



SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED

Stock code : 252

Annual Report

2024/25





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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Chua Nai Tuen (*Chairman*)  
Mr. Nelson Junior Chua (*Managing Director*)  
Mr. Richard Sy Tan

### Non-Executive Directors

Mr. Chan Man Hon, Eric  
Mr. Jimmy Siy Tiong  
Mr. Tsai Han Yung  
Ms. Vivian Chua

### Independent Non-Executive Directors

Mr. Chan Siu Ting  
Mr. Tsui Ka Wah  
Dr. Luk Siu Chuen  
Mr. Kam Cheuk Sun

## AUDIT COMMITTEE

Mr. Chan Siu Ting (*Chairman*)  
Mr. Chan Man Hon, Eric  
Mr. Tsai Han Yung  
Mr. Tsui Ka Wah  
Dr. Luk Siu Chuen  
Mr. Kam Cheuk Sun

## REMUNERATION COMMITTEE

Mr. Tsui Ka Wah (*Chairman*)  
Mr. Chua Nai Tuen  
Mr. Chan Man Hon, Eric  
Mr. Chan Siu Ting  
Dr. Luk Siu Chuen

## NOMINATION COMMITTEE

Mr. Chua Nai Tuen (*Chairman*)  
Mr. Chan Man Hon, Eric  
Mr. Chan Siu Ting  
Mr. Tsui Ka Wah  
Mr. Kam Cheuk Sun

## PRINCIPAL BANKERS

China CITIC Bank International Limited  
China Construction Bank (Asia)  
Corporation Limited  
Hang Seng Bank Limited  
OCBC Bank (Hong Kong) Limited

## SOLICITORS

Vincent T. K. Cheung, Yap & Co.

## AUDITOR

Grant Thornton Hong Kong Limited  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## COMPANY SECRETARY

Mr. Lam Wing Yiu

## REGISTERED OFFICE

Units 407–410, 4th Floor, Tower 2  
Silvercord, No. 30 Canton Road  
Tsimshatsui, Kowloon, Hong Kong

## SHARE REGISTRAR

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

## STOCK CODE

252

## INTERNET ADDRESS HOMEPAGE

[www.seapnf.com.hk](http://www.seapnf.com.hk)



## DIRECTORS AND SENIOR MANAGEMENT PROFILE

### EXECUTIVE DIRECTORS

**Mr. Chua Nai Tuen**, aged 72, was appointed as an Executive Director in 1973 and was further appointed as Chairman of the Company in 2000. He is a member of the Remuneration Committee and the Chairman of the Nomination Committee of the Company. Mr. Chua is responsible for the formulation and execution of the Group's overall strategic planning, business development and seeking business opportunities for the Group. He is also the Director of other companies in the Group. He has over 50 years' experience in finance, property investment and development, hotel, manufacturing and distribution of plastics packaging materials business.

**Mr. Nelson Junior Chua**, aged 46, was appointed as a Non-executive Director of the Company on 15 April 2008 and was re-designated as an Executive Director on 16 July 2010. Subsequently, he has been appointed as an authorised representative of the Company with effect from 1 April 2014 and as managing director since 3 April 2025, and is responsible for overseeing the management and operation of the Group. He is also the Director of other companies in the Group. Mr. Nelson Junior Chua has over 15 years of experience in operation management and strategic planning especially in the finance, property investment and development and hotel business. He graduated from the Queen Mary & Westfield College in United Kingdom and obtained a Bachelor's degree in Molecular Biology.

**Mr. Richard Sy Tan**, aged 46, was appointed as an Executive Director of the Company on 26 August 2022. Mr. Tan has over 20 years of architecture experience in construction projects in Philippines and Hong Kong. Mr. Tan obtained a Bachelor of Science in Architecture from Mapua Institute of Technology and a Bachelor of Science in Interior Design from Philippine School of Interior Design. He is a licensed architect and interior designer of the Republic of the Philippines Professional Regulation Commission. He is currently a freelance architect involved in planning and designing various residential and commercial developments.

### NON-EXECUTIVE DIRECTORS

**Mr. Chan Man Hon, Eric**, aged 68, was first appointed as an Independent Non-executive Director of the Company in 1994 and was re-designated as a Non-executive Director in 2005. Mr. Chan is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Chan is a practising solicitor in Hong Kong. He obtained a Bachelor of Laws degree from the University of Hong Kong and was admitted as a solicitor in Hong Kong in 1981. He was further admitted as a solicitor in England and Australia in 1984 and 1985 respectively. He is a consultant of Vincent T. K. Cheung, Yap & Co.

**Mr. Jimmy Siy Tiong**, aged 88, was appointed as a Non-executive Director of the Company in 1978. Mr. Siy was the former President of Sanyo Philippines Inc., a company incorporated in the Philippines.

**Mr. Tsai Han Yung**, aged 59, was appointed as a Non-executive Director of the Company in 2000 and was further appointed as a member of the Audit Committee in 2001. Mr. Tsai holds a Master of Business Administration from University of Southern California in the United States. Currently, Mr. Tsai holds management positions in certain companies in Taiwan.

## DIRECTORS AND SENIOR MANAGEMENT PROFILE

**Ms. Vivian Chua**, aged 45, was appointed as a Non-executive Director of the Company on 15 April 2008. Ms. Chua joined the Group in 2005. She is a Marketing and Planning Analyst of Nan Sing Plastics Limited and an Assistant Manager responsible for the Group's property management. She graduated from The University of British Columbia in Canada and obtained a Bachelor's degree in Commerce.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Chan Siu Ting**, aged 73, was appointed as an Independent Non-executive Director of the Company in 2006. Mr. Chan is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Chan has been practising as a Certified Public Accountant in Hong Kong for over 30 years. He is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales.

**Mr. Tsui Ka Wah**, aged 72, was appointed as an Independent Non-executive Director of the Company in 2012. Mr. Tsui is the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Mr. Tsui has extensive experience in banking industry with US based and local banks, and has held various managerial positions in corporate, retail and private banking. He was the President of the Greater China Region of a US-based bank, overseeing operations in Taiwan, Mainland China and Hong Kong. Mr. Tsui holds a Bachelor of Arts degree and a Master of Business Administration from the Chinese University of Hong Kong. Currently, Mr. Tsui is an Independent Non-executive Director of Oriental Explorer Holdings Limited (stock code: 430), Multifield International Holdings Limited (stock code: 898) and Grand Ming Group Holdings Limited (stock code: 1271) respectively whose shares are listed on the Stock Exchange of Hong Kong Limited. Mr. Tsui is presently the CEO of SME Credit Company Ltd.

**Dr. Luk Siu Chuen**, aged 47, was appointed as an Independent Non-executive Director of the Company on 26 August 2022. Dr. Luk has over 20 years of town planning experience. He obtained Master Degree of Town and Country Planning (Univ. of Man, U.K.) in 2002 and started his town planning career since then. In 2004, he has been a Full Member of the Royal Town Planning Institute (U.K.) and has become a Registered Professional Planner since 2005. Dr. Luk has also been a holder of an Estate Agent (Individual) Licence. He also became an Ordinary Member of the Hong Kong Institute of Real Estate Administrators (H.K.) in November 2011 and later became the Full Member of Hong Kong Institute of Certified Property Managers in 2017. In 2021, Dr. Luk has become a Registered Planner to practice in Qianhai Shenzhen Hongkong Modern Service Industry Cooperation Zone of Shenzhen. In 2022, he further became a Full Member of Hong Kong Institute of Planners and at the same time was conferred with an honorary Doctorate of Business Administration by College de Paris in France.

Dr. Luk is currently the Managing Director at Aikon Development Consultancy Limited providing a full range of town planning and real estate consultancy services to property owners, including services on applications to the Hong Kong Government, project coordination and management with professional teams, strategic advice on development and redevelopment potentials and liaison with Government officers.

## DIRECTORS AND SENIOR MANAGEMENT PROFILE

**Mr. Kam Cheuk Sun**, aged 72, was appointed as an Independent Non-executive Director of the Company on 23 August 2024. Mr. Kam is a member of the Audit Committee and the Nomination Committee of the Company. Mr. Kam received his Master of Business Administration from Wharton School of University of Pennsylvania. He started his corporate career with various major corporations in the United States and Asia. He worked around 10 years as the Managing Director for global brands such as GLAD food wrap and zipper bag, STP car care and performance additives for Asia Pacific areas, and afterwards over 25 years as Chairman of Avoteck (Group) Company Limited which produces high performance hygiene film in Asia.

### SENIOR MANAGEMENT

**Mr. Fu Ka Tsang**, aged 67, is the General Manager of the Company and he is also the Director of other companies in the Group. Mr. Fu joined the Group in 1995 and is responsible for the Group's manufacturing business.

**Mr. Gilson Chua**, aged 45, joined the Group in 2002. He is the Director and Deputy General Manager of Nan Sing Plastics Limited and he is also the Director of other companies in the Group. He graduated from the University of Warwick in United Kingdom and obtained a Bachelor's degree in Computer and Business Studies.

**Mr. Lam Wing Yiu**, aged 39, is the Group Financial Controller, Company Secretary and Authorised Representative of the Company. Mr. Lam joined the Group in 2017 and is being responsible for oversight of the Group's financial and accounting operations and also overall company secretarial matters. Mr. Lam has more than 15 years of experience in accounting and finance related work. Mr. Lam obtained a Master of Business Administration from Fudan University and a Bachelor of Business Administration in Accounting from the Hong Kong University of Science and Technology. Mr. Lam is currently a member of the Hong Kong Institute of Certified Public Accountants, a member of the Hong Kong Chartered Governance Institute and a member of Chartered Governance Institute.

Messrs. Chua Nai Tuen, Jimmy Siy Tiong and Tsai Han Yung are brothers. Messrs. Nelson Junior Chua and Gilson Chua are the sons of Mr. Chua Nai Tuen. Mr. Richard Sy Tan is the son-in-law of Mr. Chua Nai Tuen and he is the brother-in-law of Messrs. Nelson Junior Chua and Gilson Chua. Ms. Vivian Chua is the niece of Messrs. Chua Nai Tuen, Jimmy Siy Tiong and Tsai Han Yung and she is the cousin of Messrs. Nelson Junior Chua and Gilson Chua. Save as disclosed, the directors and senior management do not have any relationships as set out in Rule 12 of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.



## CHAIRMAN'S STATEMENT

On behalf of the board (the “Board”) of directors (the “Directors”) of Southeast Asia Properties & Finance Limited (the “Company”, together with its subsidiaries, the “Group”), I am pleased to submit to the shareholders of the Company (the “Shareholders”) the annual report of the Group for the year ended 31 March 2025.

### RESULTS

During the year, revenue was HK\$232.3 million (2024: HK\$192.7 million), the loss attributable to owners of the Company was HK\$25.6 million (2024: profit attributable to owners of the Company HK\$56.4 million) and loss per share was HK11.3 cents (2024: earnings per share HK25.0 cents).

During the year, the Group's loss before tax was HK\$21.5 million (2024: profit before tax HK\$60.2 million). Given below is an analysis of the loss from operations of the Group's principal activities:

	2025 HK\$'000	2024 HK\$'000
Property investment, development and leasing/hotel operation	1,147	(5,977)
Manufacturing and distribution of plastics packaging materials	26,183	21,777
Broking and securities margin financing	6,252	(6,177)
Loss arising from on change in fair value of investment properties	(36,601)	(193,950)
Loss from operations	(3,019)	(184,327)
Loss on deemed disposal of interest in an associate	(15,661)	(26,282)
Unallocated finance costs	(18,771)	(18,079)
Share of results of associates	15,975	288,911
(Loss)/Profit before income tax	(21,476)	60,223

### DIVIDENDS

The Board has recommended the payment of a final dividend of HK3 cents per ordinary share (2024: HK3 cents per ordinary share) in respect of the year ended 31 March 2025 to all Shareholders whose name appear on the register of members of the Company on 29 August 2025. Subject to the approval of Shareholders at the forthcoming annual general meeting (the “AGM”), the payment of the final dividend will be made on 3 October 2025.

### ANNUAL GENERAL MEETING

The AGM will be convened to be held on Friday, 22 August 2025. The Notice of AGM will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and sent to the Shareholders, together with the Company's 2024/25 Annual Report, in due course.

## CHAIRMAN'S STATEMENT

### CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from Tuesday, 19 August 2025 to Friday, 22 August 2025, both days inclusive, during which period no share transfers can be registered. In order to be eligible to attend and vote at the AGM, all transfer, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, 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 Monday, 18 August 2025.

### CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The register of members of the Company will be closed from Thursday, 28 August 2025 to Friday, 29 August 2025, both dates inclusive, during which period no share transfers can be registered. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, 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 Wednesday, 27 August 2025.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Financial and Business Review

For the year ended 31 March 2025, the Group recorded revenue of HK\$232.3 million, representing an increase of HK\$39.6 million, or 20.5% as compared with HK\$192.7 million for the year ended 31 March 2024. The Group recorded loss for the year attributable to owners of the Company of HK\$25.6 million, representing a turnaround from profit to loss as compared to a profit of HK\$56.4 million in the last financial year. The turnaround from profit to loss was mainly attributable to significant decrease in share of results of associates in current year compared with last corresponding year of HK\$272.9 million, due to a substantial one-off gain arising from change in fair value of the land of the Group's associate, Titan Dragon after reverting the title and re-possession of the Subject Property in last corresponding year, net-off by decrease in loss arising on change in fair value of the Group's investment properties in current year as compared with last corresponding year of HK\$157.3 million.

*Note:* A piece of land located in the Philippines was acquired by Titan Dragon in 1989 and held for development purposes (the "Subject Property").

#### *Property Investment, Development and Leasing/Hotel Operation*

This segment comprises property investment, development and leasing in Hong Kong and the People's Republic of China (the "PRC") and also operating a hotel in Hong Kong. For the year ended 31 March 2025, this segment recorded revenue of HK\$15.4 million, representing an increase of HK\$1.4 million or 9.8% as compared with HK\$14.0 million for the year ended 31 March 2024. Without considering the effect on change in fair value of investment properties, segment results recorded profit of HK\$1.1 million, representing a turnaround of results as compared with loss of HK\$6.0 million in last year. The increase was mainly attributable to the additional imputed interest income from amount due to an associate in current financial year.



## CHAIRMAN'S STATEMENT

### *(i) Property Investment, Development and Leasing*

Most of the Group's investment properties were leased out to generate steady rental income for the Group. For the year ended 31 March 2025, the total rental income and rental related income amounted to HK\$15.4 million, representing an increase of HK\$1.4 million, or 9.8% as compared with HK\$14.0 million for the year ended 31 March 2024. It was mainly attributable to the increase in occupancy rate in WorkCave Hong Kong serviced office.

### *(ii) Hotel Operation*

Our hotel operation was suspended since 1 June 2020 for alteration and addition works. No revenue was generated from hotel accommodation for the years ended 31 March 2025 and 2024.

### ***Manufacturing and Distribution of Plastic Packaging Materials***

For the year ended 31 March 2025, this segment recorded a revenue of HK\$206.9 million, an increase of 24.2% as compared with HK\$166.6 million in the preceding year. The segment profit was HK\$26.2 million, an increase of 20.2% from the preceding year (2024: HK\$21.8 million). The profit growth was primarily due to effective control of operating costs and improved production efficiency.

During the year, polyethylene prices have been relatively stable; however, the Red Sea crisis and China's export rush before U.S. Section 301 Tariff deadline have disrupted shipping routes and restricted shipping capacity, exacerbated global container shortages and caused ocean freight rates to soar. To aggravate the global trade situation further, Trump's reciprocal tariffs have significantly heightened uncertainty in global trade, disrupting established supply chains and left businesses struggling to plan investments and pricing strategies.

### ***Broking and Securities Margin Financing***

The Hong Kong stock market has experienced significant fluctuation during the financial year of 2024–2025. The Hang Seng Index opened at 16,926 and reached a year high of 24,874 at mid-March 2025, marking an increase of nearly 8,000 points through the financial year indicating market is optimistic. However, the market atmosphere setbacks due to the concerns over new tariffs imposed by the United States on Chinese goods recently.

During the year, Hong Kong IPO market recovered at a faster pace as compared with the previous period, and the first quarter of 2025 has already seen a notable amount of IPO activities. Recent stock market average daily turnover rebounds to HK\$200–300 billion. This reflects increase in investor activity and market confidence.

## CHAIRMAN'S STATEMENT

For the year ended 31 March 2025, the brokerage commission was HK\$4.4 million, an increase of HK\$0.3 million or 8.1% as compared with HK\$4.1 million of the previous period. Meanwhile, the interest received from clients on margin financing was HK\$3.9 million, as compared with HK\$6.6 million recorded in last year, there was a decrease of HK\$2.7 million or 41.1% due to clients' reduce stock holding in the unstable market during the year. The segment recorded profit from operation of HK\$6.3 million for this financial year while there was a loss from operation of HK\$6.2 million in last year, representing a turnaround from loss to profit. It was mainly attributed to the gain arising from financial assets at fair value through profit and loss of HK\$6.5 million as compared with loss of HK\$7.3 million in last year.

### **Strategic and Prospects**

Looking ahead, as there are uncertainties surrounding geopolitical tensions, we will cautiously review and adjust our business strategies from time to time.

### ***Property Investment, Development and Leasing/Hotel Operation***

#### ***(i) Property Investment, Development and Leasing***

Seeing the interest rate trends and structural shifts in demand during the year and in the near future, we will take a pragmatic approach in its business development to mitigate the risks and maintain healthy growth. We will monitor the market closely and consider different challenges and opportunities in order to make use of different strategies to our property portfolio to generate favourable return.

For WorkCave Hong Kong serviced office, our first and second phase office spaces have been operating for over eight years. During this time, we have continuously improved our hardware and software. We are committed to ensuring that our office facilities and services meet changing market demands. The economic recovery in 2024 has positively impacted the market. Although it has been slower than expected, we have seen a steady increase in occupancy rates for our serviced offices and co-working spaces since the second half of the year. Despite the uncertainty from the US-China tariff war in 2025, which has made small and medium enterprises more cautious about office demand, we expect our business to grow in the second half of the year as the tariff situation improves. We remain cautiously optimistic about our business outlook for the upcoming year.

Gainful Sky Hong Kong Limited, a subsidiary of the Company has submitted an application and proposal for Land Sharing Pilot Scheme for redeveloping the site into a residential development cum Residential Care Home for the Elderly in May 2023 to the Development Bureau (DEVB) for vetting. The application was supported and endorsed in principle in December 2023 afterwards. It is proposed that the overall plot ratio of the redevelopment shall be approximately at 6.2 with domestic gross floor area of about 60,000 square meters and 1,216 additional housing units, and no less than 70% of the increased domestic gross floor area are set aside for public housing or Starter Homes development. We are now finalising the technical issues raised by the government for taking forward the required statutory and land administration procedures.



## CHAIRMAN'S STATEMENT

### *(ii) Hotel Operation*

Hotel Benito has carried out a major alteration and addition works. Upon completion of the construction works, the occupation permit of the building was obtained in December 2024. Hotel licence for the hotel has been applied and is targeted to be obtained in due course.

### *Manufacturing and Distribution of Plastic Packaging Materials*

The prolonged uncertainty surrounding Trump's reciprocal tariffs continues to cast a shadow over the global economic outlook, fueling volatility in trade and financial markets, making long term investment planning increasingly difficult for businesses.

Nevertheless, the future is about reindustrialization, circular economy, green business models and digital economy. We will strengthen the level of automation and digital transformation; establish a sound recycling system and improve resource recycling rate; strengthen green consumption education and adhere to the Recycled Claim Standard (RCS) guidance for green products and services; and support the development of green industries such as renewable energy and energy-saving technologies.

### *Broking and Securities Margin Financing*

For the outlook of the coming year is still challenging. The market needs time to consolidate and closely monitoring on the move of tariffs which influence the market behavior, it may raise fears of inflation and slowdown of macro economic growth. The escalation of trade tensions, particularly due to increased tariffs imposed by the United States, has heightened uncertainty in the global economy and the profitability of the Chinese companies which provides a crucial support system for Hong Kong. These negative factors would dampen the investment atmosphere.

The overall turnover of the market is a major element influencing our business behavior, we would perform better when the market becomes more active.

We are implementing cost strategy to improve efficiency of our resources to the greatest extent. We would adopt prudent strategy in risk management, as usual, to operate our business during in a volatile market.

## CHAIRMAN'S STATEMENT

### Liquidity and Financial Resources

The Group takes a consistent capital management strategy, providing adequate liquidity to meet the requirement of the Group's developments and operations and monitors its capital on the basis of net debt to equity ratio.

As at 31 March 2025, the Group's net current liabilities was HK\$126.0 million (2024: net current assets HK\$117.2 million). It was mainly due to a committed loan from a bank for the amount of HK\$251.0 million will be matured within one year and has been reclassified from non-current liabilities to current liabilities during the year. In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group in light of the fact that, as of 31 March 2025, the Group's current liabilities exceeded its current assets by HK\$126.0 million.

The directors have reviewed the current performance and cash flow forecast prepared by management as part of their assessment of the Group's ability to continue as a going concern, and after carefully considering the matters described below, the directors have a reasonable expectation that the Group is able to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its obligations, as and when they fall due, having regard to the following:

- (i) the Group had strong and positive net cash inflow from operating activities for the year ended 31 March 2025 and bank balances and cash of HK\$74.5 million as at 31 March 2025 which enable the Group to meet its payment obligations; and
- (ii) Subsequent to the year ended 31 March 2025, the Group had obtained new bank facility of HK\$285.0 million and it is available to settle the bank borrowings upon maturity.

Consequently, the directors have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the consolidated financial statements to restate the values of the assets to their net realisable amounts, to reclassify non-current assets as current assets, and to provide for any further liabilities which might arise. The effect of these potential adjustments has not been reflected in the financial statements.

As at 31 March 2025, cash and cash equivalents were HK\$74.5 million (2024: HK\$41.8 million) and trade and other receivables were HK\$58.3 million (2024: HK\$101.6 million). Trade and other payables were HK\$68.5 million (2024: HK\$106.7 million).



## CHAIRMAN'S STATEMENT

As at 31 March 2025, the Group's bank loans were HK\$342.8 million (2024: HK\$331.5 million), in which the short term borrowings amounted to HK\$290.2 million (2024: HK\$58.3 million) and long term borrowings amounted to HK\$52.5 million (2024: HK\$273.2 million). The Group's current year net debt to equity ratio was 24.2% (2024: 25.6%), calculated on the basis of the Group's total debts less restricted cash and cash and cash equivalents divided by total equity attributable to owners of the Company. The net debt to equity ratio decreased compared to last year due to decrease in net debt during the year.

### Capital Structure

As at 31 March 2025, the total equity attributable to owners of the Company amounted to HK\$1,114.4 million (2024: HK\$1,135.6 million). The Group's consolidated net assets per share was HK\$5.0 (2024: HK\$5.1).

### Foreign Exchange Exposure

The Group operates in Hong Kong and the PRC and majority of transactions are denominated in HK\$, United States dollar ("US\$") and Renminbi ("RMB"). Foreign exchange risk arises from commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group entities.

The Group currently does not have a foreign currency hedge policy. In order to mitigate the foreign currency risk, management closely monitors such risks and will consider hedging significant foreign currency exposure should the need arise.

The Group is not exposed to significant foreign exchange risk in respect of HK\$ against the US\$ as long as this currency is pegged.

### Material Acquisitions and Disposals

During the year ended 31 March 2025, a new investor exercised a share option to subscribe for new shares of Titan Dragon. With the new share issues of Titan Dragon, the Group's interest in Titan Dragon was reduced from 28% as at 31 March 2024 to 24.5% as at 31 March 2025. These transactions have resulted in the deemed partial disposal of the Group's investment in Titan Dragon, and resulted in a deemed disposal loss of HK\$15.7 million mainly because of the decrease in the net asset value per share of Titan Dragon immediately after subscription of shares by the new investor.

During the year ended 31 March 2024, a new investor exercised a share option to subscribe for new shares of Titan Dragon. With the new share issues of Titan Dragon, the Group's interest in Titan Dragon was reduced from 33.22% as at 31 March 2023 to 28% as at 31 March 2024. These transactions have resulted in the deemed partial disposal of the Group's investment in Titan Dragon, and resulted in a deemed disposal loss of HK\$26.3 million mainly because of the decrease in the net asset value per share of Titan Dragon immediately after subscription of shares by the new investor.

Other than as disclosed above, the Group did not have any material disposals of subsidiaries and associated companies during the years ended 31 March 2025 and 2024.

## CHAIRMAN'S STATEMENT

### APPRECIATION

Finally, I would like to thank the Board and all the staffs for their diligence and dedication in the past year.

**Chua Nai Tuen**  
*Chairman*

Hong Kong, 27 June 2025



# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

The Company is dedicated to attaining and maintaining high standards of corporate governance. The Directors recognise that good corporate governance practices and procedures are essential to ensure the Company's transparency and accountability and to its long term success as well as to enhance the value of the Shareholders and safeguard their interests. The Company has adopted the code provision (the "Code Provision") of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange as its own code of corporate governance.

