,000 shares held by Mr. Ngai and 10,000,000 underlying shares granted to Mr. Ngai in respect of the share option granted by the Company, details of which are disclosed in the paragraph headed "Share Option Scheme" below.
- (5) The approximate percentages were calculated based on 1,000,000,000 shares in issue as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed under the paragraphs headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Any Specified Undertaking of the Company or Any Other Associated Corporations" above, at no time during the Year were any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or the chief executive of the Company or any of their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.



# Report of the Directors

## INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY AND OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 31 March 2025, the following persons (not being Directors or chief executive of the Company) will have or be deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholders	Nature of interests	Number of Shares held <sup>(1)</sup>	Percentage of shareholding in the Company's issued share capital <sup>(5)</sup> (%)
Sheung Fung	Beneficial owner	624,000,000(L)	62.40%
The Trustee	Trustee	624,000,000(L) <sup>(2)</sup>	62.40%
Ms. Wei Xiaoling	Interest of spouse	646,436,000(L) <sup>(3)</sup>	64.64%
Mr. Lam Kong (" <b>Mr. Lam</b> ")	Beneficial owner	70,202,000(L) <sup>(4)</sup>	7.02%

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) These Shares are held by Sheung Fung, which is wholly owned by the Trustee. Ms. Ngai is the settlor of the Family Trust and Mr. Ngai is the sole beneficiary of the Family Trust. By virtue of the SFO, the Trustee, Ms. Ngai and Mr. Ngai are deemed to be interested in the Shares held by Sheung Fung.
- (3) Ms. Wei Xiaoling is the spouse of Mr. Ngai and is deemed to be interested in the Shares which are interested by Mr. Ngai under the SFO.
- (4) It represents 60,202,000 shares held by Mr. Lam and 10,000,000 underlying shares granted to him in respect of the share option granted by the Company, details of which are disclosed in the paragraph headed "Share Option Scheme" below.
- (5) The approximate percentages were calculated based on 1,000,000,000 shares in issue as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.



# Report of the Directors

## SHAREHOLDERS' INTERESTS IN SECURITIES OF SIGNIFICANCE

Other than the interests disclosed above in respect of the substantial shareholders, as at 31 March 2025, no other person is individually or collectively entitled to exercise or control the exercise of 5% or more of the voting power at the general meetings of the Company and are able, as a practicable manner, to direct or influence the management of the Company.

## MAJOR CUSTOMERS AND SUPPLIERS

The percentage of revenue for the Year generated from the Group's major customers is as follows:

— The largest customer	44.6%
— Five largest customers	46.2%

The percentage of cost of services for the Year attributable to the Group's major suppliers is as follows:

— The largest supplier	29.8%
— Five largest suppliers	71.2%

None of the Directors or any of their associates (as defined under Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers for the Year.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the Year (including sale of treasury shares). As at 31 March 2025, no treasury shares were held by the Company.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**"). In response to the specific enquiry made by the Company, all Directors except Mr. Ngai, have confirmed that they have complied with the Model Code during the Year. Details of the non-compliance event with the Model Code during the Year is set out in the Corporate Governance Report on page 31 of this annual report.

## COMPETING INTERESTS

During the Year and up to the date of this annual report, none of the Directors or the controlling shareholders or substantial shareholders (as defined in the Listing Rules) of the Company or their respective close associates (as defined in the Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group.





# Report of the Directors

## NON-COMPETITION UNDERTAKING

The Company confirms that the deed of non-competition (the “**Deed**”) of each of Sheung Fung, Ms. Ngai and Mr. Ngai (collectively constituting the Controlling Shareholders), details of which were set out in the Prospectus, has been fully complied and enforced during the Year and up to the date of this annual report. The Company has obtained an annual written confirmation from each of the Controlling Shareholders in relation to their compliance with the terms of the Deed. The independent non-executive Directors confirmed that they have reviewed the compliance with the terms of the Deed by the Controlling Shareholders and the enforcement of the Deed given by the Controlling Shareholders and are satisfied that the Controlling Shareholders have complied with the terms of the Deed. The Board also confirms that there are no other matters in relation to the aforesaid undertaking which should be brought to the attention of the Shareholders and the potential investors of the Group.

## SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme (the “**Share Option Scheme**”) conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by written resolutions of all the Shareholders passed on 20 May 2019. The following summary does not form, nor is intended to be, part of the Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

### (i) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group.

### (ii) Who may join

The Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants (“**Eligible Participants**”), to take up options to subscribe for Shares:

- (aa) any employee (whether full-time or part-time, including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries (the “**Subsidiaries**”) or any entity (the “**Invested Entity**”) in which the Group holds an equity interest (the “**SOS Eligible Employee(s)**”);
- (bb) any non-executive Director (including independent non-executive Directors) of the Company, any Subsidiary or any Invested Entity;
- (cc) any supplier of goods or services to any member of the Group or any Invested Entity;
- (dd) any customer of any member of the Group or any Invested Entity;
- (ee) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (ff) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (gg) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and



# Report of the Directors

- (hh) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group, and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more Eligible Participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the Eligible Participants to the grant of options shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

## (iii) Maximum number of Shares

- (aa) The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group shall not exceed 30% of the issued share capital of the Company from time to time.
- (bb) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue on the day on which dealings in the Shares first commence on the Stock Exchange (i.e. not exceeding 100,000,000 Shares) (the “**General Scheme Limit**”).
- (cc) Subject to paragraph (aa) above but without prejudice to paragraph (dd) below, the Company may issue a circular to its Shareholders and seek approval of its 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 Share Option Scheme and any other share options scheme of the Group shall not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to its Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under note 5 of Rule 13.52(2) of the Listing Rules.
- (dd) Subject to paragraph (aa) above and without prejudice to paragraph (cc) above, the Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (cc) above to Eligible Participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under note 5 of Rule 13.52(2) of the Listing Rules.



# Report of the Directors

## (iv) Maximum entitlement of each participant

Subject to paragraph (v)(bb) below, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (“**Individual Limit**”). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders’ approval in general meeting of the Company with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders’ approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Rule 17.03E of the Listing Rules.

## (v) Grant of options to connected persons

- (aa) Without prejudice to paragraph (bb) below, any grant of options under the Share Option Scheme to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the option).
- (bb) Without prejudice to paragraph (aa) above, where any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1% of the Shares in issue; and
  - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders. The grantee, his associates and all connected persons of the Company must abstain from voting in favour at such general meeting. Any change in the terms of options granted to a substantial Shareholder or an independent non-executive Director of the Company or any of their respective associates must be approved by the Shareholders in general meeting.

## (vi) Time of acceptance and exercise of option

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the 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 a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.



# Report of the Directors

## (vii) Performance targets

Unless the Directors otherwise determined and stated in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

## (viii) Subscription price for Shares and consideration for the option

The subscription price per Share under the Share Option Scheme shall be determined at the discretion of the Directors, provided that it 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 date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option, with no deadline specified.

## (ix) Ranking of Shares

(aa) Shares to be allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the completion of the registration of the grantee on the register of members of the Company as the holder thereof.

(bb) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification, reduction or re-construction of the share capital of the Company from time to time.

## (x) Restrictions on the time of grant of options

The Company may not make any offer for grant of options after inside information has come to our knowledge until the Company has announced the information. In particular, the Company may not make any offer during the period commencing one month immediately before the earlier of (aa) the date of the meeting of the Board (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (bb) the deadline for the Company to announce the results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement.

The Directors may not make any offer to an Eligible Participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

## (xi) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted. As at 31 March 2025, the remaining life of the Share Option Scheme is approximately 4 years 2 months.





# Report of the Directors

## **(xii) Rights on ceasing employment**

If the grantee of an option is a SOS Eligible Employee and ceases to be a SOS Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in sub-paragraph (xiv) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Company, the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not.

## **(xiii) Rights on death, ill-health or retirement**

If the grantee of an option is a SOS Eligible Employee and ceases to be a SOS Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the grantee was at work with the Company, the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

## **(xiv) Rights on dismissal**

If the grantee of an option is a SOS Eligible Employee and ceases to be a SOS Eligible Employee by reason that he has been guilty of persistent and serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group or the Invested Entity into disrepute), his option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be a SOS Eligible Employee.

## **(xv) Rights on breach of contract**

If the Directors shall at their absolute discretion determine that (aa) the grantee of any option (other than a SOS Eligible Employee) or his close associate (or his associates if the grantee is a connected person) has committed any breach of any contract entered into between the grantee or his close associate on the one part and the Group or any Invested Entity on the other part; or (bb) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (cc) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by other reason whatsoever, then the option granted to the grantee under the Share Option scheme shall lapse as a result of any event specified in sub-paragraph (aa), (bb) or (cc) above.

## **(xvi) Rights on a general offer, a compromise or arrangement**

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes or the relevant record date for entitlements under the scheme of arrangement, as the case may be.



# Report of the Directors

## (xvii) Rights on winding up

In the event of a resolution being proposed for the voluntary winding-up of the Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one business day before the date on which such resolution is to be considered and/or passed whereupon the grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

## (xviii) Grantee being a company wholly owned by Eligible Participants

If the grantee is a company wholly owned by one or more Eligible Participants:

- (i) sub-paragraphs (xii), (xiii), (xiv) and (xv) shall apply to the grantee and to the options to such grantee, *mutatis mutandis*, as if such options had been granted to the relevant Eligible Participant, and such options shall accordingly lapse or fail to be exercisable after the event(s) referred to in sub-paragraphs (xii), (xiii), (xiv) and (xv) shall occur with respect to the relevant Eligible Participant; and
- (ii) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

## (xix) Adjustments to the subscription price

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of the Company whilst an option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being of or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the Share Option Scheme and the option so far as unexercised and/or the option price of the option concerned, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such adjustment; (ii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange.

## (xx) Cancellation of options

Any cancellation of options granted but not exercised must be subject to the prior written consent of the relevant grantee and the approval of the Directors.

When the Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to sub-paragraphs (iii)(cc) and (dd) above.



# Report of the Directors

## **(xxi) Termination of the Share Option Scheme**

The Company may by resolution in general meeting at any time terminate the Share Option Scheme and in such event no further options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

## **(xxii) Rights are personal to the grantee**

An option is personal to the grantee and shall not be transferable or assignable.

## **(xxiii) Lapse of options**

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the period referred to in paragraph (vi);
- (bb) the expiry of the periods or dates referred to in paragraph (xii), (xiii), (xiv), (xv), (xvii) and (xviii); and
- (cc) the date on which the Directors shall exercise the Company's right to cancel the option by reason of a breach of paragraph (xxii) by the grantee in respect of that or any other options.

## **(xxiv) Vesting Period**

The Board may in its absolute discretion impose any condition(s) as it deems appropriate with respect to the grant of options to the Eligible Participants, including but not limited to the vesting period (if any).

## **(xxv) Others**

- (aa) The Share Option Scheme is conditional on the Listing Committee granting the listing of and permission to deal in, such number of Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.
- (bb) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the Shareholders in general meeting.
- (cc) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (dd) The amended terms of the Share Option Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules, the "Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule" set out in the letter from the Stock Exchange to all listed issuers dated 5 September 2005 and other relevant guidance of the Stock Exchange.
- (ee) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme shall be approved by the Shareholders in general meeting.



# Report of the Directors

Movements in the outstanding share options granted under the Share Option Scheme during the Year are set out below:

			Number of Shares over which Share Options are Exercisable						Exercise Price Per Share (Note 1)	Vested Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
			Balance as at 1 April 2024	Granted during the Year	Exercised during the Year	Lapsed during the Year	Cancelled/ Forfeited during the Year	Balance as at 31 March 2025			
Date of Grant (dd/mm/yyyy)	Name of Grantees	Position/Capacity									
22/03/2022	Mr. Ngai Shi Shing Godfrey	Chairman of the Board, Executive Director, chief executive officer and substantial Shareholder	10,000,000	—	—	—	—	10,000,000	HK\$0.6	22/03/2025	22/03/2032
22/03/2022	Ms. Ngai Ka Yee	Executive Director and substantial Shareholder	10,000,000	—	—	—	—	10,000,000	HK\$0.6	22/03/2025	22/03/2032
22/03/2022		Other eligible employees	40,000,000	—	—	—	—	40,000,000	HK\$0.6	22/03/2025	22/03/2032
			60,000,000	—	—	—	—	60,000,000			

Note:

- (1) The closing price of the Company's shares immediately before the date on which the share options were granted (i.e. 22 March 2022) was HK\$0.6 per share.

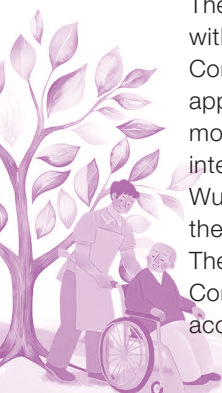
During the Year, no share option was granted, exercised, lapsed, cancelled or forfeited under the Share Option Scheme, and as at 31 March 2025, 60,000,000 share options were granted to the Directors and other eligible employees.

As at 31 March 2025, the total number of options available for grant at the beginning and the end of the Year under the Share Option Scheme is 40,000,000 shares, representing 4.0% of the total number of issued shares of the Company as at the date of this report. There is no service provider sublimit set under the Share Option Scheme; and no share options were issued to service providers under Rule 17.03(3) of the Listing Rules.