Throughout the year ended 31 March 2025, the Company has complied with the CG Code save as disclosed in the paragraph headed "Chairman and Chief Executive Officer", "Chairman's Meeting with Independent Non-executive Directors" and "Annual General Meeting" below.

## CORPORATE CULTURE

Founded in Hong Kong in 1972, the Group has adhered its core philosophy which offering sustainable returns to its Shareholders, while fosters an atmosphere where our employees can grow with the Company. At the same time, the Group pursue long-term sustainability with pragmatic manner in response to market changes and remains focused on development to foster long-term value creation for our stakeholders.

The Board plays a pivotal role in cultivating a strong corporate culture that aligns seamlessly with the Group's purpose, values and strategy, as defined and established by the Board. It also ensures the corporate governance system is both effective and adequate. The Group's management actively promotes the Company's values and culture across all levels of staff through clear communication, effective engagement and regular updates on the Group's strategy and business developments. Together, all employees contribute to fostering and strengthening the Group's culture.

The Group remains committed to upholding the highest standards of business ethics and corporate governance throughout the organisation. All staff are expected to conduct the company's affairs with integrity, accountability, and in full compliance with legal and ethical principles.

The Group's corporate culture and values are embodied in its practices and documented policies or guidelines, such as the whistleblowing policy and anti-corruption policy, among others. The Board believes that the Group's purpose, values, and strategic direction were aligned with its corporate culture. To uphold this alignment, the Board is committed to periodically reviewing the Group's policies and practices, ensuring they remain consistent with the Group's objectives. Looking ahead, the Group firmly believes that this approach will not only maximise value for shareholders but also create meaningful benefits for its stakeholders.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors of the Company, they have confirmed that they have complied with the Model Code during the year.

# CORPORATE GOVERNANCE REPORT

## THE BOARD OF DIRECTORS

### (i) Composition of the Board, number of Board meetings and Directors' attendance

The Board comprises eleven Directors as at the date of this report. Biographical details of Directors and relationship among Directors are disclosed in “Directors and Senior Management Profile” of the Annual Report. The Company’s Board has a balance of skills and experience and a balanced composition of executive and non-executive directors. Eight full board meetings were held during the year. Senior management executives may, from time to time, be invited to attend the board meetings for making presentation and/or answering any queries that may be raised by the Board. All Directors have access to the advice and services of the company secretary and independent professional advice may be sought by the Directors if required.

Each Director of the Company has been appointed on the strength of his/her calibre, experience and his/her potential to contribute to the proper guidance of the Group and its businesses. Apart from formal meetings, matters requiring board approval were arranged by means of circulation of written resolutions.

The Board has set up three committees, namely the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”) to oversee particular aspects of the Group’s affairs. The committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice in appropriate circumstances, at the Company’s expenses.

The attendance records of individual Directors at Board Meetings (BM), Audit Committee Meetings (ACM), Remuneration Committee Meetings (RCM), Nomination Committee Meeting (NCM) and AGM during the financial year are set out below:

	BM	ACM	RCM	NCM	AGM
<b>Executive Directors</b>					
Chua Nai Tuen ( <i>Chairman</i> )	12/12	–	1/1	1/1	1/1
Nelson Junior Chua	12/12	–	–	–	1/1
Richard Sy Tan	7/12	–	–	–	1/1
<b>Non-executive Directors</b>					
Chan Man Hon, Eric	6/12	4/4	1/1	1/1	0/1
Jimmy Siy Tiong	4/12	–	–	–	1/1
Tsai Han Yung	6/12	3/4	–	–	1/1
Vivian Chua	6/12	–	–	–	0/1
<b>Independent non-executive Directors</b>					
Chan Siu Ting	6/12	4/4	1/1	1/1	1/1
James L. Kwok	3/6	1/2	–	1/1	1/1
Tsui Ka Wah	6/12	4/4	1/1	1/1	1/1
Luk Siu Chuen	6/12	4/4	1/1	–	1/1
Kam Cheuk Sum	3/6	2/2	–	–	–



## CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2025, Mr. Kam Cheuk Sun, who was appointed as a Director on 23 August 2024, had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 19 August 2024, and he had confirmed he understood his obligations as a director of a listed issuer.

### (ii) The Operation of the Board

The Company is headed by an effective Board which takes decisions objectively in the interests of the Company. The Company's management has closely monitored changes to regulations that affect its corporate affairs and businesses and changes to accounting standards, and adopted an appropriate reporting format in its interim report, annual report and other documents to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospects. Where these changes are pertinent to the Company or Directors' disclosure obligations, the Directors are briefed during Board Meetings to keep them abreast of their responsibilities and of the conduct, business activities and development of the Group. Newly appointed Directors receive information on their legal and other responsibilities as a Director and the role of the Board. The Company has also provided appropriate information in a timely manner to the Directors to enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company. Decisions on important matters, including those affecting the Group's strategic policies, major investments and funding decisions are specifically reserved to the Board whereas decisions on the Group's general operations are delegated to the management.

The Company has established the following mechanisms to ensure independent views and input are available to the Board:

- (a) Where appropriate, the Company shall arrange suitable and sufficient resources to cover any matters relating to the obtaining of an independent advice or opinion by the Board, including but not limited to the engagement of a legal team or any other professionals for such purpose, where appropriate, at the Group's expenses.
- (b) Where appropriate, the directors shall give a notice to the Company Secretary of the Company to obtain an independent advice or opinion, including but not limited to engaging a professional team for such purpose.
- (c) The Board is required to review its structure, size, composition (including skills, knowledge and experience) and diversity policy at least annually to ensure that the composition of the Board complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited including maintaining a balanced mix of executive and non-executive directors (including independent non-executive directors) so that the Board has a strong element of independence which can effectively exercise independent judgement. If all the independent non-executive directors have served on the Board for more than nine years, the Company should consider to appoint a new independent non-executive director at the forthcoming annual general meeting.

The Board reviewed the implementation and effectiveness of the abovementioned mechanisms and considered that such mechanisms are effective.

## CORPORATE GOVERNANCE REPORT

### **(iii) Directors' and Officers' Liability**

Appropriate insurance cover on directors' and officers' liabilities has been in force to protect the Directors and Officers of the Group from their risk exposure arising from the businesses of the Group.

### **(iv) Directors' Continuous Training and Development**

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Directors are regularly briefed on the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime with written materials. During the year ended 31 March 2025, all Directors, namely Mr. Chua Nai Tuen, Mr. Nelson Junior Chua, Mr. Richard Sy Tan, Mr. Chan Man Hon, Eric, Mr. Jimmy Siy Tiong, Mr. Tsai Han Yung, Ms. Vivian Chua, Mr. Chan Siu Ting, Mr. James L. Kwok, Mr. Tsui Ka Wah, Dr. Luk Siu Chuen and Mr. Kam Cheuk Sun have participated in continuous professional development by either reading materials on the amendments to or updates on the relevant laws, rules and regulations or attending seminar or conference according to the training records maintained by the Company. All Directors have been required to provide the Company with their training records.

### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Mr. Chua Nai Tuen serves as the Chairman and also the Chief Executive Officer of the Company. This is a deviation from the Code Provision C.2.1 with respect to the roles of Chairman and Chief Executive Officer to be performed by different individuals.

After reviewing the management structure, the Board is of the opinion that Board decisions are collective decisions of all Directors made by way of voting and not decisions of the Chairman of the Board alone. Further, there is a clear division of responsibilities with independent operations between the Board members and the management of the day-to-day business of the Company.

As such, the power of management of the Company is not concentrated in any one individual. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group.

### **CHAIRMAN'S MEETING WITH INDEPENDENT NON-EXECUTIVE DIRECTORS**

Pursuant to Code Provision C.2.7, the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the year ended 31 March 2025, a formal meeting could not be arranged between the chairman and the independent non-executive directors without the presence of other directors due to the tight schedules of the chairman and the independent non-executive directors. Although such meeting was not held during the year, the chairman has delegated the company secretary of the Company to gather any concerns and/or questions that the independent non-executive directors might have and report to him for setting up follow-up meetings, whenever necessary.



# CORPORATE GOVERNANCE REPORT

## ANNUAL GENERAL MEETING

Pursuant to Code Provision C.1.6, independent non-executive directors and non-executive directors, as equal board members, should attend general meeting of the Company. During the year, Mr. Chan Man Hon, Eric and Ms. Vivian Chua were unable to attend the AGM of the Company held on 23 August 2024 as he had other business engagements.

## NON-EXECUTIVE DIRECTORS

All non-executive Directors were appointed subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the relevant provisions of the Company's Bye-laws. At the Board meetings and Board committee meetings where constructive views and comments of the non-executive Directors are given, the non-executive Directors provide independent judgement on the issues relating to the strategy, performance, conflict of interest and management process.

## REMUNERATION OF DIRECTORS

The Company has set up a Remuneration Committee consisting of three independent non-executive directors, one executive director and one non-executive director. Mr. Tsui Ka Wah is currently the Chairman of the Remuneration Committee.

During the year ended 31 March 2025, the Remuneration Committee held one meeting and also dealt with matters by way of circulation. The terms of reference of the Remuneration Committee are aligned with the provisions set out in the Code. Given below are the main duties of the Remuneration Committee:

- (i) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management;
- (ii) to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management;
- (iii) to review and approve the remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (iv) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment;
- (v) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct; and
- (vi) to ensure that no director or any of his associates is involved in deciding his own remuneration.

# CORPORATE GOVERNANCE REPORT

The work performed by the Remuneration Committee during the year is summarised below:

- (i) review of the Company's policy and structure of all remuneration of Directors and senior management;
- (ii) consideration of the emoluments for all Directors and senior management; and
- (iii) review of the level of Directors' fees.

The basis of determining the emoluments payable to its Directors and senior management by the Company ties with their duties and responsibilities within the Group. The Directors' fees are from time to time approved by the Shareholders and they are regularly reviewed and compared with other listed companies in Hong Kong.

## NOMINATION OF DIRECTORS

The Company has established the Nomination Committee in compliance with the Listing Rules. The Nomination Committee currently comprises one executive Director, one non-executive Director and three independent non-executive Directors. Mr. Chua Nai Tuen is currently the Chairman of the Nomination Committee.

The Nomination Committee is primarily responsible for considering and nominating suitable candidates to become members of the Board. Criteria adopted by the Nomination Committee in considering the suitability of a candidate for directorship includes his/her qualifications, experience, expertise and knowledge as well as the requirements under the Listing Rules.

During the year ended 31 March 2025, the Nomination Committee held one meeting during which it had reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company and assessed the independence of all the independent non-executive directors of the Company.

## NOMINATION POLICY

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- (a) Reputation for integrity;
- (b) Relevant skills and experience in relevant sectors;
- (c) Commitment in respect of sufficient time, interest and attention to the Company's business;
- (d) Diversity in all aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge;

## CORPORATE GOVERNANCE REPORT

- (e) Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive director; and
- (f) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Company's Articles of Association and other applicable rules and regulations.

The secretary of the Nomination Committee shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also nominate candidates for its consideration.

In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.

In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

### BOARD DIVERSITY POLICY

The Board adopted a board diversity policy ("Board Diversity Policy") to enhance the quality of its performance. The Nomination Committee is responsible for reviewing and assessing the diversity at the Board level for and on behalf of the Board in term of (including but not limited to) gender, age, cultural and educational background, professional experience, skills and such other qualities as may be considered important by the Nomination Committee from time to time. In identifying suitable candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and also the benefits of diversity on the Board. In reviewing the Board composition, the Committee considers the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience and diversity on the Board. The Nomination Committee will review the Board Diversity Policy in a timely manner to ensure that the Board Diversity Policy is effective.

As at the date of this report, it is noted that 1 out of 11 Directors, representing approximately 9.09%, are female. The Directors' ages are widely spread between 45 and 88. Regarding the educational and professional background, the Board members have accounting, finance, telecommunication and general business knowledge. It is therefore believed that the Board has achieved diversity in terms of gender, age, educational and professional background.

As at 31 March 2025, the Group had 151 male employees (31 March 2024: 154 male employees) and 95 female employees (31 March 2024: 90 female employees) and the male-to-female ratio in the workforce, including the senior management, was approximately 1.59 (31 March 2024: 1.71), which is regarded by the Board as satisfactory.



## CORPORATE GOVERNANCE REPORT

The Company will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time with the ultimate goal of achieving gender parity, such that there is a pipeline of female senior management and potential successors to the Board in the future.

### AUDITORS' REMUNERATION

The fees in relation to the audit services provided by external auditors of the Company for the financial year ended 31 March 2025 and 2024 are as follows:

	2025 HK\$	2024 HK\$
– Audit service	920,000	1,030,000
– Non-audit service		
– Internal control services (paid to Grant Thornton Advisory Services Limited)	340,000	nil
	<b>1,260,000</b>	<b>1,030,000</b>

### CORPORATE GOVERNANCE FUNCTION

The Board delegated the Audit Committee to perform corporate governance duties and Audit Committee has adopted written terms of reference on its corporate governance functions.

The duties of the Audit Committee in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year, the Audit Committee has performed the corporate governance duties in accordance with its terms of reference.

# CORPORATE GOVERNANCE REPORT

## AUDIT COMMITTEE

The Audit Committee currently consists of four independent non-executive directors and two non-executive directors.

All members have sufficient experience in reviewing audited consolidated financial statements as aided by the external auditor of the Group whenever required. In addition, Mr. Chan Siu Ting has the appropriate professional qualifications and experience in financial matters.

During the year ended 31 March 2025, the Audit Committee held four meetings and also dealt with matters by way of circulation. The terms of reference of the Audit Committee are aligned with the recommendations set out in “A Guide for Effective Audit Committees” issued by the Hong Kong Institute of Certified Public Accountants. Given below are the main duties of the Audit Committee:

- (i) to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of those auditors;
- (ii) to review and monitor the external auditors’ independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;
- (iii) to review the Company’s annual report and accounts, half-year report and quarterly reports before submission to the Board, the Audit Committee should focus particularly on:
  - (a) any changes in accounting policies and practices;
  - (b) major judgmental areas;
  - (c) significant adjustments resulting from audit;
  - (d) the going concern assumptions and any qualifications;
  - (e) compliance with accounting standards; and
  - (f) compliance with the Listing Rules and other legal requirements in relation to financial reporting.
- (iv) to discuss problems and reservations arising from the audits, and any matters the external auditors may wish to discuss;
- (v) to review the audit programme, and ensure co-ordination with external auditors, of the internal audit function; and
- (vi) corporate governance function.

# CORPORATE GOVERNANCE REPORT

The work performed by the Audit Committee during the year is summarised below:

- (i) review of the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (ii) review of half-year and annual consolidated financial statements before submission to the Board, with particular consideration of the points mentioned in paragraph (iii) above regarding the duties of the Audit Committee;
- (iii) discussion with the external auditors, the nature and scope of the audit;
- (iv) review of the Group's internal control and risk management systems, in conjunction with the impact arising from the Unauthorised Withdrawal; and
- (v) corporate governance function.

The Company's annual report for the year ended 31 March 2025 has been reviewed by the Audit Committee. The accounts for the year were audited by Grant Thornton Hong Kong Limited whose term of office will expire upon the forthcoming AGM. The Audit Committee has recommended to the Board that Grant Thornton Hong Kong Limited be nominated for re-appointment as the auditors of the Company at the forthcoming AGM.

## DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements for the year ended 31 March 2025, which give a true and fair view in accordance with Hong Kong Financial Reporting Standard, Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## INTERNAL CONTROLS AND RISK MANAGEMENT

### I. The Purpose of Risk Management

Effective management of risks is essential for the long-term growth and sustainability of the Group's business; it blends seamlessly into strategic, operational and financial management in our Group's holistic approach to management control. It is always a challenge to determinately identify and manage the pertinent risks so that they are treated, transferred, terminated or simply taken, where appropriate. To achieve this, the Board delegates to the Audit Committee to ensure that there is a framework of continuous risk management process of identifying, evaluating and managing significant risks faced by the Group.



# CORPORATE GOVERNANCE REPORT

## 2. The Approach and Processes of Risk Management and Risk Categories

### *The Approach*

The Group adopts an integrated top-down approach complemented by a bottom-up approach in the risk management process. The top-down approach involves the corporate view from the Board and management on risks which may have significant impact to the Group. The bottom-up approach identifies, evaluates and manages key risks of each business units. Our process is designed to manage risks and not eliminate all risks.

### *The Process*

The processes used to identify, evaluate and manage significant risks faced by the Group, are summarised as follows:

#### *Risk Identification*

- Identifies risks that may potentially affect the Group's business and operations.

#### *Risk Evaluation*

- Evaluates the risks identified by using the criteria developed by the management; and
- Considers the impact and consequence on the business and the likelihood of their occurrence.

#### *Risk Response*

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

#### *Risk Monitoring and Reporting*

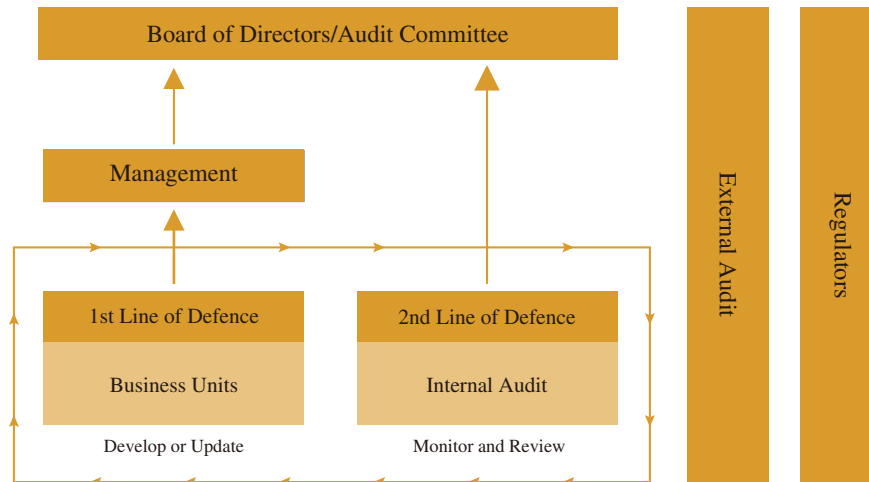
- Performs ongoing and periodic monitoring of the risk and ensures the appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to the management and the Board regularly.

Control procedures have been designed to (i) safeguard assets against misappropriation and disposition; (ii) ensure compliance with relevant laws, rules and regulations; (iii) ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and (iv) to provide reasonable assurance against material misstatement, loss or fraud.

# CORPORATE GOVERNANCE REPORT

## 3. Our framework of Risk Management

Our framework of risk management is “Two Lines of Defence” model as depicted below:



### 3.1 Board of Directors/Audit Committee

The Board has overall responsibility for the system of risk management and internal controls of the Group and has reviewed its effectiveness. Our Board has delegated the responsibility for overseeing overall risk management and internal control systems to Audit Committee.

As disclosed in the Company’s announcement dated 26 June 2024, the Company reported that a complaint was made by a customer of Stockwell Securities Limited (“SWS”), a subsidiary of the Company engaged in the business of stock broking and commodities dealing, relates to an incident involving a transfer of funds from that client’s account effected by a responsible officer (“RO”) of SWS (the “Unauthorised Withdrawal”). Subsequent to the discovery of the Unauthorised Withdrawal, SWS has conducted an internal investigation of the Unauthorised Withdrawal (the “Internal Investigation”) and afterwards reported this case to the Securities and Futures Commission (“SFC”). SFC requested SWS to perform a special internal control review of the Unauthorised Withdrawal by an independent consultancy firm. The scope is to conduct a review of SWS’s internal control procedures and systems and make recommendations to SFC and the management to address and rectify the weaknesses identified, if any. As at the date of this annual report, SWS has engaged an external advisor to perform the special internal control review of the Unauthorised Withdrawal and the progress of the report is still pending for finalisation.

## CORPORATE GOVERNANCE REPORT

Based on the findings identified by the Internal Investigation, the Audit Committee has discussed the Unauthorised Withdrawal with the management and the Board with a view of improving the SWS' s financial controls, internal control and risk management systems. The Company will further review and re-assess SWS's internal control procedures and systems once the special internal control review report from external advisor is available.

The Company does not have an internal audit department. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, as opposed to diverting resources to establish a separate internal audit department, it would be more cost effective to appoint external independent professionals to perform independent review of the adequacy and effectiveness of the risk management and internal control systems of the Group. Nevertheless, the Board will continue to review at least annually the need for an internal audit department. The Audit Committee has engaged an internal control consultant to conduct the annual review of the risk management and internal control systems for the year ended 31 March 2025. Such review is conducted annually and cycles reviewed are under rotation basis. The scope of review was previously determined and approved by the Audit Committee. The external adviser has reported findings and areas for improvement to the Audit Committee and the management. The Audit Committee are of the view that save for the internal control deficiencies identified in the Internal Investigation, there are no material internal control deficiencies noted. All recommendations from the internal control consultant are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board, therefore, through the reviews made by the Audit Committee and the recommendation on the remedial measures taken up to address the internal control deficiencies arising from the Unauthorised Withdrawal, considered that the risk management and internal control systems are effective and adequate.



# CORPORATE GOVERNANCE REPORT

## 3.2 *Two Lines of Defence*

Our framework is not a standalone program. It is an integrated and continuous process, in which elements in the framework are integrated into the Group's day-to-day operations and are continually applied under cycles of developing, monitoring, reviewing and updating.

### 3.2a *1st Line of Defence – Operational Management and Internal Controls*

Key internal control activities are integrated into daily operations with clear policies and procedures with the elements of governance, risk management and compliance. The policies and procedures are reviewed and updated on a regular basis to ensure their effectiveness, and shared with our employees and appropriate training.

#### Key Group Policies and Procedures

Key Group Policies and Procedures apply to the employees:

- **Whistleblowing Policy** provides a proper reporting channel for employees to raise genuine concerns about malpractice or suspected wrongdoing.
- **Inside Information Policy** ensures inside information of the Group is to be kept in strict confidence or otherwise disseminated to the public in a timely manner in accordance with the applicable laws and regulations.
- **Connected Transactions Policy** provides a clear guideline to employees for handling connected transaction in order to comply with the Listing Rules requirement.
- **Code of Conduct** stipulates the Group policy on matter of personal conduct and relationships.
- **Approval Authority** sets clear authority limits on business decision and daily operations.
- **Operational Policies and Procedures** are set in each business and functional units to provide guideline in daily operations within the corporate governance framework.

## CORPORATE GOVERNANCE REPORT

The key functions of Finance Department with direct access to Audit Committee, include:

- Establish and maintain appropriate and effective risk management system to facilitate the business units to continuously identify, evaluate and monitor risks to business objectives;
- Support management to assess and respond to emerging risks;
- Lead in modifying the control procedures of identified and/or potential irregularities at the business units;
- Assist in developing and updating the policies and procedures to ensure that key control and monitoring procedures over compliance and risk management have been integrated into the daily operations; and
- Regularly report key risks and advise mitigating strategies to the management and Audit Committee.

### *3.2b 2nd Line of Defence – Internal Audit*

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business.

As alternative, the Audit Committee as delegated by the Board, has engaged external and internal control consultant, as its risk management and internal control review adviser to conduct the annual review of the risk management and internal control systems for the year ended 31 March 2025. For details, please refer to section 3.1 Board of Directors/Audit Committee.

### *3.2c External Auditor*

The external auditor further supplements the Internal Audit, the 2nd Line of Defence, by providing independent review on internal controls in relation to financial reporting process during the course of its audit work. The external auditor would report on any control issues to the Audit Committee.

# CORPORATE GOVERNANCE REPORT

## COMPANY SECRETARY

Company secretary is to ensure there is a good information flow within the Board and between the Board and senior management, provides advice to the Board in relation to directors' obligations under the Listing Rules and applicable laws and regulations and assists the Board in implementing the corporate governance practices. Company secretary has provided his training records to the Company indicating his compliance with the training requirement under Rule 3.29 of the Listing Rules.

## COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' DEALING IN SECURITIES

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" ("Model Code") as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by Directors of the Company. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard laid down in the Model Code.

## CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 13.90 of the Listing Rules, the Company has posted its Articles of Association on the respective websites of the Stock Exchange and the Company. During the year ended 31 March 2025, no amendments were made to the constitutional documents of the Company.

## DIVIDEND POLICY

The Board adopts 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 shall also take into account the factors, such as operations, earnings, financial condition, cash requirements and availability, capital expenditure, future development requirements, business conditions and strategies, interests of shareholders, any restrictions on payment of dividends of the Group and any other factors that the Board may consider relevant when considering the declaration and payment of dividends.

## SHAREHOLDERS' RIGHTS

Under the Articles of Association of the Company and Hong Kong Companies Ordinance, shareholders holding not less than 5% of the paid up capital of the Company ("5% Shareholder") may convene an extraordinary general meeting by requisition stating the objects of the meeting, and deposit the signed requisition at the Company's registered office (Units 407–410, Tower 2, Silvercord, No. 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong. Attention: The Company Secretary). Any 5% Shareholder may also requisition for the circulation of resolutions to be moved at a general meeting; and circulation of statements regarding resolution proposed. The special documents should be deposited at the Company's registered address as detailed above.



# CORPORATE GOVERNANCE REPORT

## COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a policy of disclosing clear and relevant information to the Shareholders in a timely manner. The general meetings of the Company provide a forum for communication between Shareholders and the Directors. The Directors and the external auditors will attend the annual general meetings. The Directors will answer questions raised by the Shareholders on the performance of the Group.

Review of the general meeting proceedings is carried out by the Board from time to time so as to ensure that the Company has followed the best corporate governance practices. Notice of the general meeting together with the circular setting out details of each of the proposed resolutions (including procedures for demanding a poll where required under the CG Code), voting procedures and other relevant information are delivered to all the Shareholders with sufficient notice as required under the Listing Rules and the Bye-laws of the Company before the date appointed for the general meeting. At the commencement of the general meeting, procedures for demanding (where required) and conducting a poll are explained by the chairman of the meeting to the Shareholders and the votes cast are properly counted and recorded by the scrutineer appointed by the Company. Poll results of the general meeting are posted on the websites of the Company and the Stock Exchange on the day of the general meeting.

The Company's website (<http://www.seapnf.com.hk>) also contains a "Released Documents" section which enables the Shareholders to have timely access to the Company's financial reports, announcements and circulars.

The Board has reviewed the implementation of the shareholders' communications policy and is satisfied that it is effective for the Board to understand the views and opinion of the Shareholders through the available channels.

## REPORT OF THE DIRECTORS

The Directors submit their report and the audited consolidated financial statements for the year ended 31 March 2025.

### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are investment holding and property investment. The activities of the subsidiaries are set out in note 48 to the consolidated financial statements.

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

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated financial statements on pages 75 to 180 of this report.

The Board has recommended the payment of a final dividend of HK3 cents per ordinary share (2024: HK3 cents per ordinary share), in respect of the year ended 31 March 2025 to all Shareholders whose name appear on the register of members of the Company on 22 August 2025. Subject to the approval of Shareholders at the forthcoming AGM, the payment of the final dividend will be made on 3 October 2025.

### DONATIONS

Charitable and other donations made by the Group amounted to HK\$nil (2024: HK\$1,000).

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment are set out in note 16 to the financial statements.

### BUSINESS REVIEW

The business review, including (i) review of the business of the Group for the year ended 31 March 2025; (ii) particulars of important events affecting the Group that have occurred since the end of 31 March 2025; (iii) key financial and business performance indicators; (iv) discussion on the Group's likely future business development are set out in the section headed "Chairman's Statement" on pages 6 to 13 of this report; and (v) principal risks and uncertainties faced by the Group are set out in the section headed "Corporate Governance Report" on pages 14 to 30 of this report. These discussions form part of this report of the Directors.

### FIVE YEARS FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 184 of this report.

# REPORT OF THE DIRECTORS

## SHARE ISSUED AND SHARE CAPITAL

Details of the shares issued in the year ended 31 March 2025 are set out in note 38 to the consolidated financial statements.

## PROPERTIES

Details of the major properties held for investment, under development and held for own use are set out on pages 181 to 183 of the annual report.

## EMPLOYEES AND REMUNERATION POLICIES

The Group had 246 employees as at 31 March 2025 (2024: 244 employees). Employees were remunerated according to the nature of job and market trend.

## DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2025, calculated under Part 6 of the new Hong Kong Companies Ordinance (Cap. 622), amounted to HK\$322,768,388 (2024: HK\$333,964,191).

## BANK LOANS

Particulars of bank loans and as at 31 March 2025 and 2024 are stated in note 32 to the consolidated financial statements.

## PARTICULARS OF DEBT SECURITIES, CONVERTIBLE SECURITIES OR OPTIONS ISSUED BY THE COMPANY AND ITS SUBSIDIARIES

The Company and its subsidiaries have not issued, during the year ended 31 March 2025, any debt securities, convertible securities or options.



# REPORT OF THE DIRECTORS

## MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's purchases and sales for the year attributable to the major suppliers and customers respectively were as follows:

Percentage of purchases attributable to the Group's largest supplier	36%
Percentage of purchases attributable to the Group's five largest suppliers	91%
Percentage of sales attributable to the Group's largest customer	29%
Percentage of sales attributable to the Group's five largest customers	62%

None of the directors or their associates, nor does any shareholder owning (to the knowledge of the directors) more than 5% of the Company's issued share capital, hold any interest in the share capital of the suppliers and customers noted above.

The Group believes that good relationships with both customers and suppliers are key for the Group's success. To improve the Group's overall performance, the Group has closely monitoring its customers and suppliers through setting rules and policies.

## DIRECTORS

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

### Executive Directors

Mr. Chua Nai Tuen (*Chairman*)  
Mr. Nelson Junior Chua (*Managing Director*)  
Mr. Richard Sy Tan

### Non-executive Directors

Mr. Chan Man Hon, Eric  
Mr. Jimmy Siy Tiong  
Mr. Tsai Han Yung  
Ms. Vivian Chua

### Independent Non-executive Directors

Mr. Chan Siu Ting  
Mr. James L. Kwok (retired on 23 August 2024)  
Mr. Tsui Ka Wah  
Dr. Luk Siu Chuen  
Mr. Kam Cheuk Sun (appointed on 23 August 2024)

## REPORT OF THE DIRECTORS

In accordance with Article 103(A) of the Company's Articles of Association, Mr. Chua Nai Tuen, Mr. Richard Sy Tan and Mr. Jimmy Siy Tiong, shall retire by rotation at the forthcoming AGM. Except Mr. Jimmy Siy Tiong who does not offer himself for re-election, Mr. Chua Nai Tuen and Mr. Richard Sy Tan, all being eligible, offer themselves for re-election.

In accordance with Article 94 of the Company's Articles of Association, Mr. Kam Cheuk Sun will also retire by rotation at the forthcoming AGM and, being eligible, offer himself for re-election.

None of the Directors proposed for re-election at the 2025 AGM has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation other than statutory compensation.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out in pages 3 to 5 of this annual report.

### DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 31 March 2025, the directors of the Company had the following beneficial interests, all being long positions, in the share capital of the Company, the subsidiaries and associates of the Company:

		Number of shares held				% of the Issued Share Capital
		Personal Interests	Family Interests	Corporate Interests	Other Interests	
(a)	The Company					
	(Ordinary shares)					
	Chua Nai Tuen	8,183,296	–	97,669,758 (Note 1)	–	46.96
	Nelson Junior Chua	6,954,391	–	–	–	3.09
	Richard Sy Tan	1,000,000	–	–	–	0.44
	Jimmy Siy Tiong	3,770,987	–	–	–	1.67
	Tsai Han Yung	5,120,490	–	–	–	2.27
	Vivian Chua	1,040,000	–	–	–	0.46
(b)	Nan Sing Plastics Limited					
	(Ordinary shares)					
	Chua Nai Tuen	–	–	6,965	–	4.64

## REPORT OF THE DIRECTORS

	Number of shares held				% of the Issued Share Capital
	Personal Interests	Family Interests	Corporate Interests	Other Interests	
(c) Titan Dragon Properties Corporation					
(Capital stock of Peso1,000.00 per share)					
Chua Nai Tuen	12,799	–	4,000	–	10.50
Nelson Junior Chua	3,200	–	–	–	2.00
Jimmy Siy Tiong	1,600	–	–	–	1.00
(d) Hang Sheng Development Corp.					
(Capital stock of Peso100.00 per share)					
Chua Nai Tuen	19,200	–	6,000	–	21.00
Nelson Junior Chua	4,800	–	–	–	4.00
(e) Embassy Hills Properties Inc.					
(Capital stock of Peso100.00 per share)					
Chua Nai Tuen	1	–	–	–	0.00
(Note 2)					

*Notes:*

- The shares regarding ‘Corporate interests’ in which Mr. Chua Nai Tuen was taken to be interested as stated above were the interests of corporations in general meetings of which he was either entitled to exercise (or was taken under Part XV of the Securities and Futures Ordinance (the “SFO”) to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations.
- The share was held as trustee.

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange pursuant to the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers:

- there were no interests, both long and short positions, held as at 31 March 2025 by any of the directors or chief executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), and
- there existed during the financial year no rights to subscribe for shares, underlying shares or debentures of the Company which were held by any of the directors or chief executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercises during the financial year of any such rights by any of them.



## REPORT OF THE DIRECTORS

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties, other than persons who are Directors of the Company, which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company and the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at 31 March 2025 as recorded in the register kept by the Company under section 336 of the SFO:

	No. of Ordinary Shares held	% of the Issued Share Capital
J & N International Limited ("J & N") ( <i>Note 1</i> )	59,435,758	26.37
Sonliet Investment Company Limited ("Sonliet Investment") ( <i>Note 1</i> )	38,234,000	16.96
Mr. Chua Nai King ( <i>Note 2</i> )	21,204,931	9.41
Julius Baer Trust Company (Singapore) Limited ("Julius Baer") ( <i>Note 2</i> )	16,880,140	7.49
Loriking Limited ("Loriking") ( <i>Note 2</i> )	16,880,140	7.49

Notes:

1. For the avoidance of doubts and double counting, it should be noted that J & N's and Sonliet Investment's interests are entirely duplicated with Mr. Chua Nai Tuen's interests.
2. For the avoidance of doubts and double counting, it should be noted that Julius Baer's and Loriking's interests are entirely duplicated with Mr. Chua Nai King's interests.

All the interests stated above represented long positions and as at 31 March 2025, there were no short positions recorded in the said register.

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

### RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as "Related Parties" under applicable accounting principles. These mainly relate to transactions entered into by the Group in the ordinary course of business and on an arm's length basis. Details are set out in note 43 to the consolidated financial statements.

## REPORT OF THE DIRECTORS

### DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group paid consultancy fee of HK\$1,195,241 (2024: HK\$999,650) to Sonliet Investment Company Limited, in which Mr. Chua Nai Tuen, the Director of the Company, is the controlling shareholder and also director.

During the year, a tenancy agreement was made on arm's length basis in connection with the leasing of a premises owned by Sonliet Realty Company Limited, a company controlled by Mr. Chua Nai Tuen, to Nan Sing Warehouse Limited, a subsidiary of the Company. The total amount of lease payment by the Group during the year was HK\$1,430,999 (2024: HK\$1,431,000).

The above transactions fall within the continuing connected transactions under the Rule 14A.33 of the Listing Rules and were exempted from the reporting, announcement and independent shareholders' approval requirements.

Save for contracts amongst the Group and the aforementioned transaction, no other significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### DIRECTOR'S AND MANAGEMENT EMOLUMENTS

Particulars of director's emoluments and the five highest paid individuals in the Group are set out in notes 14 and 15 to the financial statements.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2025, none of the Directors nor their respective associates was interested in any business which is considered to compete or is likely to compete, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

### MANAGEMENT CONTRACTS

No contracts for the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

## REPORT OF THE DIRECTORS

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

### PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit at any of the directors of the Company (whether made by the company or otherwise) or an associated company (if made by the Company).

The Company has taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover the certain legal actions brought against its directors and officers.

### PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

### PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 March 2025.

### AUDITOR

Grant Thornton Hong Kong Limited, the auditor of the Company, will retire at the conclusion of the forthcoming AGM of the Company and be eligible to offer themselves for re-appointment. A resolution will be submitted to the forthcoming AGM to seek Shareholders' approval for the re-appointment of Grant Thornton Hong Kong Limited as the Company's auditor until the conclusion of the next AGM.



## REPORT OF THE DIRECTORS

### DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 13 June 2023, SAP Realty Company Limited, a subsidiary of the Company as borrower (the “Borrower”) and Hotel Benito Management Limited, a subsidiary of the Company and the Company as guarantors entered into a loan agreement (the “Loan Agreement”) with a bank (the “Lender”), pursuant to which the Lender has granted the Borrower a term loan facility up to an aggregate principal amount of HK\$313,200,000 (the “Facility”). The term of the Facility is 30 months from the first drawdown date of the Facility or 6 months after issuance of the hotel license, whichever is earlier.

Pursuant to the Loan Agreement, the Borrower has undertaken to ensure that Mr. Chua Nai Tuen, the controlling shareholder of the Company, remain the single largest shareholding interest of the Company, otherwise the Facility shall be cancelled and all outstanding amounts (including principal, accrued interest and all other amounts accrued) owing by the Borrower to the Lender under the Loan Agreement shall become immediately due and payable.

### FORWARD-LOOKING STATEMENTS

This annual report contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company’s control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

On behalf of the Board  
**Chua Nai Tuen**  
*Chairman*

Hong Kong, 27 June 2025

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SCOPE AND REPORTING PERIOD

This is the ninth environmental, social and governance report (the “Report”) prepared by Southeast Asia Properties & Finance Limited (the “Company”, together with its subsidiaries referred to as the “Group”), highlighting its environmental, social and governance (the “ESG”) performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

## REPORTING BOUNDARY

The Group is principally engaged in property investment, development and leasing, hotel operation, manufacturing and distribution of plastic packaging materials, broking and securities margin financing.

This ESG Report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of below three operational locations in Dongguan, the People’s Republic of China (the “PRC”), and Hong Kong, from 1 April 2024 to 31 March 2025 (the “Reporting Period”), unless otherwise stated.

- the manufacturing operation under the brand name of “Nan Sing” in the PRC (hereafter “Nan Sing”);
- the operation of co-working space in Hong Kong (hereafter “Everglory Centre”); and
- the headquarter in Hong Kong (hereafter the “Headquarter”).

Nan Sing is located in Dongguan, the PRC and the property and financial services, and other daily business operations are located within the Everglory Centre and the Headquarter, both in Tsimshatsui, Hong Kong.

The Group also operates hotel business under the brand name of “Hotel Benito” (hereafter “Hotel Benito”), which located in Tsimshatsui in Hong Kong. Hotel Benito is under alteration and addition works and suspended for operation since financial year 2020/21 and therefore, the key performance indicators in this report does not cover the hotel business operation.

## STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant environmental and social issues, key stakeholders have been involved to help the Group to meet its potential growth and prepare for future challenges.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Based on our assessment, key material issues raised by the stakeholders all focused on environmental and social aspects. Followings topics have been deemed as the most important by stakeholders:

- Air emission
- Packaging materials
- Energy use and efficiency
- Wastes management
- Development and Training
- Labour Standards
- Customer Privacy and Customer Service
- Anti-corruption

## STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at [general@seapnf.com.hk](mailto:general@seapnf.com.hk).

## THE GROUP'S SUSTAINABILITY MISSION AND VISION

A key mission of the Group is to extend the environmental protection and social welfare. The Group adopts cleaner production principles and integrates management on product quality, environmental protection, and labour management, aiming to reach the optimum balance to achieve maximum profit, responsibility and satisfaction for stakeholders.

The Group continues to introduce state-of-the-art pollution control facilities to reduce energy and other resources use. Policy-wise promotion on environmental protection has also been implemented among internal employees and suppliers. The Group reinforced several environmental protection policies including Environmental Health and Safety Policy and Carbon Emission Reduction Program, to further standardize environmental health and safety management and emission reduction practices.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## BOARD STATEMENT ON ESG GOVERNANCE

The Board holds the overall responsibility on the ESG strategy and reporting. The ESG working group that is made up of the Group's key management personnel is responsible for identifying material ESG issues, collecting relevant ESG data periodically and ensuring appropriate ESG risk management and internal control system has been established. The ESG working group is also responsible for formulating relevant ESG policies and procedures in line with the ESG strategy set out by the Board. Meetings are arranged regularly by the Board to evaluate the effectiveness of current policies and procedures and formulate appropriate solutions to improve the overall ESG performance.

## REPORTING PRINCIPLES

During the preparation for this ESG Report, the Group has applied the reporting principles in Appendix C2 as follows:

Reporting principles	Application
Materiality	During the reporting period, materiality assessment was conducted to identify key aspects of the Group's long-term sustainability. Please refer to "Stakeholder engagement and materiality" for more details.
Quantitative	This ESG report has disclosed the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).
Balance	The performance information in the ESG Report is presented in an unbiased manner, avoiding selections, omissions or presentation that might inappropriately influence the decisions or judgements of stakeholder.
Consistency	The KPIs used, methods and other relevant factors are substantially unchanged, comparing to the previous year. For changes in scope of disclosure and calculation methodologies, proper disclosures and explanations are provided.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENTAL

The major environmental impacts were generated from Nan Sing. During the manufacturing of plastic packaging materials, exhaust gas has been properly vented and filtered before releasing to the atmosphere. Minimal hazardous waste is generated on-site.

Direct and indirect environmental impacts generated by the Group during the Reporting Period mainly included the following activities: (1) consumption of gasoline and diesel (for Group-owned vehicles) and town gas; (2) consumption of purchased electricity and town gas; and (3) processing of freshwater and sewage. Their corresponding emissions were calculated and presented in section A1.

The Group is aware of the importance of environmental protection. An activated carbon adsorption and regenerative catalytic oxidation (RCO) system was installed to deal with the VOCs emissions in the printing workshop of Nan Sing. The RCO system utilizes a packed bed system with activated carbon as adsorbents, where the activated carbon comes in contact with the gaseous stream to remove pollutants by adsorbing them onto the activated carbon. A follow-up combination of oxygen (O) with outlet VOCs (CXHY) is reacted within the RCO system. Through heat recovery in the RCO system, a large amount of energy is saved as the heat exchanger allows the inlet gas temperature rises to reaction temperature by absorbing heat released during combustion processes. In case that the reaction temperature is not reached, extra heat will be supplied via the automatic control system (the programmable logic controller (PLC) system) to make the reaction a complete combustion, achieving a removal rate of over 97% for the exhaust gas.

In addition, Nan Sing installed a real-time energy management system provided by a professional energy auditing firm, which enables the Group to visualize the energy consumption, to monitor and analyze the energy reduction opportunities, and to prevent waste of energy. The energy visualization LCD panel has been installed at the doorway of Nan Sing, all employees would have observed it, potentially leading to an energy education and/or promotion of environmentally-friendly behaviors.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas (GHG) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste had been identified during the Reporting Period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A1. Emissions

### A1.1 Air Emissions

VOCs from printing workshop was the major direct on-site air emissions generated at Nan Sing. Non-methane hydrocarbon from film blowing workshops and cooking fumes from canteen are other types of air emissions at Nan Sing. All on-site air emissions were monitored and met the emission level set by both national standards – Integrated Emission Standard of Air Pollutants (GB16297-1996) and local standard – Emission Limit of Air Pollutants (DB44/27-2001).

Direct air emissions, including both GHG and non-GHG were generated from the consumption of gasoline and diesel for group-owned vehicles. Indirect GHG emissions, due to the Group's activity but owned or controlled by another entity were also generated from the consumption of purchased electricity and town gas, and processing of freshwater and sewage.

As Everglory Centre and the Headquarter did not generate major air emissions, no such data is presented in this Report.

#### *Vehicle Operation and Emissions*

Passenger cars operated on gasoline as well as lorries operated on diesel were used for daily business operations. Their combustion generated several air emissions include nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>) and respiratory suspended particles (PM).

Non-GHG Emission	Mobile fuel source	2025 (kg)	2024 (kg)
NO <sub>x</sub>	Gasoline and diesel	704.63	742.59
SO <sub>x</sub>	Gasoline and diesel	1.29	1.35
PM	Gasoline and diesel	51.73	54.55

*Note:* Emission factors for calculations on environmental parameters throughout the Report were made reference to Appendix C2 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A1.2 Greenhouse Gas (GHG) Emissions

There were 5,295.31 tonnes (2024: 5,164.28 tonnes) of carbon dioxide equivalent (CO<sub>2</sub>eq.) GHG (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation during the Reporting Period. The GHG reported included the following activities and scopes:

- Direct (scope 1) GHG emissions from the consumption of gasoline, diesel, and town gas;
- Energy indirect (scope 2) GHG emissions from purchased electricity and town gas; and
- Other indirect (scope 3) GHG emissions from municipal freshwater and sewage processing.

Other indirect GHG emissions during the Reporting Period such as those from waste paper landfilling, mitigated GHG from paper recycling, and business air travel were excluded due to their insignificant impact.

GHG Emission		2025 (tonnes of CO <sub>2</sub> eq.)		2024 (tonnes of CO <sub>2</sub> eq.)	
			%		%
<b>Scope 1</b>					
Direct GHG emissions	Gasoline and diesel <sup>1</sup>	211.80	4.0	221.80	4.3
<b>Scope 2</b>					
Indirect GHG emissions	Purchased electricity <sup>2</sup>	5,059.10	95.5	4,918.32	95.2
<b>Scope 3</b>					
Other Indirect GHG emissions	Freshwater and sewage	24.41	0.5	24.16	0.5
<b>Total GHG</b>		<b>5,295.31</b>	<b>100.0</b>	<b>5,164.28</b>	<b>100.0</b>

### Notes:

1. Emission factors were made reference to Appendix C2 to the Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.
2. Emission factor (EF) of 0.51 and 0.38 kg CO<sub>2</sub>eq./kWh (2024: 0.51 and 0.39 kg CO<sub>2</sub>eq./kWh) was used for purchased electricity in Dongguan and Hong Kong, respectively during the Reporting Period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A1.3 Hazardous Waste

Hazardous waste generated at Nan Sing included waste oil and ink bottles and thinner bottles, all of which were recollected by suppliers, without recording the waste amount. Other hazardous waste materials including waste cloth containing waste ink were treated according to the local standard and were all subject to the supervision by local Environmental Protection Agency. To further avoid regulatory and operational risks, the Group has established contracts with special waste collectors, by transportation in barrel and using incineration treatment methods specified in the contract.

Hazardous waste type per National Catalogue of Hazardous Wastes	Hazardous waste name	2025	2024
		(tonnes)	(tonnes)
HW12	Waste ink	0.37	0.26
HW49	Waste activated carbon	6.52	1.70
HW49	Waste cloth containing ink	0.55	0.55

For Everglory Centre and the Headquarter, their business operations did not involve generation of significant hazardous wastes, hence no such data is presented in this Report.

## A1.4 Non-hazardous Waste

Major non-hazardous waste generated at Nan Sing mainly included: waste office paper, waste packaging materials, other non-office paper, and the scrap materials during production. Scraps were reused/re-manufactured at Nan Sing to reduce on-site waste generation as well as for economic purposes.

Non-hazardous waste generated in Hong Kong mainly included: waste office paper, waste packaging materials, and other non-office paper such as newspapers and cardboard.

Non-hazardous waste	2025	2024
	(tonnes)	(tonnes)
Office paper	0.73	0.78
Packaging materials	2.3	2.2
Other non-office paper	5.2	5.0

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *A1.5 Emissions Targets and Initiatives*

The air pollution control system installed in Nan Sing effectively control the VOCs and other exhaust gaseous emissions during film blowing and printing processes. The exhaust gas from the printing shop can be centrally collected and discharged. Everglory Centre and the Headquarter did not involve any significant direct emissions hence no information related to emission mitigation is presented.

In alignment with the national goal of achieving carbon neutrality, the Group aims to reduce carbon emissions from its business operations gradually in Nan Sing of at least 3% as a 3-year target using financial year 2024/25 as baseline year. To effectively reduce its emission, the Group is dedicated to monitor and control its direct emissions from vehicle use for transportation through key approaches as follows:

- Avoid unnecessary transportation by utilising appropriate logistical planning, arranging transportation time, maximising load factors and transportation efficiency.
- Reduce fuel consumption by maintaining good driving habits, including turning off idling engines when stopping and not rushing to brake and accelerate.
- Improve energy efficiency by ensuring all vehicles are in good conditions.

## *A1.6 Wastes Reduction Targets and Initiatives*

Nan Sing formulated the Waste Control Guidelines to regulate waste management. The practices brought in a waste reduction, resource saving, as well as economic benefits for the Group. For example:

- the Group reused incoming wooden pallets without any new purchase;
- the on-site industrial waste generation was largely reduced by re-using production scraps during the manufacturing processes;
- proper training and daily supervision were provided to production personnel to reduce the generation of scrap materials;



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- the incoming waste packaging materials such as waste paper, wood pallets were internally maintained, repaired, and reused whenever possible, or further collected by qualified companies;
- waste categorization bins were provided to control the separation of hazardous and non-hazardous waste, and increase recovery of recyclable waste; and
- waste paper was collected and treated by designated department (e.g. pressing) for downstream recycling.

In Everglory Centre and the Headquarter, we encourage employees to adopt pro-environmental behaviors such as printing paper on both sides.

To better manage its impacts of wastes discharge to the environment, the Group set a target of reducing the hazardous waste and non-hazardous waste at least 3% as a 3-year target using financial year 2022/23 as baseline year. During the Reporting Period, the Group does not meet the 3-year target using financial year 2022/23 as baseline year, primarily due to the increased production of goods, the Group will continue to find more ways to improve both hazardous and non-hazardous waste for achieving target. The Group will continue identifying areas to better manage and improve the waste management system, to further reduce waste generation and the burden to landfill.

## A2. Use of Resources

### A2.1 Energy Consumption

Total electricity consumption by the Group was 9,996,716 Kilowatt-hour (kWh) (2024: 9,719,678 kWh) during the Reporting Period. Due to different operational nature, the intensity was calculated separately for each site.