The number of shares that may be issued in respect of options granted under all schemes of the Company during the Year were 60,000,000. The weighted average number of shares for the Year were 1,000,000,000. The number of shares that may be issued in respect of options granted under the Share Option Scheme during the Year divided by the weighted average number of Shares in issue for the Year was 0.06.

## AUDIT COMMITTEE

The Company has set up an Audit Committee on 20 May 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The primary duties of the Audit Committee including, but not limited to, the followings: (i) making recommendations to the Board on the appointment and removal of the external auditor; (ii) reviewing the financial statements of the Group and monitoring the integrity of such financial statements; and (iii) overseeing the financial reporting system and internal control procedures. The Audit Committee comprises three members, namely Mr. Or Kevin, Ms. Wu Wing Fong and Mr. Wong Chun Kit. The chairman of the Audit Committee is Mr. Or Kevin, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Listing Rules and legal requirements, and adequate disclosures have been made.





# Report of the Directors

## CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

During the Year, transactions between members of the Group and the connected persons have become connected transactions and a fully exempt continuing connected transaction of the Company under Chapter 14A of the Listing Rules. Details of the Group's fully exempt continuing connected transaction and connected transactions are set out as follows.

### I. Fully Exempt Continuing Connected Transaction

#### *Laundry service agreement between the Company and Stand Harvest*

The Company has entered into the following service agreement with Stand Harvest Limited ("**Stand Harvest**") in relation to the provision of laundry service by Stand Harvest to the Group (the "**Laundry Service Agreement**"), which will continue after the Listing:

Date of the agreement	:	1 April 2022
Parties to the agreement	:	(i) the Company; and (ii) Stand Harvest
Service	:	Provision of laundry service to the care and attention homes
Term	:	1 April 2022 to 31 March 2025

With respect to the continuing connected transactions contemplated under the Laundry Service Agreement, the annual caps for each of the three years ended 31 March 2023, 2024 and 2025 are listed below:

Annual caps for the year ended/ending 31 March		
2023 HK\$	2024 HK\$	2025 HK\$
2,900,000	2,900,000	2,900,000



# Report of the Directors

## II. Non-Exempt Connected Transactions

On 3 December 2024, the Group and the landlords entered into several second renewal letters (the **"Second Renewal Letters"**) to renew the existing leases of the Group, including (i) Kato Elderly Home Tenancy, (ii) Kato Home for the Aged Tenancy, (iii) Fai To Home (On Lai) Tenancy, (iv) Fai To Home (Tuen Mun) Tenancy, (v) Tsuen Wan Centre Tenancy, (vi) Happy Luck Home Tenancy, (vii) Tsuen Wan Staff Quarters Tenancy, (viii) Kato Staff Quarters Tenancy, (ix) Staff Quarters Tenancy, and (x) Fai To Sino West Staff Quarters Tenancy (collectively, the **"Existing Leases"**) with the respective landlords for a period from 1 April 2025 to 31 March 2028. The landlords of the Existing Leases include Mr. Ngai, Ms. Ngai, Mr. Lam Kong, Classic Mate Limited (**"Classic Mate"**), Kato Elderly Affairs Limited (**"Kato Elderly Affairs"**), Kato Property Limited (**"Kato Property"**), Perfect Cheer Investment Limited (**"Perfect Cheer"**), Shing Kong Limited (**"Shing Kong"**) and Smarts Corporation Limited (**"Smarts Corporation"**).

On 3 December 2024, Crawfield International Limited (**"Crawfield International"**), our indirect wholly owned subsidiary of the Company, entered into the Tsuen Wan warehouse tenancy agreement with Mr. Lam Kong in relation to the leasing of a warehouse and office located in Tsuen Wan (the **"Tsuen Wan Warehouse Tenancy Agreement"**).

Mr. Ngai and Ms. Ngai are connected persons of the Company by virtue of being executive Directors and Controlling Shareholders. As Mr. Lam Kong is the brother of Mr. Ngai, he is regarded as an associate of Mr. Ngai and therefore is a connected person of our Company. Therefore, (i) Classic Mate, Perfect Cheer, Shing Kong and Smarts Corporation are all companies incorporated in Hong Kong with limited liability and wholly owned by Four Rings Property Agency Limited, a company indirectly wholly owned by Ms. Ngai, and (ii) Kato Elderly Affairs and Kato Property are both owned as to 60% by Four Rings Property Agency Limited. As associates of Ms. Ngai, one of the Directors and Controlling Shareholders, all of Classic Mate, Perfect Cheer, Shing Kong, Smarts Corporation, Kato Elderly Affairs and Kato Property are connected persons of our Company.

As Mr. Ngai, Ms. Ngai, Mr. Lam Kong, Classic Mate, Kato Elderly Affairs, Kato Property, Perfect Cheer, Shing Kong and Smarts Corporation have been letting and will continue to let the premises to the Group on normal commercial terms, the transactions contemplated under the Second Renewal Letters and Tsuen Wan Warehouse Tenancy Agreement are considered as one-off connected transactions of our Company under Chapter 14A of the Listing Rules.

An extraordinary general meeting of the Company was convened on 19 February 2025, at which the Second Renewal Letters and Tsuen Wan Warehouse Tenancy Agreement and the transactions contemplated thereunder were duly approved and passed as ordinary resolutions of the Company by the independent Shareholders.

Details of the Second Renewal Letters and Tsuen Wan Warehouse Tenancy Agreement are set out in the table below and for further details thereof, please refer to the announcement of the Company dated 3 December 2024 and the circular of the Company dated 24 January 2025.



# Report of the Directors

	Parties	Address	Size (Saleable floor area)	Use of Property	Monthly rental fee (Note)	Annual rental amounts (for the years ending 31 March)	Term
1	(i) Kato Kung Limited ("Kato Kung") as tenant; and (ii) Kato Elderly Affairs as landlord	Shops 8–12 on G/F and 1/F, Lakeshore Building, 7 Tseng Choi Street, Tuen Mun, New Territories, Hong Kong	Approx. 18,680 sq. ft.	Care and attention home for the elderly of Kato Home for the Elderly	HK\$405,000 (approximately HK\$21.68 per sq. ft.)	2026: HK\$4,860,000 2027: HK\$4,860,000 2028: HK\$4,860,000	1 April 2025 to 31 March 2028
2	(i) Kato Kung as tenant; and (ii) Kato Property as landlord	1/F, Tung Wai Court, No. 3 Tsing Ling Path, Tuen Mun, New Territories, Hong Kong	Approx. 12,277 sq. ft.	Care and attention home for the elderly of Kato Home for the Aged	HK\$198,000 (approximately HK\$16.13 per sq. ft.)	2026: HK\$2,376,000 2027: HK\$2,376,000 2028: HK\$2,376,000	1 April 2025 to 31 March 2028
3	(i) Crawfield International as tenant; and (ii) Classic Mate as landlord	Shops 1–17 on 1/F, On Lai Building, 3 Tsing To Path, Tuen Mun, New Territories, Hong Kong	Approx. 5,271 sq. ft.	Care and attention home for the elderly of Fai-To Home for the Aged (On Lai) Branch	HK\$103,000 (approximately HK\$19.54 per sq. ft.)	2026: HK\$1,236,000 2027: HK\$1,236,000 2028: HK\$1,236,000	1 April 2025 to 31 March 2028
4	(i) Crawfield International as tenant; and (ii) Perfect Cheer as landlord	1/F, including Entrance on G/F, Florence Mansion, 6 Tsing Ling Path, Area 4B, Tuen Mun, New Territories, Hong Kong	Approx. 8,645 sq. ft.	Care and attention home for the elderly of Fai To Home for the Aged (Tuen Mun) Branch	HK\$167,000 (approximately HK\$19.32 per sq. ft.)	2026: HK\$2,004,000 2027: HK\$2,004,000 2028: HK\$2,004,000	1 April 2025 to 31 March 2028
5	(i) Tsuen Wan Elderly Centre Limited ("Tsuen Wan Centre") as tenant; and (ii) Shing Kong as landlord	Shop C1, 1/F, Tsuen Wan Centre Shopping Arcade, 87–105 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong	Approx. 15,950 sq. ft.	Care and attention home for the elderly of Tsuen Wan Centre	HK\$242,000 (approximately HK\$15.17 per sq. ft.)	2026: HK\$2,904,000 2027: HK\$2,904,000 2028: HK\$2,904,000	1 April 2025 to 31 March 2028
6	(i) Happy Luck Elderly Home Limited ("Happy Luck") as tenant; and (ii) Smarts Corporation as landlord	2nd Floor of Phase 1 of Commercial Development of Allway Gardens, Nos. 187–195 Tsuen King Circuit, Nos. 2–22 On Yat Street, Tsuen Wan, New Territories, Hong Kong	Approx. 15,729 sq. ft.	Care and attention home for the elderly of Happy Luck	HK\$227,000 (approximately HK\$14.43 per sq. ft.)	2026: HK\$2,724,000 2027: HK\$2,724,000 2028: HK\$2,724,000	1 April 2025 to 31 March 2028



# Report of the Directors

	Parties	Address	Size (Saleable floor area)	Use of Property	Monthly rental fee (Note)	Annual rental amounts (for the years ending 31 March)	Term
7	(i) Tsuen Wan Centre as tenant; and (ii) Mr. Ngai and Mr. Lam Kong as landlords	Flat C, 24/F, Block 9 (Nanking House), Tsuen Wan Centre, 89 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong	Approx. 425 sq. ft.	Staff quarters for the Tsuen Wan Centre	HK\$12,200 (approximately HK\$28.71 per sq. ft.)	2026: HK\$146,400 2027: HK\$146,400 2028: HK\$146,400	1 April 2025 to 31 March 2028
8	(i) Kato Kung as tenant; and (ii) Ms. Ngai and Kato Elderly Affairs as landlords	Rooms C and D on 2/F and Flat Roof, Lakeshore Building, 7 Tseng Choi Street, Tuen Mun, New Territories, Hong Kong	Approx. 8,257 sq. ft. (including flat roof area of 7,427 sq. ft.)	Staff quarters for the Kato Home for the Elderly and Kato Home for the Aged	HK\$29,700 (approximately HK\$3.60 per sq. ft.)	2026: HK\$356,400 2027: HK\$356,400 2028: HK\$356,400	1 April 2025 to 31 March 2028
9	i) Happy Luck, Jane's Home Limited, Oriental Chinese Medicine Limited (" <b>Oriental Chinese</b> ") and Tsuen Wan Centre as tenants; and (ii) Ms. Ngai as landlord	3/F, Four Sea Mansion, 11 Fa Yuen Street, Mongkok, Hong Kong	Approx. 799 sq. ft.	Staff quarters for the Happy Luck, Pine Villa, Fai To Sino West Combined Home for the Aged (" <b>Fai To Sino West Home</b> ") and Tsuen Wan Centre	HK\$21,200 (approximately HK\$26.53 per sq. ft.)	2026: HK\$254,400 2027: HK\$254,400 2028: HK\$254,400	1 April 2025 to 31 March 2028
10	(i) Oriental Chinese as tenant; and (ii) Ms. Ngai as landlord	Room 10 on 3/F and Flat Roof, Tung Shun Hing Building, 22 Chi Kiang Street, Kowloon, Hong Kong	Approx. 266 sq. ft. (together with flat roof of 280 sq. ft.)	Staff quarters for the Fai To Sino West Home	HK\$5,000 (approximately HK\$18.80 per sq. ft.)	2026: HK\$60,000 2027: HK\$60,000 2028: HK\$60,000	1 April 2025 to 31 March 2028
11	(i) Crawfield International, as tenant; and (ii) Mr. Lam Kong, as landlord	Flat B, 3/F., Metropolitan Factory & Warehouse Building, 30-32 Chai Wan Kok Street, Tsuen Wan, New Territories, Hong Kong	Approximately 5,800 sq. ft.	Warehouse and office for HK\$55,000	(approximately HK\$9.48 per sq. ft.)	2026: HK\$66,000 2027: HK\$66,000 2028: HK\$66,000	1 April 2025 to 31 March 2028

Note: The monthly rent is payable by the tenants each and every calendar month during the term of the Second Renewal Letters and Tsuen Wan Warehouse Tenancy Agreement.

Details of related party transactions of the Group during the Year are set out in note 18 to the audited consolidated financial statements in this annual report. During the Year, certain related party transactions set out in note 18 to the audited consolidated financial statements are regarded as connected transactions of the Company under Chapter 14A of the Listing Rules. Further, tenancy agreements for the right to use of certain staff quarters and two day care centres granted to the Group constitutes as continuing connected transactions which falls within the de minimis threshold provided under the Listing Rules and is exempted from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.





# Report of the Directors

## SUFFICIENCY OF PUBLIC FLOAT

From the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital is held by the public at all times throughout the Year to the date of this annual report.

## TAX RELIEF

The Company is not aware of any relief from taxation to which the Shareholders are entitled by reason of their holding of the Shares.

## CORPORATE GOVERNANCE CODE

The Company is committed to implementing good corporate governance practices. Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 20 to 35 of this annual report.

## ANNUAL GENERAL MEETING

The AGM will be held at Flat B, 3/F., Metropolitan Factory & Warehouse Building, 30–32 Chai Wan Kok Street, Tsuen Wan, New Territories, Hong Kong on Wednesday, 10 September 2025 at 5:00 p.m. and the notice convening such meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

## EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above and elsewhere in this annual report, there is no other material event after the reporting period and up to the date of this annual report.