Direct energy source (electricity)	2025		2024	
	Consumption (kWh)	Intensity (kWh/m <sup>2</sup> )	Consumption (kWh)	Intensity (kWh/m <sup>2</sup> )
Nan Sing	9,781,540	1,956	9,488,017	1,898
Everglory Centre	101,880	112	108,657	120
Headquarter	113,296	169	123,004	183
<b>Total</b>	<b>9,996,716</b>		<b>9,719,678</b>	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Consumption of gasoline and diesel were converted to indirect energy consumption.

Indirect energy source	2025		2024	
	Direct consumption	Indirect consumption (kWh)	Direct consumption	Indirect consumption (kWh)
Gasoline (in liter)	1,687	15,377	1,278	11,649
Diesel (in liter)	78,473	791,001	82,706	833,670
<b>Total</b>		<b>806,378</b>		<b>845,319</b>

*Note:* Conversion factors were made reference to IEA Energy Statistics Manual and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

## A2.2 Water Consumption

The Group did not consume a significant amount of water for its business activities. The total water consumption for the Group was 31,304 m<sup>3</sup> (2024: 30,979 m<sup>3</sup>) during the Reporting Period. Water has been consumed for commercial and domestic purposes as the manufacturing processes in Nan Sing does not involve consumption of water. The water bill in the Headquarter was paid by the building management hence no information related to the consumption data is presented.

Site	2025		2024	
	Water consumption (m <sup>3</sup> )	Intensity (m <sup>3</sup> /m <sup>2</sup> )	Water consumption (m <sup>3</sup> )	Intensity (m <sup>3</sup> /m <sup>2</sup> )
Nan Sing	31,202	6.24	30,884	6.18
Everglory Centre	102	0.11	95	0.11
<b>Total</b>	<b>31,304</b>		<b>30,979</b>	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *A2.3 Energy Use Efficiency Targets and Initiatives*

Nan Sing was the major energy user and the Group has formulated the Energy Management Procedures and Guidelines to regulate relevant activities. In detail, the following energy saving measurement and achievements were recorded:

- the Group has replaced most of the lighting system to energy efficient LED lighting system; with an ultimate goal of replacing all old lighting system;
- the clean production audit was completed, and relevant energy conservation and emission reduction measures were carried out according to the clean production audit plan, so that the total VOCs emissions per unit product and the comprehensive energy consumption per unit product were greatly reduced; and
- old motors were replaced by energy-saving motors, resulting a reduction in energy consumption.

Electricity was the most significant source of emission in office settings, consequently, employees are reminded to switch off lights, air conditioners, computers, monitors and equipment before leaving work.

By formulating the system for energy utilization and implementing measures on energy conservation and emission reduction, the Group continues to improve energy efficiency. Using financial year 2024/25 as baseline year, the Group aim to reduce energy consumption gradually in Nan Sing of at least 3% as a 3-year target by inspiring its employees on conservation habitats and regularly monitor the consumption of energy.

## *A2.4 Water Use Efficiency Targets and Initiatives*

The Group's business operation did not involve any significant use of water and has no issues on sourcing water during the Reporting Period. For Nan Sing, Everglory Centre and the Headquarter, water was mainly used for domestic purpose, hence no information in relation to water use efficiency initiatives is presented in this Report. The Group targets to reduce water usage after the alteration and addition works of Hotel Benito by use of dual flush toilets and inspiring its customers on conservation habitats.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *A2.5 Packaging Material Targets and Initiatives*

Nan Sing consumed packaging materials, which are mainly cartons and gummed paper purchased from outside suppliers. The Group set target to reduce at least 3% as a 3-year target using financial year 2022/23 as baseline year. During the Reporting Period, the Group does not meet the 3-year target using financial year 2022/23 as baseline year primarily due to the increased production of goods. The Group targets to explore the possibilities to improve the recyclability of packaging materials in the future. Certain waste cartons and packaging paper have been collected by qualified recyclers during the Reporting Period.

No major packaging materials were involved for business operations in Hong Kong.

## **A3. The Environment and Natural Resources**

For the production processes, Nan Sing has formulated Chemical Control Procedures to manage the use of chemicals, mainly including lacquer thinner, solvent ink, and water-based ink. All chemicals were stored in a special warehouse, accessible only by designated personnel, who was responsible for the management of chemicals. Production department can only claim for a certain amount of chemicals for daily consumption not exceeding a pre-set quota, to ensure no excess chemicals stored in the production workshop.

In addition to the chemical usage, the major impacts on the environment were the air pollution caused by exhaust gases, with the new treatment facility installed, it is expected that air pollutants will be further controlled and reduced. The indirect impacts caused by the consumption of electricity has been identified as another major source of environmental impacts. The Group is actively planning to apply for the cleaner production certification, while strengthening environmental protection and reducing energy consumption.

The Group's water consumption and wastewater discharge have been managed properly to minimize impacts on the regional water body. Domestic wastewater has been treated at on-site septic tanks before discharging into the municipal wastewater pipelines.

The Group's production does not cause a major impact on the surrounding acoustic environment. Various machinery and cooling tower all meet the requirements.

The Group will continue to keep a close eye on any updates of relevant laws and regulations.

Environmental impacts of the business operations in Hong Kong were not significant during the Reporting Period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A4. Climate Change

The Group aims to enhance its climate change preparedness and resilience by duly identifying and assessing the climate-related risks that might pose significant impacts on its business operation. With reference to the recommendations of the Taskforce on Climate related Financial Disclosures (“TCFD”), the climate-related risks that may affect the Group are as follows:

Risks	Description	Response strategies
<b>Physical risks</b>		
Acute risk	Increased severity of extreme weather events such as typhoons and floods may have adverse impacts on the manufacturing and operational activities, which may affect the Group’s ability to meet customers’ demand and relationship with customers.	Established disasters emergency plan.
Chronic risk	The changes in weather patterns such as level of precipitation and the temperature may increase energy consumption.	Implied various energy saving measures.
<b>Transition risks</b>		
Policy and legal risks	Policy changes regarding carbon emission restriction and reporting obligations may increase the Group’s operating costs. The Group is expected to replace equipment with energy saving to reduce the use of electricity, natural gas, petrol and diesel.	Keep track of the update of the reporting obligation, policies and regulations.
Market risks	The customers appetite for environmental packaging materials has increased significantly and continues to grow. This demand will lead to an increase in the range of ESG products available. As a manufacturer and service provider, failure to provide environmental products may hinder overall market competitiveness.	Pay attention to customer need and continue to improve the products/ services to fit customer preference.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. SOCIAL

### I. Employment and Labour Practices

#### *B1. Employment*

Several internal procedures including the Guidelines and Policies for the Management of Social Responsibility, the Employment Management Procedure, the Labour and Welfare Control Procedure, the Human Resources Management Procedure continue to serve as the guideline and working procedure to manage employment and labour-related practices. During the Reporting Period, there were no major changes in employment policies for the Group's business operation.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

Employees' rights and benefits, including public holidays, annual paid leave, sick leave, maternity leave have been formulated and executed per the Labour Law of the PRC, Labour Contract Law of the PRC, Salary Payment Regulations of the PRC, and the Employment Ordinance in Hong Kong. Employees have been provided with medical insurance, social insurance coverage, housing provident fund in the PRC, and mandatory provident fund in Hong Kong. Free accommodation and discounted meal plans have also been provided to Nan Sing employees.

Equal opportunity is provided to all employees in respect of promotion, appraisal, training, development and other aspects. Employees are not discriminated against or deprived of opportunities based on gender, nationality, ethnic background, religion, political affiliation, age, marital status, and physical disability.

As at 31 March 2025, the Group had a total number of 246 employees (2024: 244 employees).



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	2025	2024
<b>Total number of employees</b>	<b>246</b>	244
<b>By employee type</b>		
Full-time	<b>245</b>	243
Part-time	<b>1</b>	1
<b>By employee category</b>		
Senior management	<b>10</b>	10
Middle management	<b>48</b>	45
Frontline and other staff	<b>188</b>	189
<b>By age group</b>		
18–25	<b>2</b>	4
26–35	<b>14</b>	15
36–45	<b>63</b>	69
46–55	<b>85</b>	84
56 or above	<b>82</b>	72
<b>By gender</b>		
Male	<b>151</b>	154
Female	<b>95</b>	90
<b>By region</b>		
The PRC	<b>199</b>	199
Hong Kong	<b>47</b>	45

The overall staff turnover rate was around 6% (2024: 17%) during the Reporting Period, all turnover staff were full-time employees. Among the total 14 (2024: 39) employees who left the Group, 10 (2024: 23) were frontline staff in Nan Sing, such high turnover is a common phenomenon in the manufacturing industry in the PRC.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	2025	2024
<b>Number of employees left</b>	<b>14</b>	39
<b>Turnover rate</b>	<b>6%</b>	17%
<b>By employee category</b>		
Senior management	<b>1</b>	–
Middle management	–	2
Frontline and other staff	<b>13</b>	37
<b>By age group</b>		
18–25	<b>4</b>	4
26–35	–	1
36–45	<b>1</b>	3
46–55	<b>6</b>	14
56 or above	<b>3</b>	17
<b>By gender</b>		
Male	<b>9</b>	25
Female	<b>5</b>	14
<b>By region</b>		
The PRC	<b>10</b>	23
Hong Kong	<b>4</b>	16

*Note:* The employee turnover rates are calculated using number of employees leaving employment during the year and divided by total number of employees at the year end.

### **B2. Health and Safety**

The Group has in place internal safety guidelines to provide employees with a safe workplace and ensure compliance with relevant laws and regulations in the PRC and Hong Kong. The Group has formulated the Environmental Health and Safety Policy and Environmental Health and Safety Management Procedures to manage employee environmental health and safety. The Group specially implemented following schemes to ensure a healthy and safe working environment for employees, and to minimize the potential risk of work-related accidents and injuries:

- hiring an external testing company to test the workshop environment to ensure the indoor air pollutants were all within the permissible level;

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- performing internal checks using company-owned noise meter, volatile organic compounds sensor and hygrometer;
- providing annual occupational disease inspection for employees who were exposed to chemical products and/or who worked in workshops with a high level of noise;
- providing personal protective equipment such as helmet, masks, gloves, and earplugs to workshop employees; and
- installing new exhaust gas system and treatment facility in the workshop to strengthen ventilation.

The Group strictly follows relevant laws and regulations such as Law of the PRC on the Prevention and Control of Occupational Diseases, and Law on Safety Production. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to occupational health and safety had been identified during the Reporting Period.

Work-related minor injuries cases were reported in Nan Sing. The Group will continue to evaluate the potential causes leading to the past work injuries and identify corresponding measures to enhance the safety working environment.

	2025	2024	2023
Work-related fatality	–	–	–
Work injury cases >3 days	3	2	4
Work injury cases ≤ 3 days	1	–	–
Total lost days due to work injury	158	37	43



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B3. Development and Training

The Human Resources Management Procedure continues to serve to manage employee development and training, guiding orientation training, on-the-job training activities, as well as training effects measurement. Training needs were identified at the end of each year, according to the employees' performance and feedback, the changes of the external environment, and forecast of production and development trends.

General training sessions provided to employees included those organized by the human resource department such as orientation, quality, operation skills, and management system training. The training effects have been measured through written examinations, interviews, and on-site operation assessment. In addition, external training such as management and leadership skills training were provided to management personnel.

A total of 230 (2024: 258) employees of the Group received 1,192 (2024: 1,224) hours of training during the reporting period.

	2025		2024	
	% of employees trained	Average training hours	% of employees trained	Average training hours
<b>By gender</b>				
Male	97	5.31	94	4.76
Female	88	4.95	87	4.72
<b>By employee category</b>				
Senior management	50	17.50	60	13.25
Middle management	73	6.19	83	6.14
Frontline and other staff	100	4.67	94	4.25

### Notes:

1. The percentage of employees trained is calculated using number of trained employees divided by number of employees at the end of reporting period.
2. Average training hours per employee are calculated using total training hours divided by number of employees trained for the year.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ***B4. Labour Standards***

The Group strictly follows the Labour Law of the PRC, the labour Contract Law of the PRC, the Law on the Protection of Minors, and the Employment Ordinance in Hong Kong to manage labour practices. Internally, the Employment Management Procedure continues to guide recruitment policies, to eliminate recruitment of child or forced labour.

Background checks were conducted for new employees and all employees must show their original identity card to prove their legal identity. In case of any child or forced labour encountered, labour contract will be ceased immediately, and the Group will report to the legal entity. The Group would also investigate the causes of improper events and discipline against the wrongdoer. During the Reporting Period, no non-compliance in relation to labour standards as required by related laws and regulations was noted, and there was no child nor forced labour in the Group's business operation.

## **II. Operating Practices**

### ***B5. Supply Chain Management***

The Group has standard procedures for engaging suppliers and contractors related to its business operation. A supplier vetting process included but not limit to background check and market reputation, is required for all new suppliers, which are adhered under the Group's corporate culture of integrity and professional standard.

For Nan Sing production, key suppliers were reviewed and screened carefully to ensure that their quality, price, and production capability meet the Group's expectations and standards.

The Group perform annual evaluation of the supplier's performance regarding the safety, validity, quality and traceability of product. A qualified test report is required for evaluation process and the authenticity of the report will be identified by procurement department. Poor performance identified will be requested for corrective actions. If no improvements have been made for three times, the suppliers will be delisted. The Group encourages suppliers to maintain a high standard on business ethics and conducts, with satisfactory environmental and social performance. The Group takes note of such details during the procurement process and will terminate the business relationship with the suppliers with negative past records of material environmental or social issues, such as excessive pollutions, discharges to the environment, exploitation of workers and safety incidents.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group maintained stable business relationship with all its suppliers. As at 31 March 2025, the Group had a total number of 40 (2024: 40) suppliers. To avoid excessive reliance on sole suppliers, we have two to three regular suppliers for each type of purchased material to ensure supply continuity.

	2025	2024
<b>By geographical region</b>		
The PRC	35	35
Hong Kong	3	3
Others	2	2

## B6. Product Responsibility

### *Product Labelling, Health and Safety, and Advertising*

The Group ensures that any labelling information and marketing materials do not contain any misleading content. Specific standards have been followed such as GB 21660 (2008): The general requirement for environment protection, safety, identification and marking of plastics shopping bags.

The Group strictly abided by applicable laws and regulations to guide marketing, advertising, and trading activities such as the Advertisement Law of the PRC, the Customs Law of the PRC, Foreign Trade Law of the PRC.

For packaging materials produced at Nan Sing that are particularly used in food industry, the Group applies national, industrial, and company-specific standards to ensure consumer’s health and safety, including for example GB 4806.6-2016 National Food Safety Standard Plastic Resin used in Food-contact. During the Reporting Period, no products sold or shipped subject to recalls for health and safety reasons.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided had been identified during the Reporting Period.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Quality Assurance*

The Group formulated specific customer complaint handling processes to manage any complaints received from clients. The Control Procedures on Non-Compliance and Potentially Unsafe Products assures the packaging product quality at Nan Sing. The procedure oversees the quality management from incoming materials to the manufacturing process and outgoing products. The quality personnel will examine the returned products, Customer Complaints Handling Form will be filled, root causes analysis will be performed on complaints, followed by corrective measures if needed. Preventive measurement will be implemented to avoid future mistakes. The Group applies various national, industrial, and company-specific standards during the product quality assurance and quality control, including for example:

- GB/T 2410-2008 Determination of the Luminous Transmittance and Haze of Transparent Plastics
- GB 13022-91 Plastics – Determination of Tensile Properties of Films
- GB 4806.6-2016 National Food Safety Standard Plastic Resin used in Food-contact

In Nan Sing, we strive for providing the best products to our customer and will handle all queries and complaints on timely manner. We will continue monitor and provide sufficient training to our employees in order to maintain high standard of our products. No major complaints were received or products sold subject to recalls for health and safety reasons during the Reporting Period, while five feedback pertaining to the product minor deficiencies in batch production have been handled in a timely manner, with effective communication with customers, replacement or refund, and enhancement of quality control carried out to improve our product quality.

## *Customer Data Protection*

The Group acknowledges the importance of protecting privacy and confidentiality of its customers' information. The Group prohibits the use of any personal information of clients by other parties for direct marketing purposes, without the explicit and implicit consent of the client. Collection of personal information is used for said purposes only.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group issued the Policies & Procedures – Information Technology to prevent data leakage and misuse or abuse of customer sensitive information. For example, the Group utilizes separate broadband services for hotel guests and hotel internal use to ensure hotel network security. Anti-virus software and firewall are installed on all networked servers and constantly updated to prevent virus attack and external hacking.

### *Intellectual Property*

The Group has constantly monitored trademarks (e.g. “Nan Sing” and “Hotel Benito”) and domain names, which were also renewed upon their expiration. To protect clients’ intellectual property rights, the Group signed a confidentiality agreement with clients when appropriate. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to intellectual property rights had been identified during the Reporting Period.

### **B7. Anti-corruption**

The Group is committed to managing all businesses without undue influence and has regarded honesty, integrity, and fairness as its corporate culture. The Group issued Prevention of Bribery and Corruption policy to remind all employees that no one may solicit or accept, without the prior and specific approval of the top management, for his/her personal benefit and advantage, in money or in kind, from any customers, guests, brokers, vendors, suppliers, dealers, or person having business relation with the Group.

The Group has strictly monitored the implementation of relevant policies and procedures for anti-corruption and anti-money laundering. The Group continues to adopt basic elements of an anti-money laundering program, including:

- formulating written internal policies, procedures and controls;
- performing ongoing employee training for those responsible for carrying out transactions, initiating or establishing business relationships; and
- conducting internal audit function.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group continues to implement its whistleblowing policy for all levels and operations under the Group to raise concerns, in confidence, about possible improprieties in any matter related to the Group such as misconduct and malpractice. Employees who raise true and appropriate allegations will be treated fairly, and are protected from unfair dismissal, harm, or improper disciplinary actions, even if the allegations raised cannot be proven. Any matters of genuine concern are to be thoroughly investigated by the management and actions will be taken accordingly. The Group ensures that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption. The Board would monitor the aforesaid implementation and arrange training related to anti-corruption and anti-bribery on a regular basis.

The Group has not violated, engaged to violate any law relating to corruption. The Group has not been involved in, or seek to engage in, money laundering. The Group has not aided, abetted, assisted or colluded with an individual who has committed, or conspired to commit any unlawful activities. No legal case regarding corrupt practices brought against the Group or its employees; nor non-compliance with relevant laws and regulations that have a significant impact on the Group relating to corruption, bribery, fraud and money laundering had been identified during the Reporting Period.

### ***B8. Community Investment***

Guided by its corporate culture as a responsible corporate citizen, we care about the well-being of our society and the development of our community. We showed our passion to the society by engaging in various community activities held by local organizations. The Group's approach towards community involvement includes the followings:

- Fulfil corporate social responsibility through the sustainable development strategy to expand its efforts in the areas of charity work.
- Provide career opportunities to the locals and promoting the development of the community's economy.
- Encourage our staff to participate in voluntary services and charitable activities.

In the future, the Group will continue to participate actively in social welfare activities to better serve the community and seek for opportunities to get involved in various community programs.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX

ENVIRONMENTAL		Section Reference
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	• Environmental
KPI A1.1	The types of emissions and respective emissions data.	• Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	• Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	• Emissions
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	• Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	• Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	• Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	• Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	• Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	• Use of Resources

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL		Section Reference
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	• The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	• The Environment and Natural Resources
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	• Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	• Climate Change
SOCIAL		Section Reference
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	• Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	• Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	• Employment

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL

## Section Reference

### Aspect B2: Health and Safety

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	• Employee Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	• Employee Health and Safety
KPI B2.2	Lost days due to work injury.	• Employee Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	• Employee Health and Safety

### Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	• Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	• Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	• Development and Training

### Aspect B4: Labour Standards

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	• Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	• Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	• Labour Standards



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL

## Section Reference

### Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	•	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	•	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	•	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	•	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	•	Supply Chain Management

### Aspect B6: Product Responsibility

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	•	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	•	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	•	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	•	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	•	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	•	Product Responsibility

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL

## Section Reference

### Aspect B7: Anti-corruption

General	Information on:	•	Anti-corruption
Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	•	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	•	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	•	Anti-corruption

### Aspect B8: Community Investment

General	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	•	Community Investment
Disclosure			
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	•	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	•	Community Investment

# INDEPENDENT AUDITOR'S REPORT



**Grant Thornton**  
**致同**

**To the members of Southeast Asia Properties & Finance Limited**  
*(incorporated in Hong Kong with limited liability)*

## OPINION

We have audited the consolidated financial statements of Southeast Asia Properties & Finance Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 75 to 180, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## BASIS FOR OPINION

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



# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS

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

### Valuation of investment properties

*Refer to notes 2.6, 4.1 and 18 to the consolidated financial statements*

The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 March 2025, the Group had investment properties amounting to HK\$669,251,758. Loss arising from change in fair value of investment properties amounting to HK\$36,601,413 was recognised in the consolidated statement of profit or loss during the year ended 31 March 2025. The estimate of the fair value of the Group's investment properties requires significant management estimation and judgement, taking into account the conditions and locations of the properties, as well as the latest market transactions. The Group has engaged independent external valuers ("Valuers") to perform valuations on the investment properties at the end of the reporting period.</p> <p>We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with significant management estimation and judgement associated with when determining the fair value.</p>	<p>Our audit procedures to assess the valuation of investment properties included:</p> <ul style="list-style-type: none"><li>– evaluating the competence, capabilities and objectivity of the Valuers;</li><li>– obtaining an understanding from the Valuers about the valuation methodologies, significant unobservable inputs and critical judgement on key inputs and data used in the valuations;</li><li>– assessing the reasonableness of valuation methodologies used by the Valuers;</li><li>– assessing the reasonableness of significant unobservable inputs used by the Valuers by comparing them to publicly available information of similar comparable properties;</li><li>– evaluating the reasonableness of adjusting factors on the conditions and locations of the properties made by the Valuers by comparing them with historical adjusting factors applied, comparability and other market factors for similar properties; and</li><li>– discussing the valuations with the Valuers and challenging the key estimates adopted in the valuations, with the assistance of a property valuation specialist engaged by us.</li></ul>

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (Cont'd)

### Expected credit losses (“ECL”) assessment of trade receivables

*Refer to notes 2.9, 4.1, 25 and 46.5 to the consolidated financial statements*

#### The Key Audit Matter

#### How the matter was addressed in our audit

As at 31 March 2025, the Group had trade receivables of HK\$57,358,794, net of ECL allowance of HK\$7,335,409. The Group recognises ECL allowance for trade receivables by adopting the ECL model. In calculating the ECL allowance, the loss rates are estimated based on probability of default and recovery rate; and exposure of default after consideration of underlying collaterals, if any, and adjusted for forward-looking information that is available without undue cost or effort. To support management's determination of the ECL, the Group has engaged an independent external valuer (“Valuer”) to perform valuations on the impairment assessment of trade receivables at the end of the reporting period.

We identified the ECL assessment of trade receivables as a key audit matter due to the significance of trade receivables to the consolidated financial statements and the involvement of management judgement and estimates in evaluating the ECL allowance of the Group's trade receivables at the end of the reporting period.

Our audit procedures to assess the ECL assessment of trade receivables included:

- evaluating the competence, capabilities and objectivity of the Valuer;
- discussing the Group's policies and procedures on credit periods given to customers with the management;
- checking, on a sample basis, the aging profile of the trade receivables as at 31 March 2025 to the underlying financial records;
- inquiring the management for the status of each of the material trade receivables past due as at 31 March 2025 and corroborating explanations from the management with supporting evidence, such as understanding on-going business relationship with the customers based on trade records, checking historical settlement records and other correspondence with the customers; and
- assessing the appropriateness of the ECL provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information used to determine the ECL allowance.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (Cont'd)

### Interest in major associates

Refer to notes 2.3 and 19 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
<p>The Group holds equity interests in Titan Dragon Properties Corporation and Hang Sheng Development Corp. (the “Philippines associates”) (note 19), which are accounted for under the equity method.</p> <p>These associates are primarily engaged in property investment in the Philippines. As at 31 March 2025, the Group’s share of the net assets of the Philippines associates were HK\$255,473,938.</p> <p>The amounts noted below are those in the Philippines associates financial statements (i.e. on 100% basis).</p> <p>In the context of our audit of the consolidated financial statements, the key audit matter relating to the Group’s share of the net assets of the Philippines associates is summarised below:</p> <ul style="list-style-type: none"> <li>Valuation of investment properties – The investment properties held by the Philippines associates represent two pieces of land situated in the Philippines (the “Land”) and held for a currently undetermined future use. As at 31 March 2025, the investment properties of the Philippines associates were carried at fair value of approximately HK\$1,173,587,000.</li> </ul> <p>We identified the valuation of investment properties as a key audit matter relating to Group’s share of the net assets of Philippines associates due to the significance of the balance to the Philippines associates’ financial statements as a whole, combined with the significant judgement and estimates made by the Philippines associates’ management when determining the fair value.</p>	<p>Our audit procedures to assess the valuation of investment properties of the Philippines associates included:</p> <ul style="list-style-type: none"> <li>performing site visit to the Land and obtaining and examining the details in the land title certificates;</li> <li>obtaining the legal opinion from the lawyer relate to the ownership of the Land and assessing his capabilities, objectivity and competence;</li> <li>evaluating the competence, capabilities and objectivity of an independent valuer (“Valuer”) engaged by the management of the Philippines associates;</li> <li>obtaining an understanding from the Valuer about the valuation methodologies, significant unobservable inputs and critical judgement on key inputs and data used in the valuations;</li> <li>assessing the reasonableness of valuation methodologies used by the Valuer;</li> <li>assessing the reasonableness of significant unobservable inputs used by the Valuer by comparing them to publicly available information of similar comparable land;</li> <li>evaluating the reasonableness of adjusting factors on the conditions and locations of the land made by the Valuer by comparing them with other market factors for similar land; and</li> <li>discussing the valuations with the Valuer and challenging the key estimates adopted in the valuations, with the assistance of a property valuation specialist engaged by us.</li> </ul>



# INDEPENDENT AUDITOR'S REPORT

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2025 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the 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 directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

# INDEPENDENT AUDITOR'S REPORT

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

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

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.

### **Grant Thornton Hong Kong Limited**

*Certified Public Accountants*

11th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong SAR

27 June 2025

### **Wun Ho Chun**

Practising Certificate No.: P08307



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025 (in HK Dollars)

	Notes	2025	2024
<b>Revenue</b>	6	<b>232,260,459</b>	192,687,470
Cost of sales		<b>(160,538,684)</b>	(128,249,430)
<b>Gross profit</b>		<b>71,721,775</b>	64,438,040
Other revenue and other income	7	<b>11,927,771</b>	6,445,130
Loss arising from change in fair value of investment properties	18	<b>(36,601,413)</b>	(193,949,870)
Gain/(Loss) arising from change in fair value of financial assets at fair value through profit or loss ("FVTPL")	10	<b>6,479,501</b>	(7,293,756)
Selling and distribution expenses		<b>(4,567,978)</b>	(3,447,675)
Administrative expenses		<b>(48,868,708)</b>	(49,998,861)
Provision for expected credit loss ("ECL") allowance of trade and other receivables and loan receivables	10	<b>(2,054,628)</b>	(362,115)
Other operating expenses		<b>(1,055,468)</b>	(157,607)
Finance costs	8	<b>(18,770,984)</b>	(18,078,407)
Loss on deemed disposal of interest in an associate	19	<b>(15,661,473)</b>	(26,282,302)
Share of results of associates	19	<b>15,975,753</b>	288,910,725
<b>(Loss)/Profit before income tax</b>		<b>(21,475,852)</b>	60,223,302
Income tax expenses	9	<b>(4,345,315)</b>	(4,351,477)
<b>(Loss)/Profit for the year</b>	10	<b>(25,821,167)</b>	55,871,825
<b>(Loss)/Profit for the year attributable to:</b>			
Owners of the Company		<b>(25,568,231)</b>	56,389,855
Non-controlling interests		<b>(252,936)</b>	(518,030)
		<b>(25,821,167)</b>	55,871,825
<b>(Loss)/Earnings per share attributable to owners of the Company</b>			
Basic and diluted (HK cents)	12	<b>(11.3)</b>	25.0

The notes on pages 81 to 180 are an integral part of these consolidated financial statements. Details of dividends proposed for the year are set out in note 11.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025 (in HK Dollars)

	Notes	2025	2024
<b>(Loss)/Profit for the year</b>	10	<b>(25,821,167)</b>	55,871,825
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Financial assets at fair value through other comprehensive income ("FVOCI") (non-recycling) – net movement in fair value reserves (non-recycling)		<b>4,711,636</b>	26,011,980
Share of other comprehensive income of an associate		<b>26,403,025</b>	–
Revaluation surplus regarding to transfer from property, plant and equipment at cost to investment properties at fair value, net of tax		<b>10,541,626</b>	–
Remeasurement of long service payment obligations		<b>132,370</b>	673,729
		<b>41,788,657</b>	26,685,709
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		<b>(855,314)</b>	(5,986,792)
Share of other comprehensive expense of associates		<b>(5,618,912)</b>	(4,076,595)
		<b>(6,474,226)</b>	(10,063,387)
<b>Other comprehensive income for the year</b>		<b>35,314,431</b>	16,622,322
<b>Total comprehensive income for the year</b>		<b>9,493,264</b>	72,494,147
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>9,852,126</b>	73,261,335
Non-controlling interests		<b>(358,862)</b>	(767,188)
		<b>9,493,264</b>	72,494,147

The notes on pages 81 to 180 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025 (in HK Dollars)

	Notes	2025	2024
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	292,052,569	259,641,262
Right-of-use assets	17	11,233,226	11,801,815
Investment properties	18	669,251,758	674,706,515
Interests in associates	19	270,186,940	273,314,749
Intangible assets	20	3,201,501	3,501,501
Other assets	21	2,700,000	2,700,000
Financial assets at FVOCI (non-recycling)	22	95,416,457	90,985,137
Loan receivables	23	28,750,351	29,822,385
Prepayment for acquisition of property, plant and equipment	26	1,354,363	1,109,015
Deferred tax assets	36	344,659	441,828
		<b>1,374,491,824</b>	<b>1,348,024,207</b>
<b>Current assets</b>			
Inventories	24	44,756,941	38,892,960
Trade and other receivables	25	58,287,789	101,584,637
Deposits and prepayments	26	3,968,391	4,703,672
Tax recoverable		1,926,173	2,440,275
Amount due from an associate	19	–	17,365,705
Financial assets at FVTPL	27	27,052,000	21,646,350
Trust accounts of shares dealing clients	28	31,490,556	58,818,134
Cash and cash equivalents	29	74,468,842	41,844,128
		<b>241,950,692</b>	<b>287,295,861</b>
<b>Current liabilities</b>			
Trade and other payables	30	68,508,125	106,709,001
Contract liabilities	31	791,230	1,216,568
Bank loans	32	290,229,378	58,240,087
Lease liabilities	33	1,048,284	1,059,254
Amount due to a non-controlling interest	35	3,460,000	–
Tax payable		3,916,970	2,846,290
		<b>367,953,987</b>	<b>170,071,200</b>
<b>Net current (liabilities)/assets</b>		<b>(126,003,295)</b>	<b>117,224,661</b>
<b>Total assets less current liabilities</b>		<b>1,248,488,529</b>	<b>1,465,248,868</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025 (in HK Dollars)

	Notes	2025	2024
<b>Non-current liabilities</b>			
Bank loans	32	52,551,077	273,221,012
Amount due to an associate	34	57,540,664	30,405,128
Amount due to a non-controlling interest	35	–	3,395,000
Deferred tax liabilities	36	13,353,023	11,580,308
Long service payment obligations	37	924,322	931,494
		<b>124,369,086</b>	319,532,942
<b>Net assets</b>		<b>1,124,119,443</b>	1,145,715,926
<b>EQUITY</b>			
Share capital	38	245,062,941	245,062,941
Reserves		869,311,831	890,549,452
Equity attributable to owners of the Company		1,114,374,772	1,135,612,393
Non-controlling interests		9,744,671	10,103,533
<b>Total equity</b>		<b>1,124,119,443</b>	1,145,715,926

The notes on pages 81 to 180 are an integral part of these consolidated financial statements.

**Chua Nai Tuen**  
Director

**Nelson Junior Chua**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025 (in HK Dollars)

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Other reserve*	Fair value reserve (non-recycling)*	Property revaluation reserve* (Note)	Exchange reserve*	Retained profits*		
At 1 April 2023	245,062,941	–	(6,154,489)	4,278,755	33,015,354	792,911,098	1,069,113,659	1,079,984,380
Profit for the year	–	–	–	–	–	56,389,855	56,389,855	55,871,825
Other comprehensive income:								
Financial assets at FVOCI – net movement in fair value reserves (non-recycling)	–	–	26,011,980	–	–	–	26,011,980	26,011,980
Remeasurement of long service payment obligations	–	–	–	–	–	657,540	657,540	673,729
Exchange differences on translation of foreign operations	–	–	–	–	(3,811,248)	–	(3,811,248)	(4,076,595)
Share of other comprehensive expense of associates	–	–	–	–	(5,986,792)	–	(5,986,792)	(5,986,792)
Total comprehensive income for the year	–	–	26,011,980	–	(9,798,040)	57,047,395	73,261,335	72,494,147
2023 final dividends paid (Note 11)	–	–	–	–	–	(6,762,601)	(6,762,601)	(6,762,601)
At 31 March 2024 and at 1 April 2024	245,062,941	–	19,857,491	4,278,755	23,217,314	843,195,892	1,135,612,393	1,145,715,926
Loss for the year	–	–	–	–	–	(25,568,231)	(25,568,231)	(25,821,167)
Other comprehensive income:								
Financial assets at FVOCI (non-recycling) – net movement in fair value reserves (non-recycling)	–	–	4,711,636	–	–	–	4,711,636	4,711,636
Remeasurement of long service payment obligations	–	–	–	–	–	131,788	131,788	132,370
Revaluation surplus regarding to transfer from property, plant and equipment at cost to investment properties at fair value, net of tax	–	–	–	10,541,626	–	–	10,541,626	10,541,626
Exchange differences on translation of foreign operations	–	–	–	–	(748,806)	–	(748,806)	(855,314)
Share of other comprehensive income/(expense) of associates	–	–	26,403,025	–	(5,618,912)	–	20,784,113	20,784,113
Total comprehensive income/(expense) for the year	–	–	31,114,661	10,541,626	(6,367,718)	(25,436,443)	9,852,126	9,493,264
Share of other reserve of an associate	–	(24,327,146)	–	–	–	–	(24,327,146)	(24,327,146)
2024 final dividends paid (Note 11)	–	–	–	–	–	(6,762,601)	(6,762,601)	(6,762,601)
At 31 March 2025	<u>245,062,941</u>	<u>(24,327,146)</u>	<u>50,972,152</u>	<u>14,820,381</u>	<u>16,849,596</u>	<u>810,996,848</u>	<u>1,114,374,772</u>	<u>1,124,119,443</u>

*Note:* Property revaluation reserve relates to the properties reclassified from owner-occupied properties to investment properties. The accumulated increase in fair value in excess of any impairment losses recognised at the date of reclassification is included in property revaluation reserve, which will be transferred to retained profits upon retirement or disposal of the relevant property.

\* The reserves accounts comprise the Group's reserves of HK\$869,311,831 (2024: HK\$890,549,452) in the consolidated statement of financial position.

The notes on pages 81 to 180 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025 (in HK Dollars)

	Notes	2025	2024
<b>Cash generated from operations</b>	40	<b>63,346,127</b>	22,388,079
Profits tax paid		(2,973,725)	(2,965,352)
<i>Net cash generated from operating activities</i>		<b>60,372,402</b>	19,422,727
<b>Cash flows from investing activities</b>			
Interest received		1,376,028	2,826,134
Dividend received from an associate		696,384	286,624
Dividend received from listed equity securities		1,610,952	1,374,594
Repayment from associates		17,365,705	327,330
Initial capital injection in an associate		(797,328)	–
Purchases of property, plant and equipment		(56,448,366)	(90,188,080)
Additions to investment properties		(7,056,187)	(21,020,801)
Proceeds from disposal of property, plant and equipment		36,817	–
Decrease in restricted bank balance		–	4,100,000
<i>Net cash used in investing activities</i>		<b>(43,215,995)</b>	(102,294,199)
<b>Cash flows from financing activities</b>			
Dividend paid		(6,762,601)	(6,762,601)
Interest paid	45	(19,021,787)	(14,859,808)
Interest portion of the lease liabilities	45	(25,532)	(57,102)
Principal portion of the lease liabilities	45	(1,405,467)	(1,373,898)
Other finance costs paid	45	(1,428,053)	(736,344)
Proceeds from new bank loans	45	203,938,170	556,047,942
Repayment of bank loans	45	(192,618,814)	(505,278,182)
Advance from non-controlling interests	45	65,000	75,000
Advance from an associate	45	32,908,986	–
<i>Net cash generated from financing activities</i>		<b>15,649,902</b>	27,055,007
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>32,806,309</b>	(55,816,465)
Cash and cash equivalents at beginning of the year		41,844,128	98,218,450
Effect of foreign exchange rate changes, net		(181,595)	(557,857)
<b>Cash and cash equivalents at end of the year</b>	29	<b>74,468,842</b>	41,844,128

The notes on pages 81 to 180 are an integral part of these consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## I. GENERAL INFORMATION

Southeast Asia Properties & Finance Limited (the “Company”) is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is Units 407–410, 4th Floor, Tower 2, Silvercord, No. 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong and, its principal place of business is Hong Kong and the People’s Republic of China (the “PRC”). The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Company and its subsidiaries (the “Group”) include investment holding, property investment, development and leasing, hotel operation, manufacturing and distribution of plastic packaging materials and securities broking and margin financing.

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

These consolidated financial statements for the year ended 31 March 2025 were approved for issue by the board of directors on 27 June 2025.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations (“HKFRS Accounting Standards”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable requirements of the Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRS Accounting Standards and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 3.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.1 Basis of preparation (Cont'd)

These consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial assets which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on the management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group in light of the fact that, as of 31 March 2025, the Group's current liabilities exceeded its current assets by HK\$126,003,295.

The directors have reviewed the current performance and cash flow forecast prepared by the management as part of their assessment of the Group's ability to continue as a going concern, and after carefully considering the matters described below, the directors have a reasonable expectation that the Group is able to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its obligations, as and when they fall due, having regard to the following:

- (i) the Group had strong and positive net cash inflow from operating activities for the year ended 31 March 2025 and bank balances and cash of HK\$74,468,842 as at 31 March 2025 which enable the Group to meet its payment obligations; and
- (ii) Subsequent to the year ended 31 March 2025, the Group had obtained new bank facility of HK\$285,000,000 and it is available to settle the bank borrowings.

Consequently, the directors have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the consolidated financial statements to restate the values of the assets to their net realisable amounts, to reclassify non-current assets as current assets, and to provide for any further liabilities which might arise. The effect of these potential adjustments has not been reflected in the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.3 Associate

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

In the consolidated financial statements, an investment in an associate is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the year includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on the investment in associate recognised for the year. The Group's other comprehensive income for the year includes its share of associate's other comprehensive income for the year.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Where unrealised losses on assets sales between the Group and its associate are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.3 Associate (Cont'd)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's other long-term interests that in substance form part of the Group's net investment in the associate, after applying the expected credit loss ("ECL") model to such other long-term interests where applicable.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. At the end of each reporting period, the Group determines whether there is any objective evidence that the investment in associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e. higher of value in use and fair value less costs of disposal) of the associate and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including cash flows arising from the operations of the associate and the proceeds on ultimate disposal of the investment.

In the Company's statement of financial position, interests in associates are stated at cost less impairment losses, unless being classified as held for sale (or included in a disposal group that is classified as held for sale).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.4 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation of monetary assets and liabilities at the end of the reporting period are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the end of the reporting period. Income and expenses have been converted into HK\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.5 Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below and cost of right-of-use assets as described in note 2.13) are initially recognised at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Construction in progress are carried at cost, less any recognised impairment loss. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	Over the shorter of its estimated useful life or lease terms
Plant and machinery	10%
Furniture, fixtures and equipment	10%–25%
Motor vehicles	20%

Accounting policy for depreciation of right-of-use assets is set out in note 2.13.

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

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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 costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.6 Investment properties

Investment properties are land and/or buildings which are owned to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

On initial recognition, investment property is measured at cost, and subsequently at fair value, unless fair value cannot be reliably determined at that time.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Cost of investment property held by a lessee as a right-of-use asset are set out in note 2.13.

Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised at the end of the reporting period reflect the prevailing market conditions at the end of the reporting period.

Gains or losses arising from either changes in the fair value or the sale of an investment property are included in profit or loss in the period in which they arise.

If an owner-occupied property becomes an investment property that will be carried at fair value, the Group applies HKAS 16 “Property, plant and equipment” for owned property or HKFRS 16 “Leases” for property held by a lessee as a right-of-use asset up to the date of change in use. Any difference at that date between the carrying amount of the property in accordance with HKAS 16 or HKFRS 16 and the fair value is accounted for in the same way as a revaluation in accordance with HKAS 16.

### 2.7 Intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

The assets’ amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets with indefinite useful lives are tested for impairment as described below in note 2.18.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.8 Financial instruments

#### *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### *Financial assets*

##### *Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15 “Revenue from Contracts with Customers” (“HKFRS 15”), all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss (“FVTPL”), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss.

Financial assets are classified into the following categories:

- amortised cost;
- FVTPL; or
- fair value through other comprehensive income (“FVOCI”).

The classification is determined by both:

- the entity’s business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or other revenue and other income, except for provision for ECL allowance of trade and other receivables and loan receivables which is presented as a separate item in profit or loss.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.8 Financial instruments (Cont'd)

#### *Financial assets (Cont'd)*

##### *Subsequent measurement of financial assets*

##### Debt investments

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in “Other revenue and other income” in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group’s cash and cash equivalents, trust accounts of shares dealing clients, loan receivables, other assets, trade and other receivables and amount due from an associate fall into this category of financial instruments.

##### Financial assets at FVTPL

Financial assets that are held within a different business model other than “hold to collect” or “hold to collect and sell” are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

##### Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income and accumulated in “Fair value reserve (non-recycling)” in equity. Such elections are made on an instrument-by-instrument basis, but only be made if the investment meets the definition of equity from the issuer’s perspective.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.8 Financial instruments (Cont'd)

#### *Financial assets (Cont'd)*

##### *Subsequent measurement of financial assets (Cont'd)*

##### Equity investments (Cont'd)

The equity instruments at FVOCI are not subject to impairment assessment. The cumulative gain or loss in “Fair value reserve (non-recycling)” will not be reclassified to profit or loss upon disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established. Dividends are included in the “Revenue” in the consolidated statement of profit or loss.

#### *Financial liabilities*

##### *Classification and measurement of financial liabilities*

The Group’s financial liabilities include trade and other payables, bank loans, amount due to an associate, lease liabilities and amount due to a non-controlling interest.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs.

Accounting policies of lease liabilities are set out in note 2.13.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.8 Financial instruments (Cont'd)

#### *Financial liabilities (Cont'd)*

#### *Classification and measurement of financial liabilities (Cont'd)*

##### *Borrowings*

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

Borrowings are classified as current liabilities unless as at the end of the reporting period, the Group has a right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangement with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

Trade and other payables and amounts due to an associate and a non-controlling interest

Trade and other payables and amounts due to an associate and a non-controlling interest are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

### 2.9 Impairment of financial assets

HKFRS 9 “Financial Instruments” (“HKFRS 9”)’s impairment requirements use forward-looking information to recognise ECL – the “ECL model”. Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“Stage 1”) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“Stage 2”).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.9 Impairment of financial assets (Cont'd)

“Stage 3” would cover financial assets that have objective evidence of impairment at the end of the reporting period.

“12-month ECL” are recognised for the first category while “lifetime ECL” are recognised for the second category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### *Trade receivables*

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at the end of each reporting period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has individually assessed or established a provision matrix, that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

For ECL assessment of trade receivables arising from manufacturing and distribution of plastic packaging materials, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

For ECL assessment of trade receivables arising from broking/securities margin financing and leasing, the assessment was performed on individual basis by reference to valuation of collateral and the internal credit rating.

#### *Other financial assets measured at amortised cost*

The Group measures the loss allowance for other financial assets measured at amortised cost equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.9 Impairment of financial assets (Cont'd)

#### *Other financial assets measured at amortised cost (Cont'd)*

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

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

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.9 Impairment of financial assets (Cont'd)

#### *Other financial assets measured at amortised cost (Cont'd)*

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

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in note 46.5.

### 2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads. It excludes borrowing costs.

### 2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.12 Contract liabilities

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.13 Leases

#### (a) *Definition of a lease and the Group as a lessee*

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

#### *Measurement and recognition of leases as a lessee*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group leases lands. All land in the PRC is state-owned or collectively-owned and no individual land ownership exists. The Group acquires the right to use certain land. The premiums paid for such right are treated as prepayment for the lease and recognised as right-of-use assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.13 Leases (Cont'd)

#### (a) Definition of a lease and the Group as a lessee (Cont'd)

##### *Measurement and recognition of leases as a lessee (Cont'd)*

Except for those right-of-use assets meeting the definition of investment properties, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset (except for those meeting the definition of investment properties) for impairment when such indicator exists. Those right-of-use assets meeting the definition of investment properties are subsequently measured at fair value, in accordance with the Group's accounting policies.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.13 Leases (Cont'd)

#### (a) *Definition of a lease and the Group as a lessee (Cont'd)*

##### *Measurement and recognition of leases as a lessee (Cont'd)*

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

#### (b) *The Group as a lessor*

As a lessor, the Group classifies its leases as operating leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

The Group also earns rental income from operating leases of its investment properties. Rental income is recognised on a straight-line basis over the term of the lease.

### 2.14 Provisions

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

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

### 2.15 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.16 Revenue recognition

Revenue arises mainly from the sales of goods and rendering of services.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.16 Revenue recognition (Cont'd)

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

#### *Sales of goods*

Revenue from sales of goods is recognised when the Group transfers control of the assets to the customer. Control transfers at the point in time when the goods are delivered to the customers.

#### *Brokerage commission*

The Group provides broking, dealing and handling services for securities, futures and options contracts. Brokerage commission is recognised at a point in time on the execution date of the trades at a certain percentage of the transaction value of the trades executed.

#### *Interest income*

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of ECL allowance) of the asset.

#### *Dividend income*

Dividend income is recognised when the right to receive payment is established.

#### *Rental income from operating leases*

Accounting policies for rental income are set out in note 2.13.

#### *Handling fee income from stock broking, transportation fee income and accounting fee*

Handling fee income from stock broking, transportation fee income and accounting fee are recognised when the services are rendered.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.17 Government grants

Grants 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 relating to income is presented in gross under “Other revenue and other income” in the consolidated statement of profit or loss.

### 2.18 Impairment of non-financial assets

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Interests in associates;
- Right-of-use assets; and
- The Company’s interests in subsidiaries and associates

Intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset’s carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Corporate assets are allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.18 Impairment of non-financial assets (Cont'd)

Impairment loss is charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2.19 Employee benefits

#### *Retirement benefits*

Retirement benefits to employees are provided through defined contribution plans. In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to long service payment ("LSP") if the eligibility criteria are met. The LSP are defined benefits plans.

#### *(a) Defined contribution plans*

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund ("MPF") Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of its payroll costs to the central pension scheme.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.19 Employee benefits (Cont'd)

#### *Retirement benefits (Cont'd)*

##### *(b) Defined benefit plans*

The amount of long service benefit that an employee will receive on cessation of employment in certain circumstances is defined by reference to the employee's length of service and corresponding salary. The legal obligations for any benefits remains with the Group.

The LSP obligations recognised in the consolidated statement of financial position is the present value of the LSP obligation at the end of the reporting period.

Management estimates the LSP obligations annually. This is based on the discount rate, the salary growth rate, turnover rate and the expected investment return on offsetable MPF accrued benefits. Discount factors are determined close to the end of each annual reporting period by reference to government bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related LSP obligations.

Defined benefit costs are categorised as follows:

- service cost (including current and past service cost, and gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses resulting from remeasurements of the net defined benefit liability, comprising actuarial gains and losses, are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.19 Employee benefits (Cont'd)

#### *Short-term employee benefits*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

### 2.20 Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

### 2.21 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.21 Accounting for income taxes (Cont'd)

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For investment property measured using the fair value model in accordance with the accounting policy above, the measurement of the related deferred tax liability or asset reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale, unless the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.21 Accounting for income taxes (Cont'd)

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- income or loss excluding reversals of temporary differences; and
- reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - (i) the same taxable entity; or
  - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

- Property investment, development and leasing/hotel operation
- Manufacturing and distribution of plastic packaging materials
- Broking and securities margin financing

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group used for reporting segment results under HKFRS 8 "Operating Segments" are the same as those used in its financial statements prepared under HKFRS Accounting Standards, except that the following items are not included in arriving at the operating results of the operating segment:

- share of results of associates and loss on deemed disposal of interest in an associate;
- certain finance costs;
- income tax expense; and
- corporate income and expenses which are not directly attributable to the business activities of any operating segment.

Segment assets include all assets but exclude corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's head office.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include certain bank loans which are not directly attributable to the business activities of any operating segment.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

### 2.23 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

### 3.1 Amended HKFRS Accounting Standards that are effective for annual period beginning on 1 April 2024

In the current year, the Group has applied for the first time the following amended HKFRS Accounting Standards as issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2024:

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

Except for those mentioned below, the adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

***Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” (“2020 Amendments”) and related amendments to Hong Kong Interpretation 5 and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (“2022 Amendments”)***

The amendments clarified the classification of debt and other liabilities as current or non-current, depending on whether an entity has a right to defer settlement of the liability for at least twelve months from the end of the reporting period and this right has to be existed at the end of the reporting period. Any expectations about events after the reporting period do not impact the assessment of the classification of the liabilities make at the end of the reporting period as to the classification of the liability.