## INDEPENDENT AUDITOR

The consolidated financial statements for the Year have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment. The Board has taken the Audit Committee's recommendation that a resolution for their re-appointment as independent auditor of the Company will be proposed at the AGM.

There is no change of independent auditor of the Company during the preceding three years.

On behalf of the Board

**Ngai Shi Shing Godfrey**  
*Chairman and Executive Director*  
Hong Kong, 23 June 2025



# Independent Auditor's Report



羅兵咸永道

**To the Shareholders of Kato (Hong Kong) Holdings Limited**  
(incorporated in the Cayman Islands with limited liability)

## OPINION

### What we have audited

The consolidated financial statements of Kato (Hong Kong) Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”), which are set out on pages 62 to 126, comprise:

- the consolidated statement of financial position as at 31 March 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

PricewaterhouseCoopers, 22/F Prince’s Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, [www.pwchk.com](http://www.pwchk.com)

# Independent Auditor's Report

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to revenue recognition on elderly home care services.

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Revenue recognition on elderly home care services</b> Refer to note 5 and note 30.20 to the consolidated financial statements.  The Group recognised revenue of HK\$232,962,000 by provision of elderly home care services.  The revenue from rendering of elderly home care services is recognised over time when the Group provides the services to its customers.  We focus on this area due to its magnitude and the high volume of transactions involved. As a result, a significant amount of effort was spent on auditing this area.	<p>We have performed the following procedures to address this key audit matter:</p> <p>We understood, evaluated and tested management's key internal controls in respect of revenue recognition of elderly home care services.</p> <p>For revenue generated from providing elderly home care services to the Social Welfare Department ("SWD") of the Government of HKSAR under the Enhanced Bought Place Scheme ("EBPS"), we tested the revenue by tracing it to relevant service agreements signed with and notices issued by the SWD and bank receipts. For revenue from elderly home care services provided outside of the EBPS, we tested the transactions on a sample basis by tracing them to supporting documents, such as service agreements and customer receipts.</p> <p>We also performed cut-off testing on a sample of revenue transactions related to individual customers before and after year end to assess whether the transactions were recognised in the proper period by tracing to service agreements, customer receipts and deferred revenue calculation, where applicable.</p> <p>Based on the procedure performed, we considered that the revenue recognition on elderly home care services were supportable by the available evidence.</p>

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.



# Independent Auditor's Report

## OTHER INFORMATION (CONTINUED)

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 THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body 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 judgment and maintain professional scepticism 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.





# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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.

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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Lee Chun Wah, Ryan (practising certificate number: P07034).

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 23 June 2025



# Consolidated Statement of Profit or Loss

For the year ended 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	5	317,114	271,334
Fair value change on investment properties	13	(23,300)	18,613
Employee benefit expenses, net		(133,810)	(107,656)
Depreciation of property and equipment	12	(13,578)	(10,840)
Depreciation of right-of-use assets	14	(35,703)	(36,796)
Property rental and related expenses		(7,244)	(5,711)
Food and beverage costs		(13,839)	(11,601)
Utility expenses		(7,325)	(6,725)
Supplies and consumables		(2,425)	(2,058)
Repairs and maintenance		(2,435)	(2,748)
Subcontracting fees, net		(9,773)	(6,027)
Laundry expenses		(2,961)	(2,457)
Medical fees and related expenses		(4,003)	(3,017)
Legal and professional fees		(2,097)	(3,162)
Other income and other gains, net		5,813	6,415
Other operating expenses		(17,773)	(15,296)
Finance costs, net	6	(14,681)	(8,367)
Profit before taxation	7	31,980	73,901
Income tax expense	9	(10,853)	(9,793)
<b>Profit for the year</b>		<b>21,127</b>	<b>64,108</b>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Company		21,884	64,185
Non-controlling interests		(757)	(77)
		<b>21,127</b>	<b>64,108</b>
<b>Earnings per share attributable to the owners of the Company (in HK cents)</b>			
Basic earnings per share	11	2.19	6.42
Diluted earnings per share	11	2.19	6.42



# Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Profit for the year</b>		<b>21,127</b>	64,108
<b>Other comprehensive (loss)/income:</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Fair value changes of financial assets at fair value through other comprehensive income ("Financial assets at FVOCI")	17(c)	53	(236)
Remeasurements of employee benefit obligations	21(a)	(1,385)	2,262
Fair value changes on property revaluation	12	—	25,493
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>(1,332)</b>	27,519
<b>Total comprehensive income for the year</b>		<b>19,795</b>	91,627
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
Owners of the Company		20,552	91,704
Non-controlling interests		(757)	(77)
		<b>19,795</b>	91,627

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



# Consolidated Statement of Financial Position

As at 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	12	110,919	105,014
Investment properties	13	344,800	368,100
Right-of-use assets	14	251,607	282,115
Deferred tax assets	23	4,110	2,485
Prepayments and deposits	16	5,364	4,946
Financial assets at fair value through other comprehensive income	17	—	697
Total non-current assets		716,800	763,357
<b>CURRENT ASSETS</b>			
Trade receivables	15	15,983	12,682
Prepayments, deposits and other receivables	16	13,231	9,251
Short-term bank deposits	19	1,600	30,100
Restricted bank deposits	19	10,895	10,491
Cash and cash equivalents	19	51,057	37,420
Total current assets		92,766	99,944
<b>Total assets</b>		<b>809,566</b>	<b>863,301</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	20(a)	10,000	10,000
Reserves	20(b)	426,751	424,293
		436,751	434,293
Non-controlling interests		5,477	234
<b>Total equity</b>		<b>442,228</b>	<b>434,527</b>





# Consolidated Statement of Financial Position

As at 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Accruals and other payables	21	3,838	6,672
Lease liabilities	14	93,692	121,206
Bank borrowings	24	179,671	207,991
		<b>277,201</b>	335,869
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	27,139	24,376
Contract liabilities	22	1,136	964
Amount due to a director	18(a)	—	250
Bank borrowings	24	28,100	26,323
Lease liabilities	14	31,497	28,783
Income tax payable		2,265	12,209
Total current liabilities		<b>90,137</b>	92,905
<b>Total liabilities</b>		<b>367,338</b>	428,774
<b>Total equity and liabilities</b>		<b>809,566</b>	863,301

The consolidated financial statements on pages 62 to 126 were approved by the Board of Directors on 23 June 2025 and were signed on its behalf.

**Mr. Ngai Shi Shing, Godfrey**  
Executive Director

**Ms. Ngai Ka Yee**  
Executive Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



# Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Note	Attributable to owners of the Company						Non-controlling interests	Total equity
		Share capital	Share premium	Capital reserve	Revaluation reserve	Share option reserve	Retained earnings		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 April 2023</b>		10,000	126,440	36	(17)	2,014	234,156	311	372,940
<b>Profit/(loss) and comprehensive income/(loss):</b>									
Profit/(loss) for the year		—	—	—	—	—	64,185	(77)	64,108
Other comprehensive income		—	—	—	25,257	—	2,262	—	27,519
Total comprehensive income		—	—	—	25,257	—	66,447	(77)	91,627
<b>Transactions with owners in their capacity as owners:</b>									
Dividends	10	—	—	—	—	—	(32,000)	—	(32,000)
Share-based payment	28	—	—	—	—	1,960	—	—	1,960
<b>At 31 March and 1 April 2024</b>		10,000	126,440	36	25,240	3,974	268,603	234	434,527
<b>Profit/(loss) and comprehensive income/(loss):</b>									
Profit/(loss) for the year		—	—	—	—	—	21,884	(757)	21,127
Other comprehensive income/(loss)		—	—	—	53	—	(1,385)	—	(1,332)
Total comprehensive income		—	—	—	53	—	20,499	(757)	19,795
Transfer of gain on disposal of financial assets at FVOCI to retained earnings		—	—	—	200	—	(200)	—	—
<b>Transactions with owners in their capacity as owners:</b>									
Dividends	10	—	—	—	—	—	(20,000)	—	(20,000)
Share-based payment	28	—	—	—	—	1,906	—	—	1,906
Capital contribution by non-controlling interests of a subsidiary		—	—	—	—	—	—	6,000	6,000
<b>At 31 March 2025</b>		10,000	126,440	36	25,493	5,880	268,902	5,477	442,228

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	26(a)	112,459	142,392
Hong Kong profits tax paid		(22,408)	(11,112)
Interest received		842	1,136
Net cash generated from operating activities		90,893	132,416
<b>Cash flow from investing activities</b>			
Proceeds from disposal of financial asset at fair value through other comprehensive income		750	—
Proceeds from disposal of property and equipment	26(c)	250	—
Proceeds from disposal of subsidiaries, net of cash disposed		(24)	—
Purchases of property and equipment		(19,779)	(24,318)
Change in short-term bank deposits		28,500	(29,599)
Change in restricted bank deposits		(404)	(3,901)
Purchase of investment properties		—	(178,287)
Net cash generated from/(used in) investing activities		9,293	(236,105)
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings	26(d)	—	157,000
Repayments of bank borrowings	26(d)	(26,543)	(14,138)
Dividends paid to shareholders		(20,000)	(32,000)
Payment of principal and interest portion of lease liabilities	26(d)	(34,189)	(34,159)
Capital contribution by non-controlling interests of a subsidiary		6,000	—
Interest paid		(11,817)	(7,033)
Net cash (used in)/generated from financing activities		(86,549)	69,670
Net increase/(decrease) in cash and cash equivalents		13,637	(34,019)
Cash and cash equivalents at the beginning of year		37,420	71,439
Cash and cash equivalents at the end of year	19	51,057	37,420

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION

Kato (Hong Kong) Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 19 April 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as combined and revised) of the Cayman Islands. The address of the Company’s registered office situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of residential care services and day care services for the elderly in Hong Kong.

These consolidated financial statements are presented in thousands of Hong Kong Dollar (“**HK\$’000**”), unless otherwise stated.

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

### 2.1 Basis of preparation

#### (a) *Compliance with HKFRS and HKCO*

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”) Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622 (“**HKCO**”).

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the HKICPA

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

#### (b) *Historical cost convention*

The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through other comprehensive income and investment properties, which are carried at fair value.





# Notes to the Consolidated Financial Statements

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### (c) Amended standards and interpretation adopted by the Group

The Group has applied the following amended standards and interpretation for the first time for their annual reporting period commencing 1 April 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to Hong Kong Interpretation 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The amended standards and interpretation listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### (d) New standards, amended standards and interpretations issued but not yet effective

A number of new standards, amended standards and interpretations have been issued but not effective during the year and have not been early adopted by the Group in preparing these consolidated financial statements:

		Effective for annual periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined



# Notes to the Consolidated Financial Statements

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### *(d) Amended standards and interpretations issued but not yet effective (Continued)*

Management is in the process of assessing potential impact of the above new standards, amended standards and interpretations that are relevant to the Group upon initial application. It is not yet in a position to state whether these new standards, amended standards and interpretations will have a significant impact on the Group's result of operations and financial position.

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to variety of financial risks: market risk (cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

#### *(a) Interest rate risk*

The Group has no significant interest-bearing assets except for cash and cash equivalents, short-term bank deposits and restricted bank deposits, which are at variable interest rate and subject to cash flow interest rate risk. The Group's exposure to changes in interest rates is mainly attributable to its bank borrowings which carried at floating rates. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

For the year ended 31 March 2025, if interest rates on all bank borrowings had been 50 basis-points higher/lower with all other variables held constant, profit after taxation for the year ended 31 March 2025 would have decreased/increased by approximately HK\$867,000 (2024: HK\$978,000), mainly as a result of higher/lower interest expense on floating rate bank borrowings.

#### *(b) Credit risk*

The credit risk of the Group mainly arises from trade receivables, deposits and other receivables, short-term bank deposits, restricted bank deposits and cash at banks.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

The credit risk on deposits with banks is limited because the counterparties are several reputable and creditworthy banks.

The Group have policies in place to ensure that the provision of elderly care home services, elderly community care services, sales of elderly home related goods, medical and laboratory services and rental and property management services are made to third party customers with an appropriate credit history. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and taking into account information specific to the customer.



# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

As at 31 March 2025, the Group had concentration of credit risk as 82% (2024: 60%) of its total trade receivables was due from its largest trade debtor, the Government of the Hong Kong Special Administrative Region ("**Government of HKSAR**"). The directors believe the credit risk of Government of HKSAR is low in view of its past good repayment history.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information, such as GDP growth rate and GDP per capita in Hong Kong.

#### (i) Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit loss, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Therefore, the Group divided the trade receivables into 3 categories by their risk characteristics, as (i) the Government of HKSAR; (ii) individual customers from elderly home care services and related business; and (iii) tenants. The Group also considers available reasonable and supportive forward-looking information, such as GDP growth rate and GDP per capita in Hong Kong.

For trade receivables from the Government of HKSAR and individual customers from elderly home care services and related business, there were no history of default and management does not expect significant credit losses after considering forward looking information. Therefore, expected credit loss rate of trade receivables from Government of HKSAR and individual customers is assessed to be close to zero as at 31 March 2025 (2024: same). As at 31 March 2025 and 2024, the losses was assessed to be not material to the consolidated financial statements and no provision was made.

Trade receivables from tenants with financial difficulty are assessed individually for loss allowance. As at 31 March 2025, the provision for expected credit losses on relevant balance is HK\$18,000 (2024: HK\$18,000).