Covenants of a loan arrangement that an entity must comply with on or before the reporting date (even if the covenant is only assessed after the reporting date) affect the classification of that liability as current or non-current. Covenants that the entity is required to comply with after the reporting date do not affect the classification at the end of the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS (Cont'd)

### 3.1 Amended HKFRS Accounting Standards that are effective for annual period beginning on 1 April 2024 (Cont'd)

*Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” (“2020 Amendments”) and related amendments to Hong Kong Interpretation 5 and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (“2022 Amendments”) (Cont'd)*

The amendments also define “settlements” of a liability, which includes transfer of entity’s own equity instrument. However, if the holder’s conversion option in a convertible bond is classified as equity in accordance with HKAS 32, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liability is current or non-current. If the holder’s conversion option is classified as liability, such option must be considered for the determination of current/non-current classification of a convertible bond.

The amendments are applied retrospectively.

Based on the Group’s outstanding liabilities as at 1 April 2024, the application of amendments did not result in reclassification of the Group’s liabilities.

In addition, the adoption of the amendments also resulted in a change in the Group’s accounting policy for the classification of borrowings which is set out in note 2.8.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS (Cont'd)

### 3.2 Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 21	Lack of exchangeability <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS (Cont'd)

### 3.2 Issued but not yet effective HKFRS Accounting Standards (Cont'd)

#### *HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5*

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “operating profits” and “profits before financing and income tax”), and classifying items into five newly defined categories (namely “operating”, “investing”, “financing”, “income tax” and “discontinued operation”), depending on the reporting entity’s main business activities, in the consolidated statement of profit or loss and consolidated statement of comprehensive income;
- disclosure of management-defined performance measures (“MPMs”) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS (Cont'd)

### 3.2 Issued but not yet effective HKFRS Accounting Standards (Cont'd)

#### *HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5 (Cont'd)*

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements, including the items currently labelled as “other”.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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.

### 4.1 Estimation uncertainty

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 discussed below:

#### *Estimation of fair value of investment properties*

The Group's investment properties are stated at fair value based on the valuation performed by independent qualified valuers. In determining the fair value, the surveyors have based on methods of valuation which involves certain estimates. In relying on the valuation reports, the directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Should there be any changes in assumptions due to change of market conditions, the fair value of the investment properties will change in future.

Whilst the Group considers valuations of the Group's properties are the best estimates, the high market interest rates and inflation have resulted in greater market volatility, which have led to higher degree of uncertainties in respect of the valuations in the current year.

As at 31 March 2025, the carrying amounts of the Group's investment properties carried at fair value were HK\$669,251,758 (2024: HK\$674,706,515). Details of the fair value measurements are disclosed in note 18.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

### 4.1 Estimation uncertainty (Cont'd)

#### *Estimation of impairment of trade receivables and loan receivables within the scope of ECL under HKFRS 9*

The Group makes allowances on trade receivables and loan receivables subject to ECL based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period as set out in note 2.9. As at 31 March 2025, the aggregate carrying amounts of trade receivables and loan receivables amounted to HK\$57,358,794 (net of ECL allowance of HK\$7,335,409) (2024: HK\$97,628,455 (net of ECL allowance of HK\$5,281,464)) and HK\$28,750,351 (net of ECL allowance of HK\$Nil) (2024: HK\$29,822,385 (net of ECL allowance of HK\$Nil)), respectively.

The provision of ECL is sensitive to changes in estimates. When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade receivables and loan receivables within the scope of ECL under HKFRS 9 and credit losses in the periods in which such estimate has been changed.

#### *Impairment assessment on interests in associates*

The management of the Group assesses annually if interests in associates (note 19) have suffered any impairment in accordance with HKAS 36. Details of the approach are stated in the accounting policy as set out in notes 2.3 and 2.18. The assessment of value in use requires an estimation of future cash flows from the investments and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause adjustments to their carrying amounts. During the years ended 31 March 2025 and 2024, no impairment loss was provided for interests in associates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

### 4.1 Estimation uncertainty (Cont'd)

#### *Estimation of LSP obligations*

Management's estimate of the LSP obligations is based on a number of critical underlying assumptions such as the discount rate, the salary growth rate and turnover rate on offsetable MPF accrued benefits. Variation in these assumptions may significantly impact the LSP obligations amount and the annual defined benefit expenses amount.

Any changes in these assumptions will impact the carrying amount of LSP obligations.

As at 31 March 2025, the carrying amounts of LSP obligations are HK\$924,332 (2024: HK\$931,494). Details of key assumptions and impact of possible changes in key assumptions are disclosed in note 37.

### 4.2 Critical accounting judgements

#### *Deferred tax on investment properties*

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

For investment properties located in the PRC, deferred taxes are recognised on the fair value changes of investment properties as the Group is subject to capital gain tax upon disposal of the relevant investment properties.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

### 4.2 Critical accounting judgements (Cont'd)

#### *Control over Nice Profit Hong Kong Investment Limited ("Nice Profit")*

The Group holds 50% interest and voting right in Nice Profit while the remaining 50% interest and voting right is held by an independent third party. With regard of the board of directors of Nice Profit, it is composed of three directors in which two of them are directors and senior management of the Group respectively and the remaining one is the independent third party who holds 50% interests and voting right of Nice Profit. This independent third party has agreed to act in accordance with the Group for daily operation of the Nice Profit and the decision made by the Group for Nice Profit in all matters including but not limited to dividend policy, funding structure and selecting, acquiring or disposing of assets. Thus, the Group has sufficiently dominant voting interest to direct the relevant activities of Nice Profit and therefore has control over Nice Profit.

## 5. SEGMENT INFORMATION

The executive directors of the Company, being the chief operating decision makers, have identified the following operating segments of the Group.

Property investment, development and leasing/hotel operation	Provision of hotel services in Hong Kong and investing, developing and leasing properties in Hong Kong and the PRC
Manufacturing and distribution of plastic packaging materials	Manufacturing and distribution of plastic packaging materials
Broking and securities margin financing	Provision of stock and futures broking and provision of securities margin financing

Hotel operation business in Hong Kong was temporarily suspended from 1 June 2020 for alteration and addition works.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 5. SEGMENT INFORMATION (Cont'd)

### 5.1 Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Property investment, development and leasing/hotel operation		Manufacturing and distribution of plastic packaging materials		Broking and securities margin financing		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
Segment revenue								
– from external customers	<u>15,409,210</u>	<u>14,032,966</u>	<u>206,932,155</u>	<u>166,579,877</u>	<u>9,919,094</u>	<u>12,074,627</u>	<u>232,260,459</u>	<u>192,687,470</u>
Segment results	1,146,627	(5,977,200)	26,183,198	21,777,380	6,252,440	(6,177,024)	33,582,265	9,623,156
Loss arising from change in fair value of investment properties	<u>(36,601,413)</u>	<u>(193,949,870)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(36,601,413)</u>	<u>(193,949,870)</u>
	<u>(35,454,786)</u>	<u>(199,927,070)</u>	<u>26,183,198</u>	<u>21,777,380</u>	<u>6,252,440</u>	<u>(6,177,024)</u>	<u>(3,019,148)</u>	<u>(184,326,714)</u>
Loss on deemed disposal of interest in an associate							(15,661,473)	(26,282,302)
Unallocated finance costs							(18,770,984)	(18,078,407)
Share of results of associates							<u>15,975,753</u>	<u>288,910,725</u>
(Loss)/Profit before income tax							(21,475,852)	60,223,302
Income tax expenses							<u>(4,345,315)</u>	<u>(4,351,477)</u>
(Loss)/Profit for the year							<u>(25,821,167)</u>	<u>55,871,825</u>
Interest income	(44,909)	(517,696)	(728,032)	(493,563)	(603,087)	(1,814,875)	(1,376,028)	(2,826,134)
Imputed interest income	(9,360,999)	(1,852,613)	–	–	–	–	(9,360,999)	(1,852,613)
(Gain)/Loss arising from change in fair value of financial assets at FVTPL	–	–	–	–	(6,479,501)	7,293,756	(6,479,501)	7,293,756
Depreciation of right-of-use assets	23,085	23,085	1,824,616	1,829,421	–	–	1,847,701	1,852,506
Depreciation of property, plant and equipment	3,570,982	3,712,219	4,454,298	4,436,379	190,616	264,737	8,215,896	8,413,335
Loss arising from change in fair value of investment properties	36,601,413	193,949,870	–	–	–	–	36,601,413	193,949,870
Provision for impairment loss on intangible asset	–	–	–	–	300,000	–	300,000	–
Provision for/(Reversal of) ECL allowance of trade and other receivables	–	–	1,316,251	(388,595)	738,377	750,710	2,054,628	362,115
Bad debt written off	–	766,048	8,341	–	–	489,840	8,341	1,255,888

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 5. SEGMENT INFORMATION (Cont'd)

### 5.2 Segment assets and liabilities

	Property investment, development and leasing/ hotel operation		Manufacturing and distribution of plastic packaging materials		Broking and securities margin financing		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Assets</b>								
Reportable segment assets	1,271,795,515	1,246,805,397	188,780,469	145,574,864	108,762,595	182,696,978	1,569,338,579	1,575,077,239
Unallocated corporate assets							47,103,937	60,242,829
Total assets							1,616,442,516	1,635,320,068
<b>Liabilities</b>								
Reportable segment liabilities	340,921,644	287,092,916	22,961,660	23,291,092	36,666,582	65,128,129	400,549,886	375,512,137
Unallocated corporate liabilities							91,773,187	114,092,005
Total liabilities							492,323,073	489,604,142
Additions to non-current assets (other than financial instruments and deferred tax assets)	57,811,936	127,886,596	3,283,810	827,606	-	67,019	61,095,746	128,781,221



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 5. SEGMENT INFORMATION (Cont'd)

### 5.3 Geographical segment

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the assets in case of property, plant and equipment (including prepayment of acquisition of property, plant and equipment), right-of-use assets and investment properties, the location of operation to which they are allocated in case of intangible assets, and the location of operation in case of interests in associates.

	Revenue from external customers		Non-current assets	
	2025	2024	2025	2024
Hong Kong (domicile)	<b>48,320,195</b>	50,615,963	<b>906,478,104</b>	876,294,618
Asia (exclude the PRC and Hong Kong)	<b>46,773,374</b>	45,194,594	–	–
Oceania	<b>44,206,874</b>	41,598,116	–	–
The PRC	<b>57,806,376</b>	27,649,143	<b>85,328,315</b>	89,600,453
North America	<b>18,818,445</b>	16,038,262	–	–
Europe	<b>16,335,195</b>	11,591,392	–	–
Philippines	–	–	<b>255,473,938</b>	258,179,786
	<b><u>232,260,459</u></b>	<b><u>192,687,470</u></b>	<b><u>1,247,280,357</u></b>	<b><u>1,224,074,857</u></b>

### 5.4 Information about major customers

Revenue from customers contributing over 10% of revenue of the Group is as follows:

	2025	2024
Manufacturing and distribution of plastic packaging materials		
Customer A	<b>43,637,880</b>	42,159,345
Customer B	<b>30,138,059</b>	N/A
	<b><u>73,775,939</u></b>	<b><u>42,159,345</u></b>

As at 31 March 2025, 7% (2024: 22%) of the Group's trade receivables was due from these customers.

N/A: Revenue from this customer during the respective year did not exceed 10% of the Group's revenue.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 6. REVENUE

The Group's principal activities are disclosed in note 1 to the consolidated financial statements.

The Group's revenue recognised during the year is as follows:

	2025	2024
<b>Revenue from contracts with customers</b>		
Sales of goods	206,932,155	166,579,877
Brokerage commission	4,413,925	4,084,870
	<u>211,346,080</u>	<u>170,664,747</u>
<b>Revenue from other sources</b>		
Rental and related income	15,409,210	14,032,966
Interest income received from clients	3,894,217	6,615,163
Dividend income from listed equity securities	1,610,952	1,374,594
	<u>20,914,379</u>	<u>22,022,723</u>
<b>Total revenue</b>	<u><u>232,260,459</u></u>	<u><u>192,687,470</u></u>

### Disaggregation of revenue from contracts with customers within the scope of HKFRS 15

The Group derives revenue from the transfer of goods and services at a point in time in the following geographical markets:

	2025	2024
<b>Geographical markets</b>		
The PRC	57,115,312	26,911,411
Asia (exclude the PRC and Hong Kong)	46,773,374	45,194,594
Oceania	44,206,874	41,598,116
Hong Kong	28,096,880	29,330,972
North America	18,818,445	16,038,262
Europe	16,335,195	11,591,392
	<u><u>211,346,080</u></u>	<u><u>170,664,747</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 7. OTHER REVENUE AND OTHER INCOME

	2025	2024
Interest income	1,376,028	2,826,134
Imputed interest income from amount due to an associate	8,315,424	–
Imputed interest income from loan to a private company	1,045,575	1,852,613
Other income ( <i>note</i> )	214,981	690,225
Accounting fee received from associates	120,000	120,000
Handling fee income from stock broking	612,380	576,922
Sales of scrap materials	183,406	313,340
Gain on disposal of property, plant and equipment	36,817	–
Bad debt recovery	–	44,000
Government grants	23,160	21,896
	<b>11,927,771</b>	<b>6,445,130</b>

*Note:* Other income mainly represents transportation fee charged to customers and cash rebate from bank.

## 8. FINANCE COSTS

	2025	2024
Interest expenses on:		
Bank loans	18,684,348	15,230,316
Other borrowings	93,565	224,050
Imputed interest expense from amount due to an associate	3,429,460	1,959,685
Finance charges on lease liabilities	25,532	57,102
Finance charges on loan receivables	1,768,267	2,091,150
Bank charges	1,428,053	736,344
Net interest expense on LSP obligations ( <i>note 37</i> )	64,601	41,636
Total borrowing costs	25,493,826	20,340,283
Less: Amounts capitalised in the cost of qualifying assets ( <i>note</i> )	(6,722,842)	(2,261,876)
	<b>18,770,984</b>	<b>18,078,407</b>

*Note:* The amounts represent the borrowing cost related to specific borrowings.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 9. INCOME TAX EXPENSES

	2025	2024
Hong Kong Profits Tax		
– Current tax	4,019,212	2,358,817
– Under/(Over) provision in prior years	34,429	(6,006)
– Tax concession	(4,500)	(9,000)
	<u>4,049,141</u>	<u>2,343,811</u>
PRC Enterprise Income Tax (“EIT”)		
– Current tax	509,366	742,358
– Over provision in prior years	–	(222,625)
	<u>509,366</u>	<u>519,733</u>
Deferred tax (credit)/expense (note 36)	<u>(213,192)</u>	<u>1,487,933</u>
Total income tax expense	<u><u>4,345,315</u></u>	<u><u>4,351,477</u></u>

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2,000,000 are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

The provision for Hong Kong Profits Tax for the year ended 31 March 2025 takes into account a reduction granted by the Hong Kong Government of 100% of the tax payable for the year of assessment 2024/25 subject to a maximum reduction of HK\$1,500 for each business (2024: a maximum reduction of HK\$3,000 was granted for the year of assessment 2023/24 and was taken into account in calculating the provision for the year ended 31 March 2024).

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

### 9. INCOME TAX EXPENSES (Cont'd)

Reconciliation between tax expenses and accounting (loss)/profit at applicable tax rates is as follow:

	2025	2024
(Loss)/Profit before income tax	<b>(21,475,852)</b>	60,223,302
Tax on (loss)/profit before income tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	<b>(3,622,102)</b>	10,023,439
Tax effect of non-deductible expenses	<b>11,057,008</b>	38,481,205
Tax effect of non-taxable income	<b>(3,093,663)</b>	(116,787)
Tax effect of tax losses not recognised	<b>2,610,158</b>	2,835,340
Tax effect of temporary differences not recognised	<b>164,984</b>	1,201,181
Tax effect of share of results of associates	<b>(2,635,999)</b>	(47,670,270)
Tax concession of Hong Kong Profits Tax	<b>(4,500)</b>	(9,000)
Effect on two-tiered profits tax rates regime	<b>(165,000)</b>	(165,000)
Under/(Over) provision in respect of prior years	<b>34,429</b>	(228,631)
Income tax expenses	<b>4,345,315</b>	4,351,477

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 10. (LOSS)/PROFIT FOR THE YEAR

(Loss)/Profit for the year is arrived at after charging/(crediting):

	2025	2024
Cost of inventories sold	134,668,183	102,415,839
Direct operating expenses for generating rental income	2,174,399	2,135,743
Auditor's remuneration:		
– Audit services	920,000	1,030,000
– Non-audit services	340,000	–
Depreciation:		
– Property, plant and equipment	8,215,896	8,413,335
– Right-of-use assets	1,847,701	1,852,506
	10,063,597	10,265,841
(Gain)/Loss arising from change in fair value of financial assets at FVTPL	(6,479,501)	7,293,756
Provision for ECL allowance of trade and other receivables	2,054,628	362,115
Bad debt written off	8,341	1,255,888
Gain on disposal of property, plant and equipment	(36,817)	–
Loss on deemed disposal of interest in an associate	15,661,473	26,282,302
Provision for impairment loss on intangible asset	300,000	–
Exchange loss/(gain), net	1,055,468	(207,227)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## II. DIVIDENDS

(a) Dividends attributable to the year:

	2025	2024
Proposed final dividend of HK3 cents per ordinary share (2024: HK3 cents per ordinary share)	<b>6,762,601</b>	6,762,601

The final dividend proposed after the end of the reporting period is subject to approval of the Shareholders at the forthcoming annual general meeting of the Company and has not been recognised as a liability at the end of the reporting period.

(b) Dividends attributable to the previous financial year, approved and paid during the year:

	2025	2024
Final dividends in respect of the previous year, of HK3 cents per ordinary share (2024: HK3 cents)	<b>6,762,601</b>	6,762,601

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

The calculation of the basic and diluted (loss)/earnings per share is based on loss attributable to owners of the Company of HK\$25,568,231 (2024: profit of HK\$56,389,855) and on the weighted average number of 225,420,034 (2024: 225,420,034) ordinary shares in issue during the year.

The diluted (loss)/earnings per share for the years ended 31 March 2025 and 2024 were the same as basic (loss)/earnings per share as there were no dilutive potential ordinary shares in existence for both years.

## 13. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2025	2024
Wages, salaries and allowances	<b>37,444,408</b>	37,166,341
Staff benefits	<b>1,937,764</b>	1,587,073
Contributions to defined contribution pension schemes	<b>2,560,379</b>	2,480,419
Expenses arising from LSP obligations ( <i>note 37</i> )	<b>60,597</b>	62,489
	<b>42,003,148</b>	41,296,322

At 31 March 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2024: HK\$Nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

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

	Directors' fees	Other emoluments		Total
		Salaries and allowances	Contributions to retirement benefits scheme	
<b>2025</b>				
<i>Executive directors</i>				
Chua Nai Tuen ( <i>note i</i> )	65,000	4,714,800	–	4,779,800
Nelson Junior Chua	30,000	1,130,750	36,000	1,196,750
Richard Sy Tan	30,000	1,052,750	18,000	1,100,750
<i>Non-executive directors</i>				
Chan Man Hon, Eric	60,000	–	–	60,000
Jimmy Siy Tiong	30,000	–	–	30,000
Tsai Han Yung	40,000	–	–	40,000
Vivian Chua	30,000	545,917	18,000	593,917
<i>Independent non-executive directors</i>				
Chan Siu Ting	65,000	–	–	65,000
James L. Kwok ( <i>note ii</i> )	65,000	–	–	65,000
Tsui Ka Wah	70,000	–	–	70,000
Luk Siu Chuen	50,000	–	–	50,000
Kam Cheuk Sun ( <i>note ii</i> )	50,000	–	–	50,000
	<b>585,000</b>	<b>7,444,217</b>	<b>72,000</b>	<b>8,101,217</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

		Other emoluments		
	Directors' fees	Salaries and allowances	Contributions to retirement benefits scheme	Total
<b>2024</b>				
<i>Executive directors</i>				
Chua Nai Tuen ( <i>note i</i> )	60,000	4,538,979	—	4,598,979
Nelson Junior Chua	30,000	1,097,833	36,000	1,163,833
Richard Sy Tan	30,000	1,020,000	18,000	1,068,000
<i>Non-executive directors</i>				
Chan Man Hon, Eric	60,000	—	—	60,000
Jimmy Siy Tiong	30,000	—	—	30,000
Tsai Han Yung	40,000	—	—	40,000
Vivian Chua	30,000	534,917	18,000	582,917
<i>Independent non-executive directors</i>				
Chan Siu Ting	65,000	—	—	65,000
James L. Kwok ( <i>note ii</i> )	65,000	—	—	65,000
Tsui Ka Wah	55,000	—	—	55,000
Luk Siu Chuen	50,000	—	—	50,000
	<u>515,000</u>	<u>7,191,729</u>	<u>72,000</u>	<u>7,778,729</u>

Notes:

- (i) Mr. Chua Nai Tuen is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

During the year ended 31 March 2025, the Group had provided a staff quarter to Mr. Chua Nai Tuen with rental expenses of approximately HK\$2,321,000 (2024: HK\$2,296,000) which was included in salaries and allowances.

- (ii) Mr. James L. Kwok retired as an independent non-executive director and Mr. Kam Cheuk Sun was appointed as an independent non-executive director with effect from 23 August 2024.

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2025 (2024: nil).

There were no arrangements under which a director waived or agreed to waive any remuneration during the year ended 31 March 2025 (2024: nil).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 15. FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

The five individuals whose emoluments were the highest in the Group for the year included two (2024: two) directors whose emoluments are reflected in the analysis presented above. The aggregate emoluments payable to the remaining three (2024: three) individuals during the year are as follows:

	2025	2024
Salaries and allowances	5,028,974	5,105,608
Contributions to retirement benefits scheme	36,000	54,000
	<u>5,064,974</u>	<u>5,159,608</u>

The emoluments fell within the following bands:

	Number of employee	
	2025	2024
HK\$2,000,001–HK\$2,500,000	1	1
HK\$1,500,001–HK\$2,000,000	1	1
HK\$1,000,001–HK\$1,500,000	<u>1</u>	<u>1</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 16. PROPERTY, PLANT AND EQUIPMENT

	Buildings carried at cost				Furniture, fixtures and equipment	Motor vehicles	Total
	Located in Hong Kong	Located in the PRC	Construction in progress	Plant and machinery			
<b>Cost</b>							
At 1 April 2023	110,359,646	95,256,697	43,762,618	29,485,963	31,289,648	4,608,251	314,762,823
Additions	–	57,213	98,982,880	539,029	322,068	155,186	100,056,376
Exchange alignments	–	(4,493,728)	–	(991,737)	(422,862)	(15,871)	(5,924,198)
At 31 March 2024 and 1 April 2024	110,359,646	90,820,182	142,745,498	29,033,255	31,188,854	4,747,566	408,895,001
Additions	–	10,432	48,057,839	1,708,332	1,828,942	165,548	51,771,093
Disposal and written off	–	–	–	(7,446,738)	(7,283,100)	(125,361)	(14,855,199)
Transfer to investment property (note 18)	(16,959,673)	–	–	–	–	–	(16,959,673)
Exchange alignments	–	(1,070,648)	–	(242,338)	(100,839)	(5,607)	(1,419,432)
At 31 March 2025	<u>93,399,973</u>	<u>89,759,966</u>	<u>190,803,337</u>	<u>23,052,511</u>	<u>25,633,857</u>	<u>4,782,146</u>	<u>427,431,790</u>
<b>Accumulated depreciation and impairment</b>							
At 1 April 2023	42,767,607	50,970,591	–	23,471,599	24,015,351	2,966,521	144,191,669
Charge for the year	3,075,061	2,179,042	–	1,237,969	1,663,777	257,486	8,413,335
Exchange alignments	–	(2,425,092)	–	(734,622)	(237,234)	45,683	(3,351,265)
At 31 March 2024 and 1 April 2024	45,842,668	50,724,541	–	23,974,946	25,441,894	3,269,690	149,253,739
Charge for the year	2,823,151	2,148,351	–	1,289,389	1,694,696	260,309	8,215,896
Disposal and written off	–	–	–	(7,446,738)	(7,283,100)	(125,361)	(14,855,199)
Transfer to investment property (note 18)	(6,367,875)	–	–	–	–	–	(6,367,875)
Exchange alignments	–	(612,940)	–	(194,101)	(68,649)	8,350	(867,340)
At 31 March 2025	<u>42,297,944</u>	<u>52,259,952</u>	<u>–</u>	<u>17,623,496</u>	<u>19,784,841</u>	<u>3,412,988</u>	<u>135,379,221</u>
<b>Carrying amounts</b>							
At 31 March 2025	<u>51,102,029</u>	<u>37,500,014</u>	<u>190,803,337</u>	<u>5,429,015</u>	<u>5,849,016</u>	<u>1,369,158</u>	<u>292,052,569</u>
At 31 March 2024	<u>64,516,978</u>	<u>40,095,641</u>	<u>142,745,498</u>	<u>5,058,309</u>	<u>5,746,960</u>	<u>1,477,876</u>	<u>259,641,262</u>

The Group's buildings and construction in progress in Hong Kong with carrying amounts of HK\$241,905,366 (2024: HK\$207,262,476) have been pledged to secure general banking facilities granted to the Group (note 32).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

### 17. RIGHT-OF-USE ASSETS

	Leasehold land and land use right	Building held under operating lease	Total
At 1 April 2023	11,739,053	2,430,050	14,169,103
Depreciation for the year	(463,907)	(1,388,599)	(1,852,506)
Exchange alignments	(514,782)	–	(514,782)
At 31 March 2024 and 1 April 2024	10,760,364	1,041,451	11,801,815
Lease modification ( <i>note 44</i> )	–	1,394,497	1,394,497
Depreciation for the year	(457,627)	(1,390,074)	(1,847,701)
Exchange alignments	(115,385)	–	(115,385)
<b>At 31 March 2025</b>	<b>10,187,352</b>	<b>1,045,874</b>	<b>11,233,226</b>

Leasehold land and land use right are located outside Hong Kong.

### 18. INVESTMENT PROPERTIES

	Under construction	Completed	Total
At 1 April 2023	435,400,000	404,531,540	839,931,540
Additions – subsequent expenditures	20,095,045	1,219,800	21,314,845
Additions – acquisition ( <i>note (ii)</i> )	–	7,410,000	7,410,000
Loss arising from change in fair value	(120,495,045)	(73,454,825)	(193,949,870)
At 31 March 2024 and at 1 April 2024	335,000,000	339,706,515	674,706,515
Additions – subsequent expenditures	7,930,156	–	7,930,156
Loss arising from change in fair value	(12,030,156)	(24,571,257)	(36,601,413)
Transfer upon completion	(225,900,000)	225,900,000	–
Transfer from property, plant and equipment ( <i>note 16</i> )	–	10,591,798	10,591,798
Increase in carrying amount of the investment property transferred from property, plant and equipment	–	12,624,702	12,624,702
<b>At 31 March 2025</b>	<b>105,000,000</b>	<b>564,251,758</b>	<b>669,251,758</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 18. INVESTMENT PROPERTIES (Cont'd)

*Notes:*

- (i) The Group's investment properties with carrying amounts of HK\$272,116,600 (2024: HK\$250,430,000) have been pledged to secure general banking facilities granted to the Group (note 32).
- (ii) As further detailed in note 23(b), the Group acquired two residential properties situated in Hong Kong from two debtors during the year ended 31 March 2024. The properties are held to earn rentals or for capital appreciation and accordingly, the Group classified the properties as investment properties.

### **Fair value measurement**

The Group's investment properties were revalued at 31 March 2025 by independent professional qualified valuers, K.T. Liu Surveyors Limited and Miles Valuation Advisory Limited (2024: K.T. Liu Surveyors Limited and Valplus Consulting Limited) who have the recent experience in the location and category of property being valued.

The following table shows the Group's investment properties measured at fair value in the consolidated statement of financial position on a recurring basis, categorised into three levels of a fair value hierarchy. The levels are based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 18. INVESTMENT PROPERTIES (Cont'd)

### Fair value measurement (Cont'd)

	Level 1	Level 2	Level 3	Total
<b>At 31 March 2025</b>				
<i>Fair value on a recurring basis</i>				
– Commercial building located in Hong Kong	–	–	526,946,600	526,946,600
– Industrial building located in Hong Kong	–	–	15,870,000	15,870,000
– Open space located in Hong Kong	–	–	105,000,000	105,000,000
– Commercial building located outside Hong Kong	–	–	7,266,126	7,266,126
– Residential building located in Hong Kong	–	–	6,710,000	6,710,000
– Residential building located outside Hong Kong	–	–	7,459,032	7,459,032
	<u>–</u>	<u>–</u>	<u>669,251,758</u>	<u>669,251,758</u>

### At 31 March 2024

#### *Fair value on a recurring basis*

– Commercial building located in Hong Kong	–	–	523,430,000	523,430,000
– Industrial building located in Hong Kong	–	–	17,000,000	17,000,000
– Open space located in Hong Kong	–	–	111,000,000	111,000,000
– Commercial building located outside Hong Kong	–	–	7,916,850	7,916,850
– Residential building located in Hong Kong	–	–	7,150,000	7,150,000
– Residential building located outside Hong Kong	–	–	8,209,665	8,209,665
	<u>–</u>	<u>–</u>	<u>674,706,515</u>	<u>674,706,515</u>

The fair values of the Group's investment properties at 31 March 2025 and 2024 are categorised under Level 3 fair value hierarchy. There were no transfers into or out of Level 3 during both years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 18. INVESTMENT PROPERTIES (Cont'd)

### Fair value measurement (Cont'd)

At the end of the reporting period, the management will (i) verify all major inputs to the independent valuation report; (ii) assess property valuation movements when compared to prior year valuation report; and (iii) discuss with the independent professional qualified valuers.

Fair value adjustment in investment properties is included in “Loss arising from change in fair value of investment properties” in the consolidated statement of profit or loss.

Set out below are information about the fair values of investment properties categorised under Level 3 fair value hierarchy:

	Valuation techniques	Significant unobservable input	Range
Investment properties located outside Hong Kong	Income approach (note (a))	Expected monthly rental value	2025: HK\$65 to HK\$90 per sq. m. (2024: HK\$44 to HK\$91 per sq. m.)
		Reversionary yield	2025: 1.5% to 6.5% (2024: 1.4% to 6.5%)
Investment properties located in Hong Kong	Income approach (notes (a) and (d))	Expected monthly rental value	2025: HK\$36 to HK\$301 per sq. ft. (2024: HK\$27 to HK\$336 per sq. ft.)
		Reversionary yield	2025: 3.4% to 4.1% (2024: 3.1% to 3.7%)
	Residual method (note (c))	Gross development value per sq. ft.	2025: HK\$9,280 per sq. ft. (2024: HK\$7,967 per sq. ft.)
		Estimated development cost	2025: HK\$710,400,000 (2024: HK\$697,748,000)
		Developer's profit margin	2025: 15% (2024: 15%)
	Market comparison approach (notes (b) and (d))	Discount/Premium on characteristics of the property	2025: 16% to 5% (2024: 12%)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 18. INVESTMENT PROPERTIES (Cont'd)

### Fair value measurement (Cont'd)

Notes:

- (a) The fair values of the investment properties are estimated using an income approach which capitalises the estimated rental income stream, using a discount rate derived from market yields implied by recent transactions in similar properties. In this valuation approach, the total rental income comprises a current passing rental income from the existing tenancies and a potential future reversionary rental income at the market level over the residual land use term.

The most significant inputs, all of which are unobservable, are the estimated rental value and discount rate. The estimated fair value increases if the estimated rental value increases or if discount rate (market yields) decline. The overall valuations are sensitive to these two assumptions. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the discount rate (market yields).

- (b) The fair value of investment properties are estimated using a market comparison approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the properties, including plot size, location, encumbrances and current use.

The significant unobservable input is the premium/discount on quality of the buildings. The extent and direction of the premium/discount depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, the management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions. Generally, an increase in premium/discount on the quality of the buildings would result in a higher/lower fair value measurement.

- (c) The fair value of investment properties are estimated using a residual method. This method involves calculating the gross development value and deducting the estimated development costs and developer's profit. An increase in the gross development value would result in a higher the fair value, and vice versa. An increase in the estimated development costs and developer's profit margin would result in a lower the fair value, and vice versa.
- (d) During the year ended 31 March 2025, the valuation techniques of two properties have been changed from income approach to the market comparison approach as the management of the Company considered that this better reflects current market conditions and there are available market comparables for similar properties.

## 19. INTERESTS IN ASSOCIATES

	2025	2024
Cost of investments in associates	7,461,640	6,664,312
Amounts due from associates ( <i>note (a)</i> )	16,446,598	33,812,303
Share of post-acquisition profits and other comprehensive income (including reserves), net of dividends received	262,725,300	266,650,437
Less: impairment loss recognised on amounts due from associates ( <i>note (b)</i> )	(16,446,598)	(16,446,598)
	270,186,940	290,680,454
Less: Amounts shown under current assets	—	(17,365,705)
	<b>270,186,940</b>	<b>273,314,749</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 19. INTERESTS IN ASSOCIATES (Cont'd)

Notes:

- (a) The balances were unsecured, interest-free and had no fixed repayment terms.
- (b) At 31 March 2025, the directors assessed the recoverable amounts of the amounts due from associates by considering profitability, cash flow position, financial position, forecast business development and future prospects of the associates. Based on these assessments, the directors concluded that no impairment loss was reversed (2024: HK\$Nil).

The following list contains only the particulars of associates, all of which are unlisted corporate entities whose quoted market prices are not available, which in the opinion of the directors principally affected the results or net assets of the Group as at 31 March 2025 and 2024.

Name of associates	Country/Place of incorporation/ operation	Issued and fully paid share capital	Proportion of ownership interest held by the Group		Principal activities
			2025 %	2024 %	
Wisestar Holdings Limited ("Wisestar") (note (1))	Hong Kong	HK\$2	47.70	47.70	Dormant
Ongoing Investments Limited ("Ongoing Investments")	British Virgin Islands/The PRC	United States dollar ("US\$") 100	20.00	20.00	Property investment
Sequin Developments Limited ("Sequin Developments")	British Virgin Islands/The PRC	US\$100	20.00	20.00	Property investment
Titan Dragon Properties Corporation ("Titan Dragon") (note (2))	The Philippines	Peso\$160,000,000 (2024: Peso\$140,000,000)	24.50	28.00	Property investment
Hang Sheng Development Corp. ("Hang Sheng")	The Philippines	Peso\$12,000,000	49.00	–	Investment holding

Notes:

- (1) Wisestar was wound up by Court order on 17 July 2019 and in progress of deregistration as at the end of the reporting period. The Group's interest in Wisestar was fully impaired in prior years.
- (2) During the year ended 31 March 2025, the Group's equity interest in Titan Dragon was diluted from 28.00% to 24.50% (2024: 33.22% to 28.00%) by capital injection from an independent third party amounting to Peso\$500,000,000 (equivalent to approximately HK\$67,800,000) (2024: Peso\$500,000,000 (equivalent to approximately HK\$65,991,781)). Therefore, the investment in Titan Dragon was deemed disposed, resulted in a loss on deemed disposal of interest in an associate of HK\$15,661,473 (2024: HK\$26,282,302) recognised in the consolidated statement of profit or loss.

All associates have a reporting date of 31 March.

The Group has not incurred any contingent liabilities or other commitments relating to its investments in associates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 19. INTERESTS IN ASSOCIATES (Cont'd)

Set out below are the summarised financial information of each of the material associate which are accounted for using the equity method:

### (i) Ongoing Investments

	2025	2024
Current assets	445,713	204,817
Non-current assets	43,774,737	45,539,041
Current liabilities	(2,535,600)	(4,287,248)
Non-current liabilities	(5,793,000)	(6,234,000)
Net assets	35,891,850	35,222,610
Revenue	3,312,992	2,434,213
Profit and total comprehensive income for the year	669,240	657,596

Reconciliation of the above summarised financial information to the carrying amount of the interest in Ongoing Investments is set out below:

	2025	2024
Net assets of Ongoing Investments	35,891,850	35,222,610
Proportion of the Group's ownership interest in Ongoing Investments	20%	20%
Carrying amount of the Group's interest in Ongoing Investments	7,178,370	7,044,522

For the year ended 31 March 2025, Ongoing Investments did not declare any dividend (2024: HK\$Nil).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 19. INTERESTS IN ASSOCIATES (Cont'd)

### (ii) Sequin Developments

	2025	2024
Current assets	1,914,244	3,346,156
Non-current assets	42,647,151	44,366,009
Current liabilities	(1,237,236)	(1,179,961)
Non-current liabilities	(5,651,000)	(6,079,999)
Net assets	<u>37,673,159</u>	<u>40,452,205</u>
Revenue	<u>3,342,307</u>	<u>3,035,189</u>
Profit and total comprehensive income for the year	<u>702,874</u>	<u>1,202,619</u>
Dividends received from Sequin Developments	<u>696,384</u>	<u>286,624</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in Sequin Developments is set out below:

	2025	2024
Net assets of Sequin Developments	37,673,159	40,452,205
Proportion of the Group's ownership interest in Sequin Developments	<u>20%</u>	<u>20%</u>
Carrying amount of the Group's interest in Sequin Developments	<u>7,534,632</u>	<u>8,090,441</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 19. INTERESTS IN ASSOCIATES (Cont'd)

### (iii) Titan Dragon and its subsidiaries ("Titan Dragon Group")

	2025	2024
Current assets	3,620,095	59,430,736
Non-current assets	1,296,641,785	1,165,335,130
Current liabilities	(8,500,590)	(9,394,272)
Non-current liabilities	(248,966,409)	(293,300,932)
Net assets	<u>1,042,794,881</u>	<u>922,070,662</u>
Revenue	<u>—</u>	<u>—</u>
Gain arising from change in fair value of investment properties	<u>86,659,041</u>	<u>1,092,203,783</u>
Profit for the year	72,763,159	877,274,753
Other comprehensive expense	(23,093,435)	(12,271,508)
Total comprehensive income for the year	<u>49,669,724</u>	<u>865,003,245</u>
Profit for the year attributable to Titan Dragon	<u>64,143,827</u>	<u>877,274,753</u>
Total comprehensive income attributable to Titan Dragon	<u>41,050,392</u>	<u>865,003,245</u>

#### Notes:

- (a) The Group shared 24.5% of profit for the year ended 31 March 2025 of HK\$15,715,238 (2024: The Group shared 33.22% of profit for the period from April 2023 to January 2024 of HK\$291,893,208 and 28.00% of loss of HK\$389,855 for the period from February 2024 to March 2024, respectively).
- (b) For the year ended 31 March 2025, Titan Dragon underwent the following group reorganisation (the "Reorganisation"):
- Hang Sheng was incorporated in the Philippines in September 2024, with the Group holding a 49% equity interest. Embassy Hills Properties Inc. ("Embassy Hills") was incorporated in the Philippines in October 2024, with Titan Dragon holding a 90% equity interest. The consideration paid was satisfied by a combination of cash and a portion of land in the Philippines. Additionally, Hang Sheng subscribed for a 5% equity interest in Embassy Hills. Upon completion of the Reorganisation, Embassy Hills became the subsidiary of Titan Dragon.
- (c) For the year ended 31 March 2025, Titan Dragon did not declare any dividend (2024: HK\$Nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 19. INTERESTS IN ASSOCIATES (Cont'd)

### (iii) Titan Dragon and its subsidiaries (“Titan Dragon Group”) (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Titan Dragon Group is set out below:

	2025	2024
Net assets of Titan Dragon Group	1,042,794,881	922,070,662
Adjustment <sup>^</sup>	(111,168,299)	–
	931,626,582	922,070,062
Proportion of the Group’s ownership interest in Titan Dragon	24.50%	28.00%
	228,248,513	258,179,786
Amount due from Titan Dragon	–	17,365,705
Carrying amount of the Group’s interest in Titan Dragon Group	228,248,513	275,545,491

<sup>^</sup> The amount represented the non-controlling interests in the subsidiary of Titan Dragon.

As Titan Dragon reported profits, during the year ended 31 March 2024, the Group resumed recognising its share of those profit after its share of the previously unrecognised losses of HK\$2,964,671 in Titan Dragon.

*Note:* A piece of land located in the Philippines was acquired by Titan Dragon in 1989 and held for development purposes (the “Subject Property”).

The Regional Trial Court (“RTC”) made its decision on 21 October 2016 and its Writ of Execution on 24 April 2017 ruled in favour of a specific performance claim filed in 2015 by Ms. Veloso-Galezoga (“Galezoga”), who claimed that Titan Dragon had sold the Subject Property to her in 1997. Then Titan Dragon had filed Motion for Reconsideration to appeal. The Court of Appeals of the Philippines made its decision on 1 June 2018 and its Resolution on 26 February 2019 dismissing Titan Dragon’s Petition for Certiorari and denying Titan Dragon’s Motion for Reconsideration of said dismissal, respectively, and asserting that Titan Dragon utilised the wrong remedy of certiorari and should file a Petition for Annulment of Judgement. Titan Dragon’s Petition for Certiorari sought the annulment of the proceedings in a Philippines civil court which ruled in favour of Galezoga. Titan Dragon had filed for a review of the court’s decision as well as made a criminal complaint in relation to Galezoga’s purported forgery of various documents to implement her fraudulent scheme to unlawfully take possession of the Subject Property. The Court of Appeals’ Decision and Resolution were reached in spite of the fact that the advices of the Philippine lawyers of Titan Dragon were that the arguments raised by Titan Dragon had merits. Although Titan Dragon has filed its Petition for Review on Certiorari before the Supreme Court of the Philippines and, in the opinion of the Philippine lawyers of Titan Dragon, the arguments raised by Titan Dragon in its Petition for Review have merit and its position is strong, it is considered prudent that Titan Dragon should meanwhile fully impair the carrying amount of the Subject Property as it is difficult to predict how the Supreme Court will rule on the issues raised in the Petition for Review.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 19. INTERESTS IN ASSOCIATES (Cont'd)

### (iii) Titan Dragon and its subsidiaries (“Titan Dragon Group”) (Cont'd)

*Note: (Cont'd)*

As a result, Titan Dragon had fully impaired the investment in the land and an impairment loss allowance of Peso\$1,379,134,000 (equivalent to approximately HK\$206,111,576) was recognised in the financial statements of Titan Dragon in 2019.

In 2022, the Supreme Court ruled that the decision dated 21 October 2016 of RTC and the Writ of Execution dated 24 April 2017 are null and void. Thus, the issuance of transfer certificate of title of the Subject Property under Galenzoga’s name and her subsequent possession thereof which were made pursuant to the said issuances of the RTC are likewise null and void. Thus, title over the Subject Property and possession thereof must be reverted to the Company as if no proceeding was conducted before the RTC. Galenzoga has filed Motion for Reconsideration while it was officially denied by the Supreme Court. The Supreme Court’s decision was final and conclusive upon entry of the decision in the book of entries of judgements.

The RTC made its decision and its Resolution on 23 June 2023 to grant Titan Dragon’s Motion for Reversal and direct Galenzoga to immediately vacate the Subject Property. It also directed the cancellation of the previous transfer certificate of titles (the “TCTs”) of Galenzoga over the Subject Property and the reinstatement of the derivative TCTs. On 11 July 2023, Galenzoga filed a Motion for Reconsideration of the Resolution dated 23 June 2023 but the same was denied. On 8 August 2023, the Registry of Deeds of Quezon City of the Philippines duly cancelled the TCTs of Galenzoga and reinstated the derivative TCTs of Titan Dragon over the Subject Property. On 25 October 2023, Titan Dragon successfully recovered the possession of the Subject Property. In January 2024, Galenzoga filed Motion for Reconsideration while the RTC issued a resolution to deny it. Subsequently, Galenzoga filed the Notice of Appeal.

Meanwhile, Galenzoga filed a Petition for Certiorari assailing the Resolution dated 23 June 2023, which was denied by the Court of Appeals. Thus, Galenzoga filed a Motion for Reconsideration on the denial of the Petition, as well as a Motion to Inhibit, which are still pending resolution with the Court of Appeals.

In the view of the directors and the advices of the Philippine lawyers of Titan Dragon, the derivative TCTs of Titan Dragon over the Subject Property have been reinstated, and its possession thereof restored through the implementation of the Writ of Execution.

As at 31 March 2025, Titan Dragon Group has revaluated the Subject Property by an independent professional qualified valuer at Peso\$8,654,772,000 (equivalent to approximately HK\$1,173,587,000) (2024: Peso\$7,880,768,000 (equivalent to approximately HK\$1,096,215,000)) which is ascertained by reference to asking comparables as listed in the local market as land transaction market in Philippine is not transparent, no public transaction records are available.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 19. INTERESTS IN ASSOCIATES (Cont'd)

### (iv) Hang Sheng

	2025
Current assets	20,646
Non-current assets	55,590,750
Current liabilities	(7,311)
Non-current liabilities	(41,993)
Net assets	<u>55,562,092</u>

	For the period from 27 September 2024 (date of incorporation) to 31 March 2025
Revenue	–
Loss for the period	(28,383)
Other comprehensive income	53,963,275
Total comprehensive income for the period	<u>53,934,892</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in Hang Sheng is set out below:

	2025
Net assets of Hang Sheng	55,562,092
Proportion of the Group's ownership interest in Hang Sheng	49%
Carrying amount of the Group's interest in Hang Sheng	<u>27,225,425</u>

For the year ended 31 March 2025, Hang Sheng did not declare any dividend.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 20. INTANGIBLE ASSETS

	Hong Kong Stock Exchange trading rights	Hong Kong Futures Exchange trading rights	Membership of The Chinese Gold and Silver Exchange Society	Club membership	Total
<b>Cost</b>					
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	5,030,001	201,205	1,475,000	981,500	7,687,706
<b>Accumulated impairment losses</b>					
At 1 April 2023, 31 March 2024, 1 April 2024	(2,810,000)	(201,205)	(1,175,000)	–	(4,186,205)
Impairment loss for the year	–	–	(300,000)	–	(300,000)
<b>31 March 2025</b>	<b>(2,810,000)</b>	<b>(201,205)</b>	<b>(1,475,000)</b>	<b>–</b>	<b>(4,486,205)</b>
<b>Carrying amounts</b>					
At 31 March 2025	2,220,001	–	–	981,500	3,201,501
At 31 March 2024	2,220,001	–	300,000	981,500	3,501,501

The Group classified the above intangible assets with indefinite useful lives in accordance with HKAS 38 “Intangible Assets” (“HKAS 38”). In the opinion of the directors, the above intangible assets except club membership are capable of being renewed indefinitely at insignificant cost and therefore are perpetual in duration, and based on future financial performance of the Group, they are expected to generate positive cash flows indefinitely. The club membership is assessed to have indefinite useful lives. Under HKAS 38, the Group reassesses the useful lives of the intangible assets at the end of the reporting period to determine whether events or circumstances continue to support the view of the indefinite useful life of the assets.

The Group performed impairment test for the intangible assets by comparing its recoverable amounts to their carrying amounts at the end of the reporting period in accordance with HKAS 36 “Impairment of Assets”.

The recoverable amounts of Hong Kong Stock Exchange trading rights and Hong Kong Futures Exchange trading rights are determined based on a value in use calculation using cash flow projections based on financial budgets approved by the management covering a five-year period with a growth rate of 1.5% (2024: 1.0%) per annum. The pre-tax discount rate applied to the cash flow projections was 13% (2024: 16%). A key assumption for the value in use calculation is the budgeted growth rate, which is determined based on past performance and the management’s expectations for the market development in Hong Kong.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 20. INTANGIBLE ASSETS (Cont'd)

No impairment loss in respect of Hong Kong Stock Exchange trading rights and Hong Kong Futures Exchange trading rights is recognised for both years as their recoverable amounts exceeded their carrying amounts.

The recoverable amount of club membership is its fair values with reference to observable market price. No impairment is made for both years as the recoverable amount exceeded its carrying amount.

## 21. OTHER ASSETS

	2025	2024
Contribution to the compensation fund with the Stock Exchange	1,500,000	1,500,000
Statutory deposits with Hong Kong Securities Clearing Company Limited	600,000	600,000
Admission fee & guarantee fund to Hong Kong Securities Clearing Company Limited	600,000	600,000
	<b>2,700,000</b>	<b>2,700,000</b>

## 22. FINANCIAL ASSETS AT FVOCI (NON-RECYCLING)

	2025	2024
Unlisted private equity fund	74,263,495	75,424,851
Unlisted equity investments in a private company	21,152,962	15,560,286
	<b>95,416,457</b>	<b>90,985,137</b>

The Group designated its 8.98% (2024: 8.98%) equity interest in a private equity fund, Greater Bay Fund I LP (“Greater Bay Fund”) and 7.88% (2024: 7.88%) equity interest in a private company, Dongguan Hanju Shiye Investment Company Limited (“Dongguan Hanju”) as financial assets at FVOCI (non-recycling), as these investments are held for the strategic purpose. The Greater Bay Fund and Dongguan Hanju jointly owned a company established in the PRC which is principally engaged in property investment in the PRC.

The fair value of the Group’s unlisted equity investments has been measured as described in note 46.7.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 23. LOAN RECEIVABLES

	2025	2024
Loan to a private company ( <i>note (a)</i> )	<b>28,750,351</b>	<b>29,822,385</b>

Notes:

- (a) The balance represents shareholder loans with principal amount of Renminbi (“RMB”) 29,400,000 (equivalent to HK\$31,508,000) (2024: RMB29,400,000 (equivalent to HK\$31,884,000)) to a private company, Dongguan Hanju which are unsecured, interest-free and not repayable within the next 12 months from the end of the reporting period.
- (b) During the year ended 31 March 2024, the Group entered into sale and purchase agreements with an independent borrower (“Party A”) and loans to a staff (“Party B”), pursuant to which the Group has agreed to acquire, and Party A and Party B agreed to sell, residential properties situated in Hong Kong for considerations of HK\$4,180,000 and HK\$3,230,000, respectively. The considerations were arrived at arm’s length negotiations between the Group and Party A and Party B, respectively, after taking into account the recent market transactions for similar properties. The considerations paid were settled by the outstanding loan receivables (including accrued interest receivables) with Party A and Party B, respectively. In the opinion of the management, the repayment of the remaining outstanding loan receivables and accrued interest receivables with Party A and Party B was remote. Therefore, the aggregate carrying amounts of the above remaining outstanding loan receivables and accrued interest receivables with Party A and Party B amounted to HK\$766,048 (net of ECL allowance of HK\$1,236,877) and HK\$489,840 (net of ECL allowance of HK\$1,753,951), respectively, were fully written off and recognised in “Administrative expenses – Bad debt written off” in the consolidated statement of profit or loss during the year ended 31 March 2024.