#### (ii) Deposits and other receivables

For deposits and other receivables, the Group applies the HKFRS 9 general approach to measuring expected credit losses. The impairment provision is determined as 12-month expected credit losses as there was no significant increase in credit risk on these assets since initial recognition. The loss rates are also adjusted to reflect the forward-looking information on macroeconomic factors affecting the ability of the debtors to settle these receivables. No loss allowance provision was determined as at 31 March 2025 as the directors considered that the expected credit loss was immaterial (2024: same).



# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk

The Group's policy is to maintain sufficient cash to meet its liquidity and working capital requirements.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn banking facilities below), cash and cash equivalents and short-term bank deposits (Note 19) on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The Group had access to the following undrawn banking facilities at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
<b>Floating rate</b>		
Expiring within one year (bank borrowings and overdraft facilities)	35,807	46,865

Subject to the continuance of satisfactory credit ratings, the banking facilities may be drawn at any time in Hong Kong dollars and are subjected to annual review.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Undiscounted cash flows					Carrying amount HK\$'000
	Less than 1 year or on demand	Between 1–2 years	Between 2–5 years	Over 5 years	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>As at 31 March 2025</b>						
Trade and other payables	16,099	644	—	—	16,743	16,743
Bank borrowings	37,782	29,956	70,194	130,594	268,526	207,771
Undiscounted lease liabilities	34,856	34,538	63,615	—	133,009	125,189
	88,737	65,138	133,809	130,594	418,278	349,703
<b>As at 31 March 2024</b>						
Trade and other payables	18,076	—	—	4,593	22,669	21,183
Amount due to a director	250	—	—	—	250	250
Bank borrowings	38,720	38,720	84,902	154,477	316,819	234,314
Undiscounted lease liabilities	32,873	32,610	92,116	4,080	161,679	149,989
	89,919	71,330	177,018	163,150	501,417	405,736



# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital on the basis of the gearing ratio, which is expressed as a percentage of net debt divided by total capital. Net debt is calculated as the sum of bank borrowings and lease liabilities less the sum of short-term bank deposits, restricted bank deposits and cash and cash equivalents. Capital represents total equity as shown on the consolidated statement of financial position.

The gearing ratio as at 31 March 2025 and 2024 were as follows:

	2025 HK\$'000	2024 HK\$'000
Bank borrowings	207,771	234,314
Lease liabilities	125,189	149,989
	332,960	384,303
Less: Short-term bank deposits	(1,600)	(30,100)
Restricted bank deposits	(10,895)	(10,491)
Cash and cash equivalents	(51,057)	(37,420)
	(63,552)	(78,011)
Net debt	269,408	306,292
Total equity	442,228	434,527
Gearing ratio	60.9%	70.5%

As at 31 March 2025, the gearing ratio of the Group decreased to 60.9% (2024: 70.5%) primarily due to the repayments of bank borrowings during the year.



# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair values as at 31 March 2025 and 2024 by level of valuation techniques used to measure fair values. Such inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

The following table presents the Group's financial assets that are measured at fair values as at 31 March 2025 and 2024:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>As at 31 March 2025</b>				
Investment properties ( <i>Note 13</i> )	—	—	344,800	344,800
<b>As at 31 March 2024</b>				
Investment properties ( <i>Note 13</i> )	—	—	368,100	368,100
Financial asset at FVOCI				
— Listed equity investment ( <i>Note 17</i> )	697	—	—	697
	697	—	368,100	368,797

There were no transfer of financial assets and liabilities between the fair value hierarchy classifications during the year ended 31 March 2025 (2024: same).

The carrying values of the Group's financial assets, including trade receivables, deposits and other receivables, short-term bank deposits, restricted bank deposits and cash and cash equivalents, and financial liabilities, including trade and other payables, amount due to a director, lease liabilities and bank borrowings approximate to their fair values due to their short maturities or with interest rate close to market rate. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, unless the discounting effect is insignificant.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



# Notes to the Consolidated Financial Statements

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### (a) Estimated valuation of investment properties

The Group carries its investment properties at fair value with changes in the fair value recognised in profit or loss. The valuation of investment properties requires management's input of various assumptions and factors relevant to the valuation. The Group conducts annual revaluation of its investment properties by independent professionally qualified valuers based on these assumptions agreed with the valuers prior to adoption. Refer to Note 13 for the assumptions, valuation techniques and fair value measurement of investment properties.

### (b) Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed when a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

### (c) Impairment of non-financial assets

The impairment loss for non-financial assets, comprising property and equipment and right-of-use assets is recognised as the amount by which the carrying amount exceeds its recoverable amount in accordance with the accounting policy stated in Note 30.7. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use, which are based on the best information available to reflect the amount obtainable at the end of each reporting period.

## 5 REVENUE AND SEGMENT INFORMATION

The executive directors, who are the chief operating decision-maker (the "**CODM**") of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors that are used to make strategic decisions.

The CODM has determined the operating segments based on these reports. The Group is organised into two business segments:

- (a) Elderly care services segment ("**Elderly care services**") and
- (b) Investment properties holding segment ("**Investment properties holding**")



# Notes to the Consolidated Financial Statements

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (a) Segment revenue and results

The following tables present revenue and segment results regarding the Group's reportable segments for the years ended 31 March 2025 and 2024 respectively.

#### For the year ended 31 March 2025

	Elderly care services HK\$'000	Investment properties holding HK\$'000	Total HK\$'000
<b>Revenue from contract with customers within the scope of HKFRS 15</b>			
<i>Recognised over time:</i>			
Rendering of elderly home care services	232,962	—	232,962
Rendering of elderly community home care services	11,028	—	11,028
Rendering of medical and laboratory services	8,493	—	8,493
Rental and properties management fee income	—	1,894	1,894
<i>Recognised at a point in time:</i>			
Sales of elderly home related goods	51,165	—	51,165
<b>Revenue arising from operating lease within the scope of HKFRS 16:</b>			
Fixed	—	16,092	16,092
Segment revenue	303,648	17,986	321,634
Inter-segment revenue	—	(4,520)	(4,520)
Revenue from external customers	303,648	13,466	317,114
Segment results	63,204	(15,848)	47,356
Corporate and other unallocated expenses			(695)
Finance costs, net			(14,681)
Profit before taxation			31,980
<b>Other information:</b>			
Depreciation of property and equipment	(11,043)	(2,535)	(13,578)
Depreciation of right-of-use assets	(29,954)	(5,749)	(35,703)
Fair value loss on investment properties	—	(23,300)	(23,300)
Impairment loss on property and equipment	(1,700)	—	(1,700)
Capital expenditures	(13,451)	(13,434)	(26,885)





# Notes to the Consolidated Financial Statements

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (a) Segment revenue and results (Continued)

For the year ended 31 March 2024

	Elderly care services HK\$'000	Investment properties holding HK\$'000	Total HK\$'000
<b>Revenue from contract with customers within the scope of HKFRS 15</b>			
<i>Recognised over time:</i>			
Rendering of elderly home care services	200,664	—	200,664
Rendering of elderly community home care services	8,956	—	8,956
Rendering of medical and laboratory services	10,332	—	10,332
Rental and properties management fee income	—	1,470	1,470
<i>Recognised at a point in time:</i>			
Sales of elderly home related goods	43,278	—	43,278
<b>Revenue arising from operating lease within the scope of HKFRS 16:</b>			
Fixed	—	6,634	6,634
Segment revenue (from external customers)	263,230	8,104	271,334
Segment results	67,677	19,847	87,524
Corporate and other unallocated expenses			(5,256)
Finance costs, net			(8,367)
Profit before taxation			73,901
Other information:			
Depreciation of property and equipment	(10,840)	—	(10,840)
Depreciation of right-of-use assets	(34,094)	(2,702)	(36,796)
Fair value gain on investment properties	—	18,613	18,613
Capital expenditures	(24,902)	(178,287)	(203,189)



# Notes to the Consolidated Financial Statements

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (a) Segment revenue and results (Continued)

The Group's revenue was derived solely from its operations in Hong Kong during the year ended 31 March 2025, and the non-current assets of the Group were located in Hong Kong as at 31 March 2025 (2024: same).

Revenue of approximately HK\$141,425,000 (2024: HK\$128,420,000) for the year ended 31 March 2025 was mainly derived from the Government of HKSAR under the Enhanced Bought Place Scheme ("EBPS"), Bought Place Scheme ("BPS") and by provision of residential care services in the Contract Home, which amounted to more than 10% of the Group's revenue.

The Group did not recognise any revenue-related contract assets during the year ended 31 March 2025 (2024: Nil).

### (b) Segment assets and liabilities

As at 31 March 2025

	Elderly care services HK\$'000	Investment properties holding HK\$'000	Total HK\$'000
<b>Assets</b>			
Segment assets	214,259	584,548	798,807
Unallocated:			
Prepayments, deposits and other receivables			1,534
Short-term bank deposits			1,600
Cash and cash equivalents			7,625
Total assets			809,566
<b>Liabilities</b>			
Segment liabilities	157,094	1,463	158,557
Unallocated:			
Bank borrowings			207,771
Other payables			1,010
Total liabilities			367,338



# Notes to the Consolidated Financial Statements

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment assets and liabilities (Continued)

As at 31 March 2024

	Elderly care services HK\$'000	Investment properties holding HK\$'000	Total HK\$'000
<b>Assets</b>			
Segment assets	389,737	436,588	826,325
Unallocated:			
Financial assets at fair value through other comprehensive income			697
Short-term bank deposits			30,100
Cash and cash equivalents			6,179
Total assets			863,301
<b>Liabilities</b>			
Segment liabilities	184,046	4,416	188,462
Unallocated:			
Bank borrowings			234,314
Other payables			5,748
Amount due to a director			250
Total liabilities			428,774

## 6 FINANCE COSTS, NET

	2025 HK\$'000	2024 HK\$'000
<b>Finance income</b>		
Bank interest income	842	2,108
Unwinding interest on rental deposits	60	1,599
	902	3,707
<b>Finance costs</b>		
Interest expenses on bank borrowings	(11,817)	(7,033)
Interest expenses on lease liabilities (Note 14(b))	(4,202)	(4,971)
Other interest expenses	(1,428)	—
Interest expenses on employee benefit obligations (Note 21(a))	(57)	(70)
	(17,504)	(12,074)
Less: amount capitalised	1,921	—
	(15,583)	(12,074)
Finance costs, net	(14,681)	(8,367)



# Notes to the Consolidated Financial Statements

## 7 PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting) the followings:

	2025 HK\$'000	2024 HK\$'000
Depreciation of property and equipment ( <i>Note 12</i> )	13,578	10,840
Depreciation of right-of-use assets ( <i>Note 14(b)</i> )	35,703	36,796
Property rental and related expenses	7,244	5,711
Lease payments for short-term leases ( <i>Note 14(b)</i> )	1,503	1,532
Building management fees and rates	5,749	4,179
Gain on lease modification	(8)	—
Employee benefit expenses, net	133,810	107,656
Wages and salaries	122,644	100,449
Retirement benefit scheme contributions	4,211	3,178
Staff welfare and benefits	248	817
Provision for long service payments ( <i>Note 21(a)</i> )	614	477
Directors' remunerations ( <i>Note 8</i> )	5,621	4,578
Share-based payment expenses — staff portion	1,270	1,306
Government subsidies	(798)	(3,149)
Legal and professional fees	2,097	3,162
Subcontracting fees, net	9,773	6,027
Subcontracting fees	17,247	12,689
Government subsidies	(7,474)	(6,662)
Auditor's remuneration		
Audit services	2,000	2,200
Non-audit services	300	925
Provision for loss allowance on trade receivables	—	18
Impairment loss on property and equipment	1,700	—
Gain on disposal of property and equipment	(34)	—
Insurance expenses	1,268	1,006
Donation	875	603
Government subsidies	(4,838)	(802)

As at 31 March 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2024: Same).





# Notes to the Consolidated Financial Statements

## 8 BENEFITS AND INTERESTS OF DIRECTORS

### (a) Directors' remunerations

The remunerations of directors for each of the years ended 31 March 2025 and 2024 were as follows:

	Fees HK\$'000	Salaries HK\$'000	Discretionary bonuses HK\$'000	Allowances and benefits in kind HK\$'000 (note (iii))	Retirement benefit scheme contributions HK\$'000	Other emoluments paid or receivables HK\$'000	Total HK\$'000
<b>Year ended 31 March 2025</b>							
<b>Executive directors</b>							
– Ms. Ngai Ka Yee	–	1,440	–	318	–	–	1,758
– Mr. Ngai Shi Shing, Godfrey	–	1,440	–	318	42	–	1,800
– Mr. Lau Kwok Wo (note(iv))	–	1,203	–	–	–	–	1,203
<b>Independent non-executive directors</b>							
– Mr. Or Kelvin	200	–	–	–	–	–	200
– Mr. Wong Vinci (note(vii))	200	–	–	–	–	–	200
– Ms. Lo Ning (note (v))	200	–	–	–	–	–	200
– Ms. Wu Wing Fong	200	–	–	–	–	–	200
– Mr. Wong Chun Kit (note(viii))	60	–	–	–	–	–	60
	860	4,083	–	636	42	–	5,621
<b>Year ended 31 March 2024</b>							
<b>Executive directors</b>							
– Ms. Ngai Ka Yee	–	1,441	–	327	–	–	1,768
– Mr. Ngai Shi Shing, Godfrey	–	1,441	–	327	42	–	1,810
<b>Independent non-executive directors</b>							
– Mr. Or Kelvin	200	–	–	–	–	–	200
– Mr. Wong Vinci (note(vii))	200	–	–	–	–	–	200
– Ms. Lo Ning (note (v))	400	–	–	–	–	–	400
– Ms. Wu Wing Fong	200	–	–	–	–	–	200
	1,000	2,882	–	654	42	–	4,578



# Notes to the Consolidated Financial Statements

## 8 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

### (a) Directors' remunerations (Continued)

	2025 HK\$'000	2024 HK\$'000
Aggregate emoluments paid to or receivable by directors in respect of		
— their services as directors, whether of the Company or its subsidiary	860	1,000
— other services in connection with the management of the affairs of the Company or its subsidiary undertaking	4,761	3,578
	5,621	4,578

#### Notes:

- (i) The remunerations shown above represent remunerations received from the Company and subsidiaries of the Company by these directors in their capacity as employees to the Company and no directors waived any emolument during the year ended 31 March 2025 (2024: Nil).
- (ii) No emoluments were paid by the subsidiaries of the Company to the directors as an inducement to join the subsidiaries of the Company, or as compensation for loss of office during the year ended 31 March 2025 (2024: Nil).
- (iii) Allowances and benefits in kind represents share option expenses of the directors.
- (iv) Mr. Lau Kwok Wo was appointed as executive director of the Company on 2 April 2024.
- (v) Ms. Lo Ning retired as an independent non-executive director of the Company on 30 August 2024.
- (vi) Mr. Wong Vinci resigned as an independent non-executive director of the Company on 13 December 2024.
- (vii) Mr. Wong Chun Kit was appointed an independent non-executive director of the Company on 13 December 2024.

### (b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking (2024: Nil).

### (c) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the year ended 31 March 2025 (2024: Nil).

### (d) Consideration provided to third parties for making available directors' services

The Company did not pay consideration to any third parties for making available directors' services for the year ended 31 March 2025 (2024: Nil).



# Notes to the Consolidated Financial Statements

## 8 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

### (e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 March 2025, saved as disclosed in Note 18, there were no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2024: same).

### (f) Directors' material interests in transactions, arrangements or contracts

During the year ended 31 March 2025, no significant transactions, agreements and contracts in relation to the Group's business to which the Company or any of the subsidiaries of the Company were a party and in which a director of the Company had material interest, whether directly or indirectly, subsisted at the end of the year ended 31 March 2025, other than those disclosed in Note 18 (2024: same).

### (g) Five highest paid individuals

The five highest paid individuals during the year included 3 directors (2024: 2 directors). Details of whose remuneration are set out in Note 8(a). Details of the remuneration for the year of the remaining 2 (2024: 3) highest paid employee who is not a director of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, discretionary bonus, allowances and benefit in kind	2,447	2,953
Retirement benefit scheme contribution	60	72
Share option expense	636	653
	3,143	3,678

The emoluments fell within the following bands:

	Number of individual	
	2025	2024
HK\$500,001 to HK\$1,000,000	–	1
HK\$1,000,001 to HK\$1,500,000	–	1
HK\$1,500,001 to HK\$2,000,000	2	1

### (h) During the year ended 31 March 2025, no emoluments have been paid by the Group to the directors or the five highest paid individuals mentioned above as an inducement to join or upon joining the Group, or as compensation for loss of office (2024: Nil).



# Notes to the Consolidated Financial Statements

## 9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the two-tiered rate of 8.25% for the first HK\$2,000,000 of the estimated assessable profit of the qualifying group entity and 16.5% on the remaining estimated assessable profit of the Group for the years ended 31 March 2025 and 2024.

An analysis of the income tax expense is as follows:

	2025 HK\$'000	2024 HK\$'000
Hong Kong profits tax		
Current year	12,994	12,269
Over provision in prior year	(516)	(280)
	12,478	11,989
Deferred tax ( <i>Note 23</i> )	(1,625)	(2,196)
	10,853	9,793

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	31,980	73,901
Tax calculated at a tax rate of 16.5% (2024: 16.5%)	5,277	12,194
Effect on two-tiered tax rate of 8.25% (2024: 8.25%)	(165)	(165)
Income not subject to tax	(172)	(4,194)
Expenses not deductible for tax	4,537	2,257
Tax losses and other temporary differences for which no deferred income tax was recognised	1,906	11
Over provision in prior year	(516)	(280)
Tax reduction	(14)	(30)
Income tax expense	10,853	9,793





# Notes to the Consolidated Financial Statements

## 10 DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
2024 final dividend paid (HK2.0 cents per share)	20,000	—
2024 interim dividend paid (HK1.0 cents per share)	—	10,000
2023 final dividend paid (HK2.2 cents per share)	—	22,000
	20,000	32,000

A final dividend in respect of the year ended 31 March 2025 of HK2.0 cents per share, amounting to a total dividend of HK\$20,000,000, is to be proposed for approval at the forthcoming annual general meeting. The proposed final dividend has not been recognised as a liability in the consolidated financial statements.

## 11 EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 March 2025 and 2024.

	2025	2024
Profit attributable to the owners of the Company (HK\$'000)	21,884	64,185
Weighted average number of shares in issue (thousand shares)	1,000,000	1,000,000
Basic earnings per share (in HK cents)	2.19	6.42

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Shares issuable under the share option scheme are the only dilutive potential ordinary shares. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average daily quoted market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the year ended 31 March 2025, dilutive earnings per share was of the same amount as the basic earnings per share as the share options were anti-dilutive (2024: same).



# Notes to the Consolidated Financial Statements

## 12 PROPERTY AND EQUIPMENT

	Buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
<b>At 1 April 2023</b>							
Cost	43,200	55,487	9,603	10,873	1,862	34,324	155,349
Accumulated depreciation	(1,495)	(33,971)	(6,918)	(1,550)	(1,338)	—	(45,272)
Net carrying amount	41,705	21,516	2,685	9,323	524	34,324	110,077
<b>Year ended 31 March 2024</b>							
Opening net carrying amount	41,705	21,516	2,685	9,323	524	34,324	110,077
Revaluation gains (Note (iii))	12,434	—	—	—	—	—	12,434
Transfer	10,779	—	—	—	—	(10,779)	—
Transfer to investment properties (Note 13)	(30,923)	—	—	—	—	—	(30,923)
Additions	—	3,702	285	490	863	18,926	24,266
Depreciation (Note 7)	(1,423)	(6,172)	(802)	(2,187)	(256)	—	(10,840)
Closing net carrying amount	32,572	19,046	2,168	7,626	1,131	42,471	105,014
<b>At 31 March 2024 and 1 April 2024</b>							
Cost	34,993	59,189	9,888	11,363	2,725	42,471	160,629
Accumulated depreciation	(2,421)	(40,143)	(7,720)	(3,737)	(1,594)	—	(55,615)
Net carrying amount	32,572	19,046	2,168	7,626	1,131	42,471	105,014
<b>Year ended 31 March 2025</b>							
Opening net carrying amount	32,572	19,046	2,168	7,626	1,131	42,471	105,014
Transfer	18,347	—	970	74	—	(19,391)	—
Additions	—	5,639	1,461	891	—	13,408	21,399
Disposal	—	—	—	—	(216)	—	(216)
Depreciation (Note 7)	(2,359)	(7,810)	(1,156)	(1,942)	(311)	—	(13,578)
Impairment (Note (iii))	—	(142)	(2)	(1,556)	—	—	(1,700)
Closing net carrying amount	48,560	16,733	3,441	5,093	604	36,488	110,919
<b>At 31 March 2025</b>							
Cost	53,340	64,828	12,319	12,328	2,344	36,488	181,647
Accumulated depreciation and impairment	(4,780)	(48,095)	(8,878)	(7,235)	(1,740)	—	(70,728)
Net carrying amount	48,560	16,733	3,441	5,093	604	36,488	110,919

### Notes:

- (i) During the year 31 March 2025, the Group has capitalised borrowing costs amounting to HK\$1,921,000 (2024: Nil) in construction in progress. Borrowings costs were capitalised at weighted average rate of 5.22% (2024: Nil).
- (ii) During the year ended 31 March 2025, based on the impairment assessment performed by management, the Group provided an impairment loss on property and equipment of HK\$1,700,000 (2024: Nil) related to a medical and check-up centre which ceased operation during the year.
- (iii) During the year ended 31 March 2024, property and equipment and right-of-use assets with a carrying amount of HK\$30,923,000 and HK\$32,477,000, respectively, were reclassified to investment properties upon the change of management's intention from owner-occupied to capital appreciation and earning rental income of those properties. Upon the date of transfer, the property and equipment and right-of-use assets were revalued to its fair value and a revaluation gain of HK\$12,434,000 and HK\$13,059,000, respectively were credited to other comprehensive income.



# Notes to the Consolidated Financial Statements

## 13 INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
<b>At fair value</b>		
At the beginning of the year	368,100	107,800
Additions	—	178,287
Transfer from property and equipment (Note 12)	—	30,923
Transfer from right-of-use assets (Note 14)	—	32,477
Fair value change	(23,300)	18,613
At the end of the year	344,800	368,100

During the year ended 31 March 2024, property and equipment and right-of-use assets with carrying amounts of HK\$30,923,000 and HK\$32,477,000, respectively were reclassified to investment properties upon commencement of lease with a view to earning rental income and capital appreciation.

### (a) Amounts recognised in profit or loss for investment properties

	2025 HK\$'000	2024 HK\$'000
Revenue arising from operating leases	11,572	6,634
Management fee income	612	246
Car park revenue	1,282	1,224
Direct operating expenses arising from investment properties that generate income:		
Property management fees, security and cleaning	(619)	(556)
Government rent and rates	(814)	(675)

### (b) Leases arrangements

The investment properties are leased to tenants under operating leases with rental payable monthly. Lease payments for some contracts include contingent rent which are calculated based on the turnover of respective tenants. To reduce credit risk, the Group obtains deposits from each tenant.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

For minimum lease payments receivable on leases of investment properties, refer to Note 27.



# Notes to the Consolidated Financial Statements

## 13 INVESTMENT PROPERTIES (CONTINUED)

### (c) Valuation process

The investment properties of the Group are carried at fair value, by valuation method, which is categorised into different fair value hierarchy levels, refer to Note 3.3.

As one or more of the significant inputs is not based on observable market data, the investment properties of the Group are categorised as level 3.

The Group's policy is to recognise transfers between fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. As at 31 March 2025, the Group did not have any investment properties categorised as level 1 or level 2 (2024: same) and there were no transfers among levels 1, 2 and 3 during the year ended 31 March 2025 (2024: Nil).

The Group's investment properties were valued at 31 March 2025 and 2024 by an external, independent and professional qualified valuer, ValQuest Advisory (Hong Kong) Limited, who holds a recognised relevant professional qualification and has recent experience in the locations and nature of the investment properties valued. For all investment properties, they have been valued on the basis of highest and best use and reflective of their existing state as of the valuation date.

The management held discussions with the valuer and reviewed all the significant inputs used by the valuer. Discussions of the valuation processes and results at each reporting dates are held between management and the valuer.

At each financial year end the management:

- Verifies all major inputs to the independent valuation report;
- Holds discussions with the independent valuer.

### (d) Valuation techniques

For commercial complex, retail shops, fresh market stalls, cooked food stalls and storerooms (collectively "**Retail shops**"), the valuation was based on income capitalisation approach, which largely use unobservable inputs (e.g. market rent, yield, etc.) and taking into account the significant adjustment on term yield to account for the risk upon reversionary and the estimation in vacancy rate after expiry of current lease.

For car park spaces, the valuation was based on direct comparison method by making reference to the comparable market transactions as available. The direct comparison method is based on market observable transactions of similar car parks and adjusted to reflect the conditions and locations of the subject car parks.

For properties which are rented out for the operation of elderly home, the valuations was based on income capitalisation approach (2024: direct comparison method), which largely use unobservable inputs (e.g. market rent, yield, etc.) and taking into account the significant adjustment on term yield to account for the risk upon reversionary.



# Notes to the Consolidated Financial Statements

## 13 INVESTMENT PROPERTIES (CONTINUED)

### (d) Valuation techniques (Continued)

Information about fair value measurements using significant unobservable inputs (level 3)

Properties	Fair value at 31 March		Valuation methods	Significant unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value
	2025 HK\$'000	2024 HK\$'000			2025	2024	
Retail shops*	137,100	140,500	Income capitalisation approach	1) Reversionary yield	6.3%–9.3%	6.0%–9.0%	The higher the reversionary yield, the lower the fair value.
				2) Term yield	5.8%–8.8%	5.5%–8.5%	The higher the term yield, the lower the fair value.
				3) Monthly rent (HK\$/square ft.)	HK\$19.0–HK\$80.0	HK\$20.0–HK\$81.0	The higher the monthly rent, the higher the fair value.
Carparks	25,300	27,600	Direct comparison method	1) Market value (HK\$/unit)	HK\$0.85 million to HK\$1.25 million	HK\$1.04 million to HK\$1.36 million	The higher the market value, the higher the fair value.
Elderly home	182,400	N/A	Income capitalisation approach	1) Reversionary yield	7.0%	N/A	The higher the reversionary yield, the lower the fair value.
				2) Term yield	HK\$21 – HK\$33	N/A	The higher the term yield, the lower the fair value.
	N/A	200,000	Direct comparison method	1) Market value (HK\$/square ft.)	N/A	HK\$4,123–5,893	The higher the market value, the higher the fair value.
	344,800	368,100					

\* During the year ended 31 March 2024, retail shops with fair value of HK\$60,900,000 were transferred from property and equipment and right-of-use assets to investment properties upon the change in management intention from self-occupied to lease out for earning rental income and capital appreciation.

### (e) Collateral for the Group's bank borrowings

As at 31 March 2025, except for the car park spaces, all the Group's investment properties were pledged as collateral for the Group's bank borrowings (Note 24) (2024: same).

### (f) Contractual obligations

As at 31 March 2025, the Group had no material unprovided contractual obligations for future repairs and maintenance (2024: Nil).





# Notes to the Consolidated Financial Statements

## 14 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### (a) Amounts recognised in the consolidated statement of financial position

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

#### (i) Right-of-use assets

	Leasehold land HK\$'000	Elderly residential care homes/day care centres/ laboratory centres HK\$'000	Staff quarters HK\$'000	Motor vehicles HK\$'000	Office and warehouse HK\$'000	Total HK\$'000
Balance as at 1 April 2023	170,554	161,559	5,097	214	305	337,729
Revaluation gains (Note 12(i))	13,059	—	—	—	—	13,059
Transfer to investment properties (Note 13)	(32,477)	—	—	—	—	(32,477)
Additions	—	—	636	—	—	636
Modification	—	—	(36)	—	—	(36)
Depreciation (Note 7)	(6,286)	(28,625)	(1,465)	(191)	(229)	(36,796)
Balance as at 31 March 2024 and 1 April 2024	144,850	132,934	4,232	23	76	282,115
Additions	—	902	2,487	—	2,097	5,486
Modification	—	—	(291)	—	—	(291)
Depreciation (Note 7)	(5,750)	(27,864)	(1,734)	(23)	(332)	(35,703)
Balance as at 31 March 2025	139,100	105,972	4,694	—	1,841	251,607

#### (ii) Lease liabilities

	2025 HK\$'000	2024 HK\$'000
Non-current	93,692	121,206
Current	31,497	28,783
	125,189	149,989



# Notes to the Consolidated Financial Statements

## 14 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (b) Amounts recognised in the consolidated statement of profit or loss

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of right-of-use assets		
— Elderly residential care homes/day care centres/ laboratory centres	27,864	28,625
— Leasehold land	5,750	6,286
— Staff quarters	1,734	1,465
— Motor vehicles	23	191
— Office and warehouse	332	229
	35,703	36,796
Interest expense on lease liabilities (Note 6)	4,202	4,971
Lease payments for short-term leases (included in property rent and related expenses) (Note 7)	1,503	1,532

Total cash outflows for leases for the year ended 31 March 2025 was HK\$35,692,000 (2024: HK\$35,691,000).

### (c) The Group's leasing activities and how these are accounted for

The Group leases various residential elderly care homes, day care centres, laboratory centres, staff quarters, motor vehicles and warehouse. The Group's lease of land expires in 2047 while rental contracts for other properties and motor vehicles are typically made for fixed periods ranging from 3 to 5 years and some of them have extension option of 7 additional years which are solely exercisable by the Group and not by the respective lessor. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As at 31 March 2025, except for the certain leased land of HK\$78,987,000 (2024: HK\$82,035,000) was pledged for bank borrowings, there is no securities or covenants on other lease agreements.



# Notes to the Consolidated Financial Statements

## 15 TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	16,001	12,700
Less: loss allowance	(18)	(18)
	15,983	12,682

The ageing analysis of the Group's trade receivables, based on invoice date are as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	7,906	7,566
31–60 days	6,798	4,779
61–180 days	1,116	101
Over 180 days	181	254
	16,001	12,700

The Group's trade receivables are non-interest-bearing and denominated in HK\$. The carrying amounts of trade receivables approximate their fair values due to their short maturities.

The Group's trading terms are payment in advance. Generally, there is no credit term granted to customers. However, in practice, customers settled their outstanding balances shortly after the date when the amounts are due. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management. During the year ended 31 March 2025, loss allowance of HK\$18,000 was provided for trade receivables from tenants (2024: HK\$18,000).

The maximum exposure to credit risk at the reporting period was the carrying amounts of trade receivables mentioned above. The Group did not hold any collateral as security.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. The Group's credit risk assessment and the analysis of concentration of credit risk are disclosed in Note 3.1(b)(i).



# Notes to the Consolidated Financial Statements

## 16 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Prepayments	3,457	1,550
Rental deposits	5,517	5,209
Deposits	3,785	1,194
Other receivables	5,513	6,222
Prepayments for property and equipment	323	22
	18,595	14,197
Less: non-current portion		
Prepayments for property and equipment	(323)	(22)
Rental deposits	(5,041)	(4,924)
	(5,364)	(4,946)
Current portion	13,231	9,251
Maximum exposure of financial assets to credit risk	14,815	12,625

Financial assets included in the above balances relate to receivables for which there was no recent history of default. The Group did not hold any collateral as security. The carrying amounts of deposits and other receivables approximate to their fair values due to their short maturities and are denominated in HK\$.

## 17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### (a) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income ("FVOCI") comprise of equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

### (b) Equity investments at fair value through other comprehensive income

	2025 HK\$'000	2024 HK\$'000
Listed equity investment	–	697

During the year ended 31 March 2025, the Group disposed of all equity investment and held no equity investment as of year end.



# Notes to the Consolidated Financial Statements

## 17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

### (c) Amount recognised in other comprehensive income

	2025 HK\$'000	2024 HK\$'000
Fair value gain/(loss) on financial assets at fair value through other comprehensive income	53	(236)

### (d) Valuation process

Information about the methods and assumptions used in determining fair value is provided in Note 3.3.

## 18 RELATED PARTIES BALANCES AND TRANSACTIONS

The Group is controlled by Sheung Fung Limited, a limited liability company incorporated in the BVI, which owns 62% (2024: 62%) of the Company's shares as at 31 March 2025 and 2024.

### (a) Balance with related parties

	2025 HK\$'000	2024 HK\$'000	Maximum outstanding balance during the year HK\$'000
Amount due to a director Mr. Ngai Shi Shing, Godfrey	—	(250)	N/A
Amount due from a non-controlling interest Lazy Elderly Care Technology Limited	1,500	1,500	1,500

Amounts due to a director and a non-controlling interest are unsecured, interest-free and (repayable)/recoverable on demand.

The carrying amount of the amount due to a director and a non-controlling interest approximate to their fair values due to their short maturities and are denominated in HK\$.





# Notes to the Consolidated Financial Statements

## 18 RELATED PARTIES BALANCES AND TRANSACTIONS (CONTINUED)

### (b) Related party transactions

The Group had the following transactions with related parties in the ordinary course of business during the years ended 31 March 2025 and 2024:

	Notes	2025 HK\$'000	2024 HK\$'000
Repayment of principal and interest portion of lease liabilities to related parties:			
— Ms. Ngai Ka Yee	(i)	671	392
— Mr. Ngai Shi Shing, Godfrey	(i)	520	358
— Mr. Ngai Ha Sang	(ii)	360	360
— Mr. Lam Kong	(ii)	275	—
— Ms. Lam Wan Fong	(ii)	180	180
— Ms. Lam Wan Yuet	(ii)	162	—
— Mr. Lam Chung Ming	(ii)	—	36
Repayment of principal and interest portion of lease liabilities to related companies:			
— Kato Elderly Affairs Limited	(iii)	4,860	4,860
— Shing Kong Limited	(iii)	3,464	3,904
— Smarts Corporation Limited	(iii)	2,724	2,724
— Kato Property Limited	(iii)	2,376	2,376
— Perfect Cheer Investment Limited	(iii)	2,004	2,004
— Classic Mate Limited	(iii)	1,236	1,236

Notes:

- (i) Ms. Ngai Ka Yee and Mr. Ngai Shi Shing, Godfrey are the executive directors of the Company.
- (ii) They are the close members of the family of the directors.
- (iii) The related companies are controlled by the Group's directors and/or the close members of the family of the directors.

The above-mentioned transactions were conducted in the normal course of business and the repayment of lease liabilities were charged at terms mutually agreed by the relevant parties and companies.



# Notes to the Consolidated Financial Statements

## 18 RELATED PARTIES BALANCES AND TRANSACTIONS (CONTINUED)

### (c) Key management compensation

Key management includes the directors and senior management of the Group.

Compensation of key management personnel of the Group, including directors' remunerations as disclosed in Note 8, are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, discretionary bonus, allowances and benefit in kind	9,141	7,108
Retirement benefit scheme contribution	132	102
Share-based payment	1,588	1,633
	10,861	8,843

## 19 CASH AND CASH EQUIVALENTS, SHORT-TERM BANK DEPOSITS AND RESTRICTED BANK DEPOSITS

	2025 HK\$'000	2024 HK\$'000
<b>Short-term bank deposits — time deposits with original maturity over 3 months</b> (Note a)	1,600	30,100
<b>Restricted bank deposits</b> (Note b)	10,895	10,491
Cash at banks	50,928	37,291
Cash on hand	129	129
<b>Cash and cash equivalents</b>	51,057	37,420
Maximum exposure to credit risk	63,423	77,882

As at 31 March 2025 and 2024, the Group's cash and cash equivalents, short-term bank deposits and restricted bank deposits are denominated in HK\$. The carrying amounts of cash and cash equivalents, short-term bank deposits and restricted bank deposits approximate their fair values due to their short maturities.

Notes:

- (a) As at 31 March 2025, short-term bank deposits are time deposits with original maturity over 3 months carry weighted average effective interest rate of 3.3% (2024: 4.00%) per annum with remaining tenure of 164 days (2024: 83 days).
- (b) As at 31 March 2025, the Group has restricted bank deposits of HK\$10,895,000 (2024: HK\$10,491,000), held at bank as guarantee for certain tender agreements agreed with the SWD of the Government of HKSAR for operating new contracted homes (2024: same).

The weighted average effective interest rate was 3.1% for the year ended 31 March 2025 (2024: 4.00%).

- (c) Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.



# Notes to the Consolidated Financial Statements

## 20 SHARE CAPITAL AND RESERVES

### (a) Share capital of the Company

	Number of ordinary shares (thousand shares)	Share capital of HK\$0.01 each HK\$'000
Authorised:		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	3,000,000	30,000
Issued and paid:		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,000,000	10,000

### (b) Reserves

	Share premium HK\$'000	Capital reserve (Note (i)) HK\$'000	Revaluation reserve HK\$'000	Share option reserve (Note 28) HK\$'000	Retained earnings HK\$'000	Total HK\$'000
<b>At 1 April 2023</b>	126,440	36	(17)	2,014	234,156	362,629
<b>Profit and comprehensive income:</b>						
Profit for the year	—	—	—	—	64,185	64,185
Other comprehensive income	—	—	25,257	—	2,262	27,519
Total comprehensive income	—	—	25,257	—	66,447	91,704
<b>Transactions with owners in their capacity as owners:</b>						
Dividends (Note 10)	—	—	—	—	(32,000)	(32,000)
Share-based payment (Note 28)	—	—	—	1,960	—	1,960
<b>At 31 March and 1 April 2024</b>	126,440	36	25,240	3,974	268,603	424,293
<b>Profit and comprehensive income:</b>						
Profit for the year	—	—	—	—	21,884	21,884
Other comprehensive income	—	—	53	—	(1,385)	(1,332)
Total comprehensive income	—	—	53	—	20,499	20,552
Realised upon disposal of financial assets at FVOCI	—	—	200	—	(200)	—
<b>Transactions with owners in their capacity as owners:</b>						
Dividends (Note 10)	—	—	—	—	(20,000)	(20,000)
Share-based payment (Note 28)	—	—	—	1,906	—	1,906
<b>At 31 March 2025</b>	126,440	36	25,493	5,880	268,902	426,751

Note:

- (i) The capital reserve of the Company represented the excess of the aggregate net assets values of the subsidiaries acquired by the Company over the nominal value of the share capital of the Company through share swap pursuant to the reorganisation in 2019.



# Notes to the Consolidated Financial Statements

## 21 TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	2,545	2,310
Accruals and other payables	8,966	11,901
Accrued wages and salaries and contributions to MPF schemes	11,040	6,746
Deposits from customers	4,205	3,111
Rental deposits received	1,027	3,861
Provision for reinstatement cost	575	575
Employee benefit obligations ( <i>Note (a)</i> )	2,619	2,544
	30,977	31,048
Less: Non-current portion	(3,838)	(6,672)
Current portion	27,139	24,376

As at 31 March 2025 and 2024, the carrying amounts of trade and other payables approximate to their fair values are denominated in HK\$.

Trade payables are unsecured, non-interest bearing and repayable in accordance with contractual terms. The ageing analysis of trade payables by invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 60 days	2,545	2,310

### (a) Employee benefit obligations — long service payments

Under the Hong Kong Employment Ordinance, the Group is obligated to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations. The long service payments are paid out from the Group's cash in hand when such payments are required. The latest actuarial valuation as at 31 March 2025 specifically designated for the Group's employees was measured by projected unit credit method (2024: same).



# Notes to the Consolidated Financial Statements

## 21 TRADE AND OTHER PAYABLES (CONTINUED)

### (a) Employee benefit obligations — long service payments (Continued)

(i) The amount recognised in the consolidated statement of financial position is as follows:

	2025 HK\$'000	2024 HK\$'000
Present value of defined benefit obligations	2,619	2,544

(ii) Movements in the long service payments recognised in the consolidated statement of financial position are as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	2,544	4,520
Current service cost ( <i>Note 7</i> )	614	477
Interest expense ( <i>Note 6</i> )	57	70
Total amount recognised in profit or loss	671	547
Remeasurement recognised in other comprehensive income	1,385	(2,262)
Benefit payments	(1,981)	(261)
At the end of the year	2,619	2,544

(iii) The significant actuarial assumptions used as at 31 March 2025 and 2024 are as follows:

	2025	2024
Discount rate	2.93%	3.49%
Salary growth rate	3.20%	3.20%





# Notes to the Consolidated Financial Statements

## 21 TRADE AND OTHER PAYABLES (CONTINUED)

### (a) Employee benefit obligations — long service payments (Continued)

- (iv) The sensitivity of the employee benefit obligation to changes in the weighted principal assumptions is:

	Impact on employee benefit obligation							
	Change in assumption		Increase in assumption			Decrease in assumption		
	2025	2024	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000		
Discount rate	0.5%	0.5%	Decrease by	(125)	106	Increase by	135	114
Salary growth rate	0.5%	0.5%	Increase by	33	42	Decrease by	(37)	(43)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

When calculating the sensitivity of the employee benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee benefit liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## 22 CONTRACT LIABILITIES

As at 31 March 2025 and 2024, the balances represent the receipt in advance from customers. The Group recognised the following revenue-related contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Contract liabilities	1,136	964

The following table shows the revenue recognised during the years ended 31 March 2025 and 2024 related to carried-forward contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in the contract liabilities balance as at beginning of the year	964	1,015

Due to the short-term nature of the related service contracts, the entire contract liabilities balance at the year end would be recognised into revenue in the next period. As permitted under HKFRS 15, the transaction price allocated to those unsatisfied contracts which have an original expected duration of one year or less is not disclosed.



# Notes to the Consolidated Financial Statements

## 23 DEFERRED TAX

Deferred tax assets and liabilities are netted off when the taxes relate to the same tax authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately on the consolidated statement of financial position:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	4,110	2,485

The analysis of deferred tax assets is as follows:

	2025 HK\$'000	2024 HK\$'000
<b>Deferred tax assets</b>		
To be recovered after more than 12 months	3,675	2,216
To be recovered within 12 months	435	269
	4,110	2,485

The movements in deferred tax assets and liabilities of the Group for each of the years ended 31 March 2025 and 2024 are as follows:

	<b>Decelerated tax depreciation on property and equipment</b>	
	2025 HK\$'000	2024 HK\$'000
<b>Deferred tax assets</b>		
At the beginning of the year	2,485	2,005
Credited to the consolidated statement of profit or loss for the year	1,625	480
At the end of the year	4,110	2,485



# Notes to the Consolidated Financial Statements

## 23 DEFERRED TAX (CONTINUED)

	Fair value gains on investment properties	
	2025 HK\$'000	2024 HK\$'000
<b>Deferred tax liabilities</b>		
At the beginning of the year	—	(1,716)
Credited to the consolidated statement of profit or loss for the year	—	1,716
At the end of the year	—	—

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of HK\$6,194,000 (2024: HK\$4,750,000) in respect of tax losses amounting to HK\$37,539,000 (2024: HK\$28,792,000) that can be carried forward against future taxable income. These tax losses have no expiry date and are subject to assessment by the Inland Revenue Department.

## 24 BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Secured bank borrowings		
— Current portion	28,100	26,323
— Non-current portion	179,671	207,991
	207,771	234,314

The Group's borrowings are repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	28,100	26,323
More than 1 year but less than 2 years	21,373	27,600
More than 2 years but less than 5 years	50,037	58,658
More than 5 years	108,261	121,733
	207,771	234,314

For the year ended 31 March 2025, bank borrowings bore effective interest rate of 4.91% (2024: 5.46%) per annum and were denominated in HK\$.

As at 31 March 2025, the Group's bank borrowings included mortgage loans which were secured by certain investment properties, property and equipment and right-of-use assets held by the Group (2024: same).



# Notes to the Consolidated Financial Statements

## 24 BANK BORROWINGS (CONTINUED)

As at 31 March 2025, the Group had aggregate bank facilities of HK\$303,000,000 (2024: HK\$305,000,000) for revolving loans, term loans, mortgage loans etc.. Unutilised facilities as at the same date amounted to approximately HK\$35,807,000 (2024: HK\$46,865,000), of which approximately HK\$15,000,000 (2024: HK\$26,058,000) is relating to the revolving loans and term loans. These facilities were secured by the followings:

- (a) unlimited corporate guarantees executed by the Company and certain of its subsidiaries; and
- (b) pledges of the Group's investment properties of approximately HK\$319,500,000 (2024: HK\$340,500,000), property and equipment of approximately HK\$48,560,000 (2024: HK\$32,572,000) and right-of-use assets of approximately HK\$78,987,000 (2024: HK\$82,035,000).

The Group is required to comply with certain financial covenants imposed by the banks. For the year ended 31 March 2025, there is no non-compliance with those covenants (2024: same).

## 25 FINANCIAL INSTRUMENTS BY CATEGORY

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

	2025 HK\$'000	2024 HK\$'000
Financial assets		
At amortised cost:		
— Trade receivables	15,983	12,682
— Deposits and other receivables	14,815	12,625
— Short-term bank deposits	1,600	30,100
— Restricted bank deposits	10,895	10,491
— Cash and cash equivalents	51,057	37,420
	94,350	103,318
At fair value:		
— Financial assets at FVOCI	—	697
Financial liabilities		
At amortised cost:		
— Trade and other payables	(16,743)	(21,183)
— Amount due to a director	—	(250)
— Bank borrowings	(207,771)	(234,314)
— Lease liabilities	(125,189)	(149,989)
	(349,703)	(405,736)



# Notes to the Consolidated Financial Statements

## 26 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Cash generated from operations

	Note	2025 HK\$'000	2024 HK\$'000
Profit before taxation		31,980	73,901
Adjustments for:			
Provision for loss allowance on trade receivables		—	18
Interest income	6	(842)	(3,707)
Interest expenses	6	15,523	12,074
Depreciation of property and equipment	12	13,578	10,840
Depreciation of right-of-use assets	14(b)	35,703	36,796
Fair value change of investment properties	13	23,300	(18,613)
Provision for long service payment		614	477
Share-based payment expenses	28	1,906	1,960
Impairment loss on property and equipment		1,700	—
Gain on lease modification		(8)	—
Gain on disposal of property and equipment		(34)	—
Loss on disposal of subsidiaries		41	—
		123,461	113,746
Changes in working capital:			
Trade receivables		(7,894)	31,427
Prepayments, deposits and other receivables		(4,017)	4,902
Trade and other payables		987	(7,882)
Contract liabilities		172	(51)
Amount due to a director		(250)	250
Cash generated from operations		112,459	142,392

### (b) Significant non-cash activities

- (i) During the year ended 31 March 2025, the Group entered into certain lease agreements and recognised right-of-use assets and lease liabilities of HK\$5,486,000 (2024: HK\$636,000).
- (ii) During the year ended 31 March 2024, property and equipment and right-of-use assets with carrying amounts of HK\$30,923,000 and HK\$32,477,000 were reclassified to investment properties, respectively.

### (c) In the consolidated statements of cash flows, proceeds from disposal of property and equipment comprise:

	2025 HK\$'000	2024 HK\$'000
Net book amount	216	—
Gain on disposal of property equipment	34	—
Proceeds from disposal of property and equipment	250	—





# Notes to the Consolidated Financial Statements

## 26 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### (d) Net cash reconciliation

This section sets out an analysis of net cash and the movements in net cash for each of the years presented.

	2025 HK\$'000	2024 HK\$'000
Short-term bank deposits	1,600	30,100
Restricted bank deposits	10,895	10,491
Cash and cash equivalents	51,057	37,420
Bank borrowings	(207,771)	(234,314)
Lease liabilities	(125,189)	(149,989)
Net debt	(269,408)	(306,292)
	<b>Bank borrowings</b> HK\$'000	<b>Lease liabilities</b> HK\$'000
<b>At 1 April 2023</b>	91,452	178,577
Non-cash movements:		
Recognition of lease liabilities	—	636
Modification	—	(36)
Interest expenses	—	4,971
	—	5,571
Net cash inflows/(outflows)	142,862	(34,159)
<b>At 31 March 2024 and 1 April 2024</b>	<b>234,314</b>	<b>149,989</b>
Non-cash movements:		
Recognition of lease liabilities	—	5,486
Modification	—	(299)
Interest expenses	—	4,202
	—	9,389
Net cash outflows	(26,543)	(34,189)
<b>At 31 March 2025</b>	<b>207,771</b>	<b>125,189</b>



# Notes to the Consolidated Financial Statements

## 27 OPERATING LEASE AND CAPITAL COMMITMENTS

### (a) Lease commitments — as lessor

As at 31 March 2025 and 2024, the analysis of the Group's aggregate future minimum rental income receivables under non-cancellable operating leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	7,285	18,438
More than 1 year but less than 2 years	5,505	16,960
More than 2 years but less than 5 years	5,528	45,777
Over 5 years	980	34,385
	19,298	115,560

### (b) Capital commitments

At 31 March 2025, the Group had capital commitments for property and equipment, amounting to HK\$7,422,000 (2024: HK\$13,857,000) after netting off the prepayment for the purchase of property and equipment.

## 28 SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to the Share Option Scheme adopted by the Company on 20 May 2019, in the sole discretion of the Board, to grant options to (i) any employee (whether full-time or part-time, including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries (the "**Subsidiaries**") or any entity (the "**Invested Entity**") in which the Group holds an equity interest (the "**SOS Eligible Employee(s)**"); (ii) any non-executive Director (including independent non-executive Directors) of the Company, any Subsidiary or any Invested Entity; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of any member of the Group or any Invested Entity; (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group, and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly-owned by one or more Eligible Participants.

The maximum number of shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group shall not exceed 30% of the issued share capital of the Company from time to time. The total number of shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue on the day on which dealings in the shares first commence on the Stock Exchange (i.e. not exceeding 100,000,000 shares).



# Notes to the Consolidated Financial Statements

## 28 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Movement of the options granted under the share option scheme for the years ended 31 March 2025 and 2024 are as followings:

Date of grant	Category of participants	Number of share options (in thousand)					Exercise period	Exercise price per share option HK\$
		Outstanding as at 1 April 2023	Granted/ exercised/ lapsed during the year	Outstanding as at 31 March 2024 and 1 April 2024	Granted/ exercised/ lapsed during the year	Outstanding as at 31 March 2025		
22 March 2022	Directors	20,000	—	20,000	—	20,000	21 March 2025 to 21 March 2032	0.60
22 March 2022	Continuous contract employees	40,000	—	40,000	—	40,000	21 March 2025 to 21 March 2032	0.60
		60,000	—	60,000	—	60,000		

Notes:

- (i) No share options were exercised during the year so there was no related weighted average share price for exercise of the options during the year.
- (ii) During the year ended 31 March 2025, share-based payment expenses of HK\$1,906,000 (2024: HK\$1,960,000) were recognised in the consolidated statement of profit or loss in relation to share options.



# Notes to the Consolidated Financial Statements

## 29 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

### (a) Statement of financial position of the Company

	Note	2025 HK\$'000	2024 HK\$'000
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investment in a subsidiary	(i)	36,639	36,639
Investment properties		182,400	200,000
Prepayments and deposits		323	—
		<b>219,362</b>	236,639
<b>Current assets</b>			
Trade receivables		—	2,062
Prepayments, deposits and other receivables		3,810	1,105
Amounts due from subsidiaries		712,013	707,411
Income tax receivable		134	—
Cash and cash equivalents		7,625	6,179
		<b>723,582</b>	716,757
<b>Total assets</b>		<b>942,944</b>	953,396
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	20(a)	10,000	10,000
Reserves	(b)	394,135	438,050
<b>Total equity</b>		<b>404,135</b>	448,050



# Notes to the Consolidated Financial Statements

## 29 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

### (a) Statement of financial position of the Company (Continued)

	Note	2025 HK\$'000	2024 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deposits received		—	3,108
Bank borrowing		76,668	80,904
		76,668	84,012
<b>Current liabilities</b>			
Accruals and other payables		1,014	5,749
Amounts due to subsidiaries		456,955	403,973
Bank borrowing		4,172	3,773
Income tax payable		—	7,839
		462,141	421,334
<b>Total liabilities</b>		<b>538,809</b>	<b>505,346</b>
<b>Total equity and liabilities</b>		<b>942,944</b>	<b>953,396</b>

The statement of financial position of the Company was approved by the Board of Directors on 23 June 2025 and was signed on its behalf.

**Mr. Ngai Shi Shing, Godfrey**  
Executive Director

**Ms. Ngai Ka Yee**  
Executive Director





# Notes to the Consolidated Financial Statements

## 29 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

### (a) Statement of financial position of the Company (Continued)

Note:

#### (i) Investment in a subsidiary

	2025 HK\$'000	2024 HK\$'000
Investment in unlisted shares	36,639	36,639

Investment in a subsidiary is recorded at cost, which represents the net assets value of the subsidiary on the date of acquisition. Details of the principal subsidiaries of the Company are as follows:

Company name	Place of incorporation	Principal activities and place of operation	Issued and fully paid ordinary share capital	Attributable equity interest of the Group		Attributable equity interest of non-controlling interest	
				2025	2024	2025	2024
Indirectly held by the Company:							
Kato Kung Limited	Hong Kong	Operation of elderly residential care homes	HK\$5,000	100%	100%	—	—
Crawfield International Limited	Hong Kong	Operation of elderly residential care homes	HK\$20,000	100%	100%	—	—
Oriental Chinese Medicine Limited	Hong Kong	Operation of elderly residential care homes	HK\$11,000	100%	100%	—	—
Jane's Home Limited	Hong Kong	Operation of elderly residential care homes	HK\$100	100%	100%	—	—
Tsuen Wan Elderly Centre Limited	Hong Kong	Operation of elderly residential care homes	HK\$110	100%	100%	—	—
Happy Luck Elderly Home Limited	Hong Kong	Operation of elderly residential care homes	HK\$110	100%	100%	—	—
Hing Tin Elderly Centre Limited (note (b))	Hong Kong	Operation of elderly residential care homes	HK\$100	80%	100%	20%	—
Kato Elderly Care Limited	Hong Kong	Properties investment and management	HK\$100	100%	100%	—	—
Golden Grand Holdings Limited	Hong Kong	Properties investment and management	HK\$1,000	100%	100%	—	—
Ka Shui Garden (Tsuen Wan) Day Care Limited	Hong Kong	Operation of day-care centre	HK\$1	100%	100%	—	—
Care Easy Technology Company Limited (note (b))	Hong Kong	Operation of home care support services	HK\$100	70%	70%	30%	30%

(a) Unless otherwise stated, the principal place of operation of each company is the same as its place of incorporation

(b) The non-controlling interests are considered immaterial to the Group, so no disclosure on financial information of the subsidiaries with non-controlling interests is included.



# Notes to the Consolidated Financial Statements

## 29 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

### (b) Reserves movement of the Company

	Capital reserve HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
<b>At 1 April 2023</b>	36,639	126,440	2,014	278,550	443,643
Profit and other comprehensive income for the year	—	—	—	24,447	24,447
Dividends ( <i>Note 10</i> )	—	—	—	(32,000)	(32,000)
Share-based payment ( <i>Note 28</i> )	—	—	1,960	—	1,960
<b>At 31 March 2024 and 1 April 2024</b>	<b>36,639</b>	<b>126,440</b>	<b>3,974</b>	<b>270,997</b>	<b>438,050</b>
Profit and other comprehensive income for the year	—	—	—	(25,821)	(25,821)
Dividends ( <i>Note 10</i> )	—	—	—	(20,000)	(20,000)
Share-based payment ( <i>Note 28</i> )	—	—	1,906	—	1,906
<b>At 31 March 2025</b>	<b>36,639</b>	<b>126,440</b>	<b>5,880</b>	<b>225,176</b>	<b>394,135</b>



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 30.1 Principles of consolidation

#### 30.1.1 *Subsidiaries*

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 30.1.3).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

#### 30.1.2 *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiary are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### 30.1.3 *Business combination*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.1 Principles of consolidation (Continued)

#### 30.1.3 Business combination (Continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interest in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interest are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amount reported by subsidiaries have been adjusted to conform with the Group's accounting policies

The Group has adopted the HKFRS 3 amendments, which clarifies the definition of a business and introduces an optional concentration test. Business combinations and asset acquisitions may elect to apply an optional concentration test, where substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the acquired set of activities and assets is not a business and the transaction is then not a business combination. Where the concentration test is not applied nor met, a transaction may still be considered to be an asset acquisition if a substantive process has not been acquired. A substantive process is the ability to develop or convert inputs into outputs.

### 30.2 Foreign currency translation

#### (a) Functional and presentation currency

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

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated statement of profit or loss within "other operating expenses".

### 30.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors, who makes strategic decisions.



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.4 Leases

#### 30.4.1 As the lessor

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

#### 30.4.2 As the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed lease payments.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs, and
- restoration costs.





# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.4 Leases (Continued)

#### 30.4.2As the lessee (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Leasehold land commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

### 30.5 Property and equipment

Property and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property and equipment.

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

Depreciation of property and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	Over the shorter of remaining lease term or 2% per annum
Leasehold improvements	Over the shorter of remaining lease term or 20% per annum
Furniture and fixtures	20% per annum
Office equipment	20% per annum
Motor vehicles	30% per annum

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.5 Property and equipment (Continued)

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at cost less impairment losses, if any. No provision for depreciation is made on assets under construction in progress until such time as the relevant assets are completed and available for their intended use. On completion, the relevant assets are transferred to property, plant and equipment at fair value or cost less accumulated impairment losses.

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 (Note 30.7).

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount and are recognised within "other income and other gains, net" in the consolidated statement of profit or loss.

### 30.6 Investment properties

Investment properties are held for long-term rental yields and are not occupied by the Group.

An investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values of the investment properties are recognised in profit or loss.

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

### 30.7 Impairment of non-financial assets

Property and equipment which are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 30.8 Investments and other financial assets

#### 30.8.1 Classification

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

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

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



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.8 Investments and other financial assets (Continued)

#### 30.8.1 Classification (Continued)

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

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### 30.8.2 Recognition and derecognition

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

#### 30.8.3 Measurement

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

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

#### (a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

#### (b) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.8 Investments and other financial assets (Continued)

#### 30.8.3 Measurement (Continued)

##### *Debt instruments (Continued)*

##### (c) FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

##### *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### 30.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements 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. As at year ended 31 March 2025, there is no offset of financial assets and liabilities.

### 30.10 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instrument carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

Impairment on other financial assets at amortised cost is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.11 Trade and other receivables

Trade receivables are amounts due from customers for elderly related goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### 30.12 Cash and cash equivalents, short-term bank deposits and restricted bank deposits

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted bank deposits represents a guaranteed deposit placed at a designated bank account as cash collateral for issuance of bank guarantee for a project. Such restricted bank deposit would be released after completion of the contract.

### 30.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### 30.14 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.





# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as “other income and other gains, net” or “finance costs, net”.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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

### 30.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (b) *Deferred income tax*

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

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

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

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



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.17 Current and deferred income tax (Continued)

#### (b) *Deferred income tax (Continued)*

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

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

### 30.18 Employee benefits

#### (a) *Pension obligations*

In Hong Kong, the Group contributes to the mandatory provident fund scheme for eligible employees, the assets of which are held in a separate trustee-administered funds. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Contributions to the fund by the Group and employees are calculated as a percentage of employees' salaries. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (b) *Long service payments*

In Hong Kong, employees who have completed a required number of years of service to the Group are eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment, provided that such termination meet the circumstances specified in the Hong Kong Employment Ordinance. Long service payments are recognised when they accrue to employees. A provision is made for the estimated liability for long service payment as a result of services rendered by employees up to the consolidated statement of financial position date. The liability recognised in the consolidated statement of financial position in respect of long service payments is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

#### (c) *Provision for bonus*

Bonus payments to employees are discretionary to management. Bonus payments are recognised in profit or loss in the period when the Group has formally announced the bonus payments to employees.



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.18 Employee benefits (Continued)

#### (d) *Share-based compensation*

The Group operates a share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

### 30.19 Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.20 Revenue recognition

Revenues are recognised when or as the control of the goods or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may transfer over time or at a point in time.

Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a practical expedient, the Group does not adjust any of the transaction prices for the time value of money.

#### **(a) Rendering of elderly home care services**

Rendering of elderly home care services represent provision of residential care services to the elderly including the provision of residence, professional nursing and caretaking services, nutritional management, medical services, physiotherapy services, psychological and social care and individual care plans.

Revenue from the rendering of elderly home care services is recognised when the Group provides the services and all of the benefits are received and consumed simultaneously by the customer throughout its contract period. Thus, the Group satisfies a performance obligation and recognises revenue over time and the Group has present right to payment.

#### **(b) Sales of elderly home related goods**

Sales of elderly home related goods includes the sale of diapers, nutritional milk, medical gloves, feeding bags and pH indicator to our residents on an as-needed basis.

Revenue from the sale of elderly home related goods is recognised at a point in time when or as the control of the elderly home related goods is transferred to the customer and the Group has present right to payment.

The Group's policy does not include any rights of return nor refund.





# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.20 Revenue recognition (Continued)

#### **(c) Rendering of elderly community care services**

Rendering of elderly community care services represent provision of day care services and home-based services to the elderly including the provision of professional nursing and caretaking services, nutritional management, medical services, physiotherapy services, psychological and social care and individual care plans.

Revenue from the rendering of elderly community care services is recognised when the Group provides the services and all of the benefits are received and consumed simultaneously by the customer throughout its contract period. Thus, the Group satisfies a performance obligation and recognised revenue over time and the Group has present right to payment.

#### **(d) Rendering of medical and laboratory services**

Rendering of medical and laboratory services represent provision of medical and laboratory services to individual.

Revenue from the rendering of medical and laboratory services is recognised when the Group provides the services and all of the benefits are received and consumed simultaneously by the customer throughout its contract period. Thus, the Group satisfies a performance obligation and recognised revenue over time and the Group has present right to payment.

#### **(e) Operating lease rental income**

Operating lease rental income is recognised on a straight-line basis over the term of the lease agreement. Contingent rental income (representing income over and above base rent) such as turnover rent, is recognised according to the terms of the lease agreements when the amount can be reliably measured, in the accounting period in which it is earned. Lease incentives provided, such as rent-free periods, are amortised on a straight-line basis and are recognised as a reduction of rental income over the respective term of the lease.

#### **(f) Management fee**

Management fee income arising from provision of services are recognised when such service are rendered.

#### **(g) Rental from car parks**

Rental from car parks are recognised as revenue on an accrual basis based on the numbers of hours occupied.

#### **(h) Interest income**

Interest income is recognised using the effective interest method, on a time-proportion basis.



# Notes to the Consolidated Financial Statements

## 30 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 30.21 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the entity's shareholders or directors, where appropriate.

Dividend proposed or declared after the reporting period but before the consolidated financial statements are authorised for issue, are disclosed as a non-adjusting event and are not recognised as a liability at the end of the reporting period.

### 30.22 Government grants and subsidies

Grants and subsidies from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants and subsidies relating to costs are recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants and subsidies are presented at net basis and are included in "employee benefit expenses, net" and "subcontracting fees, net" in the consolidated statement of profit or loss.

If the grants do not relate to any specific expenditure incurred and all attached condition were complied by the Group, they are recognised under "other income and other gains, net" in consolidated statement of profit or loss upon receipt of the grants.

### 30.23 Earnings per share

#### (i) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### (ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



# Principal Investment Properties

Description	Lot number	Existing use	Lease term
Cooked food stalls, Hing Tin Estate, No. 8 Lin Tak Road, Kowloon, Hong Kong	540/149,828th parts or shares of and in New Kowloon Inland Lot 6377	Shops	Medium
Certain portions of the Integrated HA accommodation of Yan Tin House, Mei Tin House & Choi Tin House, Hing Tin Estate, No. 8 Lin Tak Road, Kowloon, Hong Kong	1,351/149,828th parts or shares of and in New Kowloon Inland Lot 6377	Shops and storeroom	Medium
Leased portion of the Commercial Complex, Hing Tin Estate, No. 8 Lin Tak Road, Kowloon, Hong Kong	5,699/149,828th parts or shares of and in New Kowloon Inland Lot No. 6377	Shops and day care centre	Medium
Car Parking Spaces No. A1 to A23 on Level A of Carpark C of Car Park Blocks, Hing Tin Estate, No. 8 Lin Tak Road, Kowloon, Hong Kong	276/4,068 of 9,871/149,828th parts or shares of and in New Kowloon Inland Lot 6377 on aggregate	Carpark	Medium
Department Store on Ground Floor of Phase 1 of the Commercial Development and Department Store on 2nd Floor of Phase 1 of the Commercial Development, Allway Gardens, Nos. 187–195 Tsuen King Circuit and Nos. 2–22 On Yat Street, Tsuen Wan, New Territories, Hong Kong	545/30,167th parts or shares of and in Tsuen Wan Town Lot No. 236 and the extension thereto	Elderly home	Long



# Five Years Financial Summary

A summary of the published consolidated results and of the consolidated assets and liabilities of the Group for the last five financial years is set as below:

	Year ended 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>RESULTS</b>					
Revenue	<b>317,114</b>	271,334	408,297	320,337	256,531
Profit before taxation	<b>31,980</b>	73,901	153,464	117,165	93,978
Income tax expense	<b>(10,853)</b>	(9,793)	(27,681)	(18,079)	(14,476)
Profit for the year	<b>21,127</b>	64,108	125,783	99,086	79,502
	As at 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>FINANCIAL POSITION</b>					
Non-current assets	<b>716,800</b>	763,357	563,464	531,872	485,342
Current assets	<b>92,766</b>	99,944	135,838	89,745	117,258
Non-current liabilities	<b>(277,201)</b>	(335,869)	(242,564)	(271,196)	(315,521)
Current liabilities	<b>(90,137)</b>	(92,905)	(83,798)	(58,214)	(53,920)
Net assets	<b>442,228</b>	434,527	372,940	292,207	233,159