### Movement in ECL allowance of loan receivables

The movement in the ECL allowance of loan receivables which are measured at an amount equal to 12-month ECLs is as follows:

	2025	2024
At 1 April	–	2,457,592
Uncollectible amounts written off	–	(2,457,592)
At 31 March	<b>–</b>	<b>–</b>

## 24. INVENTORIES

	2025	2024
Raw materials	<b>19,613,447</b>	18,358,474
Work-in-progress	<b>15,024,766</b>	10,976,305
Finished goods	<b>10,118,728</b>	9,558,181
	<b>44,756,941</b>	<b>38,892,960</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

### 25. TRADE AND OTHER RECEIVABLES

The Group's trade receivables arose from (i) property investment, development and leasing, (ii) manufacturing and distribution of plastic packaging materials and (iii) broking and securities margin financing.

	2025	2024
Trade receivables from broking and securities margin financing:		
– Clearing house and cash clients	7,742,438	10,535,639
– Secured margin clients	31,067,496	71,186,789
Less: ECL allowance	(5,704,852)	(4,966,475)
	<b>33,105,082</b>	<b>76,755,953</b>
Trade receivables from sales of goods and leasing	25,884,269	21,187,491
Less: ECL allowance	(1,630,557)	(314,989)
	<b>24,253,712</b>	<b>20,872,502</b>
Other receivables	1,528,710	4,555,897
Less: ECL allowance	(599,715)	(599,715)
	<b>928,995</b>	<b>3,956,182</b>
	<b>58,287,789</b>	<b>101,584,637</b>

The directors of the Group consider that the fair values of trade and other receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The Group allows a credit period up to the respective settlement dates for securities transactions (normally two business days after the respective trade date for cash clients). Each secured margin client has a credit limit.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 25. TRADE AND OTHER RECEIVABLES (Cont'd)

At 31 March 2025, trade receivables from cash clients and secured margin clients of HK\$Nil (2024: HK\$8,569,305) were due from the key management personnel.

Trade receivables of manufacturing and distribution of plastic packaging materials fall into the general credit term ranged from 0 to 90 days (2024: 0 to 90 days) except for a credit period mutually agreed between the Group and the customers.

### Aging analysis

The following is an aging analysis of trade receivables of the Group arose from sales of goods and leasing, presented based on the invoice date, which approximates the respective revenue recognition dates and net of ECL allowance:

	2025	2024
0–30 days	16,735,837	13,311,225
31–60 days	4,346,051	2,922,709
61–90 days	1,307,835	1,960,729
91–120 days	1,146,061	1,224,511
121–365 days	642,012	1,425,400
Over 365 days	75,916	27,928
	<b>24,253,712</b>	<b>20,872,502</b>

Margin loans due from margin clients are repayable on demand. Margin loans are required to be secured by clients' listed securities held by the Group as collateral and bear interest at 8.75% (2024: 9.3%) per annum for the year ended 31 March 2025. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. At 31 March 2025, the total market value of securities pledged as collateral by the customers in respect of the loans to margin clients was HK\$117,924,276 (2024: HK\$199,529,979).

No aging analysis of receivables from cash clients and loans to margin clients is disclosed as in the opinion of the directors, the aging analysis does not give additional value in view of the nature of business.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 25. TRADE AND OTHER RECEIVABLES (Cont'd)

### Movement in ECL allowance of trade receivables

The movement in the ECL allowance of trade receivables is as follows:

	2025	2024
At 1 April	5,281,464	5,379,814
ECL allowance recognised/(ECL allowance reversed) during the year	2,054,628	(98,350)
Exchange alignments	(683)	–
At 31 March	7,335,409	5,281,464

### Movement in ECL allowance of other receivables

The movement in the ECL allowance of other receivables which are measured at an amount equal to 12-month ECLs is as follows:

	2025	2024
At 1 April	599,715	533,236
Uncollectible amounts written off	–	(393,986)
ECL allowance recognised during the year	–	460,465
At 31 March	599,715	599,715

## 26. DEPOSITS AND PREPAYMENTS

	2025	2024
Utility and other deposits	2,346,405	1,868,464
Purchase deposits to suppliers	580,694	1,192,827
Prepayments	2,245,655	2,601,396
Stamp duty deposits to the Stock Exchange	150,000	150,000
	5,322,754	5,812,687
Less: Amounts shown under non-current assets		
Prepayment for acquisition of property, plant and equipment	(1,354,363)	(1,109,015)
Amounts shown under current assets	3,968,391	4,703,672

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 27. FINANCIAL ASSETS AT FVTPL

	2025	2024
Equity securities listed in Hong Kong	<b>27,052,000</b>	21,646,350

The fair value of the Group's investments in listed securities are determined with reference to quoted market closing prices.

At 31 March 2025, equity securities listed in Hong Kong with carrying amounts of HK\$27,052,000 (2024: HK\$21,646,350) have been pledged to secure general banking facilities granted to the Group (note 32).

## 28. TRUST ACCOUNTS OF SHARES DEALING CLIENTS

	2025	2024
Trust accounts	<b>31,490,556</b>	58,818,134

From the Group's ordinary business of securities and futures dealing, it receives and holds money for clients and other institutions in the course of conducting its regulated activities. These client's monies are maintained in one or more trust accounts. The Group has recognised the corresponding trade payables to respective clients and other institutions.

Trust accounts earn interests at floating rates based on daily bank deposit rates and are placed with creditworthy banks with no recent history of default.

## 29. CASH AND CASH EQUIVALENTS

	2025	2024
Cash at bank and in hand	<b>68,533,694</b>	36,213,980
Cash deposits in a financial service company	<b>5,935,148</b>	5,630,148
	<b>74,468,842</b>	41,844,128

Included in cash at bank and in hand of the Group is HK\$1,154,401 (2024: HK\$12,716,490) of bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

### 30. TRADE AND OTHER PAYABLES

The Group's trade payables arose from (i) manufacturing and distribution of plastic packaging materials and (ii) broking and securities margin financing.

	2025	2024
Trade payables to:		
– Clearing house and cash clients	25,297,967	56,691,458
– Secured margin clients	9,681,834	6,990,478
– Other creditors	5,177,825	6,153,647
	<b>40,157,626</b>	<b>69,835,583</b>
Accrued salaries	5,826,026	6,767,085
Accrued employee benefits	3,950,028	3,087,415
Accrued development expenditure of properties	623,000	10,903,798
Other accrued expenses	11,210,982	12,217,164
Rental deposits received	4,875,825	3,048,436
Advanced payment received from tenants	1,864,638	849,520
	<b>28,350,499</b>	<b>36,873,418</b>
	<b>68,508,125</b>	<b>106,709,001</b>

Trade payables to other creditors represents trade payables in respect of purchases of materials and supplies.

At 31 March 2025, trade payables to cash clients and secured margin clients of HK\$223,262 (2024: HK\$Nil) were due to the key management personnel.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

### 30. TRADE AND OTHER PAYABLES (Cont'd)

The credit period granted by other creditors is generally within 30 days (2024: 30 days). The following is an aging analysis of trade payables to other creditors based on invoice dates:

	2025	2024
0–30 days	4,904,752	5,355,926
31–60 days	–	303,876
61–90 days	29,139	243,310
91–120 days	–	8,770
121–365 days	30,436	–
Over 365 days	213,498	241,765
	<b>5,177,825</b>	<b>6,153,647</b>

All amounts are short term and hence the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of fair value.

### 31. CONTRACT LIABILITIES

	2025	2024
Deposit received from customers for sales of plastic packaging materials	<b>791,230</b>	<b>1,216,568</b>

When the Group receives a deposit before the control of the plastic packaging materials are passed to the customers, this will give rise to contract liabilities until the control of the plastic packaging materials are passed to the customers and revenue of the respective contracts are recognised.

The decrease of contract liabilities as at 31 March 2025 and 2024 is mainly due to the decrease in advances received from customers in relation to sales of goods during the reporting period.

Contract liabilities outstanding at the beginning of the year amounting to HK\$766,656 (2024: HK\$808,847) has been recognised as revenue during the year.

As at 31 March 2025 and 2024, the balances of contract liabilities are expected to be settled within one year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

### 32. BANK LOANS

	2025	2024
Secured bank loans	<b>342,780,455</b>	<b>331,461,099</b>

At 31 March 2025 and 2024, the Group's bank loans were repayable as follows:

	2025	2024
Carrying amounts repayable ( <i>note</i> )		
Within one year	<b>276,519,743</b>	43,260,819
In the second year	<b>2,137,550</b>	220,393,095
In the third to fifth year	<b>7,101,951</b>	6,256,591
After the fifth year	<b>43,311,576</b>	46,571,326
	<b>329,070,820</b>	316,481,831
Carrying amounts of bank loans that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	<b>1,297,837</b>	1,247,552
In the second year	<b>964,688</b>	1,264,676
In the third to fifth year	<b>3,036,074</b>	2,895,265
After the fifth year	<b>8,411,036</b>	9,571,775
	<b>13,709,635</b>	14,979,268
	<b>342,780,455</b>	331,461,099
Less: Amounts shown under current liabilities	<b>(290,229,378)</b>	(58,240,087)
Amounts shown under non-current liabilities	<b>52,551,077</b>	<b>273,221,012</b>

*Note:* The amounts are based on the scheduled repayment dates set out in the loan agreements.

Bank loans bear interest at rates ranging from 2.40% to 6.86% (2024: 2.78% to 7.38%) per annum.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 32. BANK LOANS (Cont'd)

The bank loans were secured by guarantees provided by the Group's subsidiaries and the Group's assets as follows:

	Notes	2025	2024
Property, plant and equipment	16	241,905,366	207,262,476
Investment properties	18	272,116,600	250,430,000
Financial assets at FVTPL	27	27,052,000	21,646,350
		<b>541,073,966</b>	<b>479,338,826</b>

## 33. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2025	2024
Total minimum lease payments:		
Due within one year	1,073,250	1,073,250
Future finance charges on lease liabilities	(24,966)	(13,996)
Present value of lease liabilities	<b>1,048,284</b>	<b>1,059,254</b>
Present value of minimum lease payments:		
Due within one year	1,048,284	1,059,254
Less: Portion due within one year included under current liabilities	(1,048,284)	(1,059,254)
Portion due after one year included under non-current liabilities	<b>—</b>	<b>—</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 33. LEASE LIABILITIES (Cont'd)

As at 31 March 2025 and 2024, lease liabilities are effectively secured by the related underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

During the year ended 31 March 2025, the total cash outflows to a related company, Sonliet Realty Company Limited ("Sonliet Realty"), a company controlled by a director of the Company, Mr. Chua Nai Tuen for the leases are HK\$1,430,999 (2024: HK\$1,431,000).

As at 31 March 2025 and 2024, the Group has entered into lease for warehouse.

Types of right-of-use assets	Financial statements items of right-of-use assets included in	Number of lease	Range of remaining lease term	Particulars
Warehouse	Buildings in "Right-of-use assets"	1 (2024: 1)	1 year (2024: 1 year)	Only subject to monthly fixed rental payment

## 34. AMOUNT DUE TO AN ASSOCIATE

The amount due to Titan Dragon is unsecured, interest-free and repayable by future dividends.

## 35. AMOUNT DUE TO A NON-CONTROLLING INTEREST ("NCI")

The amount due to a NCI is unsecured, interest-free and repayable within the next 12 months from the end of the reporting period (2024: not repayable within the next 12 months from the end of the reporting period).

## 36. DEFERRED TAX

The movement during the year in the deferred tax liabilities/(assets) is as follows:

	2025	2024
At 1 April	11,138,480	9,650,547
Recognised in profit or loss (Note 9)	(213,192)	1,487,933
Recognised in other comprehensive income	2,083,076	—
At 31 March	13,008,364	11,138,480

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 36. DEFERRED TAX (Cont'd)

The movement in deferred tax (assets)/liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

	Tax depreciation	Tax loss	Allowance for credit loss	Revaluation of properties	Others	Total
At 1 April 2023	11,007,032	(3,774,396)	(1,380,601)	3,635,245	163,267	9,650,547
Recognised in profit or loss	744,789	(469,932)	1,247,947	(181,997)	147,126	1,487,933
At 31 March 2024 and 1 April 2024	11,751,821	(4,244,328)	(132,654)	3,453,248	310,393	11,138,480
Recognised in profit or loss	506,334	(143,122)	(131,426)	(350,340)	(94,638)	(213,192)
Recognised in other comprehensive income	–	–	–	2,083,076	–	2,083,076
At 31 March 2025	<u>12,258,155</u>	<u>(4,387,450)</u>	<u>(264,080)</u>	<u>5,185,984</u>	<u>215,755</u>	<u>13,008,364</u>

The amounts recognised in the consolidated statement of financial position are as follows:

	2025	2024
Deferred tax assets	(344,659)	(441,828)
Deferred tax liabilities	<u>13,353,023</u>	<u>11,580,308</u>
	<u>13,008,364</u>	<u>11,138,480</u>

The Group has unrecognised tax losses arising in Hong Kong of HK\$76,453,236 (2024: HK\$60,634,098) to carry forward against future taxable income. These tax losses do not expire under current legislation.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 37. LONG SERVICE PAYMENT OBLIGATIONS

Pursuant to the Hong Kong Employment Ordinance, Chapter 57, Hong Kong employees that have been employed continuously for at least five years are entitled to LSP under certain circumstances (e.g. dismissal by employers or upon retirement).

The amount of LSP payable is determined with reference to the employee's last monthly salary (capped at HK\$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme (see note 13), with an overall cap of HK\$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligations.

In June 2022, the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Amendment Ordinance will take effect on 1 May 2025 (the "Transition Date"). Separately, the Government has indicated that it would launch a subsidy scheme to assist employers after the abolition.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date. In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The benefit payment under LSP remains capped at HK\$390,000 per employee. If an employee's total benefit payment exceeds HK\$390,000, the amount in excess of the cap is deducted from the portion accrued from the Transition Date.

The Group has accounted for the offsetting mechanism and its abolition as disclosed in notes 2.19 to the consolidated financial statements.

The Group has determined that the Amendment Ordinance primarily impacts the Group's LSP obligations with respect to Hong Kong employees.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 37. LONG SERVICE PAYMENT OBLIGATIONS (Cont'd)

The present value of unfunded LSP obligations and its movements are as follows:

	2025	2024
At 1 April	<b>931,494</b>	1,501,098
Remeasurements recognised in other comprehensive income:		
– Actuarial gain arising from changes in financial assumptions	<b>(132,370)</b>	(673,729)
Expenses recognised in profit or loss:		
– Current service cost	<b>60,597</b>	62,489
– Interest cost	<b>64,601</b>	41,636
At 31 March	<b>924,322</b>	931,494

The current service cost is included in employee benefits expenses. They are recognised in the following line items in the consolidated statement of profit or loss:

	2025	2024
Cost of sales	<b>11,709</b>	10,417
Administrative expenses	<b>48,888</b>	52,072
	<b>60,597</b>	62,489

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 37. LONG SERVICE PAYMENT OBLIGATIONS (Cont'd)

### Estimates and assumptions

The significant actuarial assumptions for the determination of LSP obligations are as follows:

	2025	2024
Discount rate	3.45%	4.45%
Salary growth rate (average)	2.02%	2.29%
Turnover rate (average)	6.24%	4.77%

These assumptions were developed by the management. Discount factors are determined close to each period-end by reference to government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related LSP obligations. Other assumptions are based on current actuarial benchmarks and the management's historical experience.

The present value of the LSP obligations was measured using the projected unit credit method.

The weighted average duration of the LSP obligations is 3.37 years (2024: 2.52 years).

Expected maturity analysis of undiscounted LSP obligations as at 31 March 2025 and 2024 is disclosed as follows:

	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Over 5 years
<b>31 March 2025</b>				
LSP obligations	731,109	15,487	7,075	295,678
<b>31 March 2024</b>				
LSP obligations	801,301	–	13,502	205,516

The LSP obligations expose the Group to actuarial risks such as interest rate risk, salary risk and the investment risk of the Group's MPF scheme's constituent funds.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 37. LONG SERVICE PAYMENT OBLIGATIONS (Cont'd)

### Changes in the significant actuarial assumptions

The principal assumptions used for the determination of the long service payment obligations are discount rate, salary growth rate and turnover rate.

In the opinions of the directors of the Group, the expected change in the principal assumptions will not have significant impact on the long service payment obligations for the years ended 31 March 2025 and 2024. Hence, no sensitivity analysis is presented.

## 38. SHARE CAPITAL

	2025		2024	
	Number of shares	HK\$	Number of shares	HK\$
<b>Issued and fully paid</b>				
At the beginning and at the end of the year	<u>225,420,034</u>	<u>245,062,941</u>	<u>225,420,034</u>	<u>245,062,941</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025	2024
<b>ASSETS AND LIABILITIES</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,180	21,679
Investment property	7,266,126	7,916,850
Interests in subsidiaries	60,412,428	59,520,057
Interests in associates	4,568,160	22,104,665
	<u>72,257,894</u>	<u>89,563,251</u>
<b>Current assets</b>		
Trade and other receivables	130,998	196,576
Deposits and prepayments	1,208,395	490,408
Amounts due from subsidiaries	860,023,430	820,510,762
Cash and cash equivalents	1,349,734	1,263,668
	<u>862,712,557</u>	<u>822,461,414</u>
<b>Current liabilities</b>		
Trade and other payables	2,945,901	2,652,432
Amounts due to subsidiaries	328,964,243	311,729,716
	<u>331,910,144</u>	<u>314,382,148</u>
<b>Net current assets</b>	<u>530,802,413</u>	<u>508,079,266</u>
<b>Total assets less current liabilities</b>	<u>603,060,307</u>	<u>597,642,517</u>
<b>Non-current liability</b>		
Amount due to an associate	35,228,978	18,615,385
<b>Net assets</b>	<u>567,831,329</u>	<u>579,027,132</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

	2025	2024
<b>EQUITY</b>		
Share capital	245,062,941	245,062,941
Retained profits ( <i>Note</i> )	322,768,388	333,964,191
<b>Total equity</b>	<b>567,831,329</b>	<b>579,027,132</b>

**Chua Nai Tuen**  
*Director*

**Nelson Junior Chua**  
*Director*

*Note:*

At 1 April 2023	339,611,292
Profit and total comprehensive income for the year	1,115,500
Dividends paid ( <i>note 11</i> )	(6,762,601)
At 31 March 2024 and at 1 April 2024	333,964,191
Loss and total comprehensive expense for the year	(4,433,202)
Dividends paid ( <i>note 11</i> )	(6,762,601)
<b>At 31 March 2025</b>	<b>322,768,388</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

### 40. RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2025	2024
(Loss)/Profit before income tax	(21,475,852)	60,223,302
Adjustments for:		
Loss arising from change in fair value of investment properties	36,601,413	193,949,870
(Gain)/Loss arising from change in fair value of financial assets at FVTPL	(6,479,501)	7,293,756
Share of results of associates	(15,975,753)	(288,910,725)
Dividend income from listed equity securities	(1,610,952)	(1,374,594)
Bad debt recovery	–	(44,000)
Bad debt written off	8,341	1,255,888
Interest income	(1,376,028)	(2,826,134)
Provision for impairment loss on intangible asset	300,000	–
Imputed interest income	(9,360,999)	(1,852,613)
Finance costs	18,770,984	18,078,407
Provision for ECL allowance of trade and other receivables and loan receivables	2,054,628	362,115
Depreciation of property, plant and equipment	8,215,896	8,413,335
Depreciation of right-of-use assets	1,847,701	1,852,506
Long service payment obligations:		
– expenses recognised in profit or loss	60,597	62,489
Gain on disposal of property, plant and equipment	(36,817)	–
Loss on deemed disposal of interest in an associate	15,661,473	26,282,302
Operating cash flows before changes in working capital	27,205,131	22,765,904
(Increase)/Decrease in inventories	(6,222,413)	5,514,537
Decrease/(Increase) in trade and other receivables	41,218,664	(6,842,318)
Decrease in financial assets at FVTPL	1,073,851	68,894
Decrease in deposits and prepayments	730,583	828,212
Decrease in trust accounts of shares dealing clients	27,327,578	19,915,187
Decrease in trade and other payables	(27,561,929)	(19,820,146)
Decrease in contract liabilities	(425,338)	(42,191)
<b>Cash generated from operations</b>	<b>63,346,127</b>	<b>22,388,079</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 41. LEASE COMMITMENTS

### As lessor

At 31 March 2025 and 2024, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of land and buildings as follows:

	2025	2024
Within one year	9,830,041	8,687,816
After 1 year but within 2 years	2,129,940	2,649,972
After 2 years but within 5 years	1,236,750	–
	<b>13,196,731</b>	<b>11,337,788</b>

The Group leases its investment properties (note 18) under operating lease arrangements which run for an initial period of one month to three years (2024: one month to three years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The terms of the leases generally also require the tenants to pay security deposits.

## 42. CAPITAL COMMITMENTS

	2025	2024
Contracted but not provided for:		
– Property, plant and equipment	382,945	1,446,289
– Development expenditure of properties	39,603,353	85,623,529
	<b>39,986,298</b>	<b>87,069,818</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

### 43. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions with related parties at normal commercial terms:

	2025	2024
Income received from key management personnel		
– Brokerage commission income	<b>41,096</b>	75,588
– Interest income received	<b>605,043</b>	1,393,732
Income received from associates		
– Accounting fee received from Ongoing Investments	<b>60,000</b>	60,000
– Accounting fee received from Sequin Developments	<b>60,000</b>	60,000
Expenses paid to a related company		
– Consultation fee paid to Sonliet Realty	<b>1,315,241</b>	1,359,649
Key management remuneration (including directors' remuneration)		
– Salaries and allowances	<b>14,118,390</b>	13,694,628
– Retirement benefit scheme contributions	<b>108,000</b>	126,000

### 44. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2025, the Group extended an existing lease contract in which modifications to right-of-use asset and lease liability amounting to HK\$1,394,497 (note 17) was recognised at the effective date of modification.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Interest payable	Other finance costs payable	Lease liabilities	Bank loans	Amount due to a NCI	Amount due to an associate	Total
At 1 April 2023	580,780	-	2,433,152	280,691,339	3,320,000	29,474,443	316,499,714
<b>Non-cash:</b>							
- Finance costs	13,710,344	218,490	57,102	-	-	1,959,685	15,945,621
- Capitalised borrowing costs	1,744,022	517,854	-	-	-	-	2,261,876
- Exchange difference	-	-	-	-	-	(1,029,000)	(1,029,000)
<b>Cash flows:</b>							
- Inflow from financing activities	-	-	-	556,047,942	75,000	-	556,122,942
- Outflow from financing activities	(14,859,808)	(736,344)	(1,431,000)	(505,278,182)	-	-	(522,305,334)
At 31 March 2024 and at 1 April 2024	1,175,338	-	1,059,254	331,461,099	3,395,000	30,405,128	367,495,819
<b>Non-cash:</b>							
- Finance costs	12,055,071	1,428,053	25,532	-	-	3,429,460	16,938,116
- Capitalised borrowing costs	6,722,842	-	-	-	-	-	6,722,842
- Imputed interest income	-	-	-	-	-	(8,315,424)	(8,315,424)
- Exchange difference	-	-	-	-	-	(887,486)	(887,486)
- Lease modification	-	-	1,394,497	-	-	-	1,394,497
<b>Cash flows:</b>							
- Inflow from financing activities	-	-	-	203,938,170	65,000	32,908,986	236,912,156
- Outflow from financing activities	(19,021,787)	(1,428,053)	(1,430,999)	(192,618,814)	-	-	(214,499,653)
At 31 March 2025	<u>931,464</u>	<u>-</u>	<u>1,048,284</u>	<u>342,780,455</u>	<u>3,460,000</u>	<u>57,540,664</u>	<u>405,760,867</u>

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.1 Categories of financial instruments

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2025	2024
<b>Financial assets</b>		
<i>Financial assets at FVTPL</i>	<b>27,052,000</b>	21,646,350
<i>Financial assets at FVOCI (non-recycling)</i>	<b>95,416,457</b>	90,985,137
<i>Financial assets at amortised cost</i>		
Other assets	<b>2,700,000</b>	2,700,000
Trade and other receivables	<b>58,287,789</b>	101,584,637
Loan receivables	<b>28,750,351</b>	29,822,385
Deposits	<b>3,077,099</b>	3,211,291
Amount due from an associate	–	17,365,705
Trust accounts of shares dealing clients	<b>31,490,556</b>	58,818,134
Cash and cash equivalents	<b>74,468,842</b>	41,844,128
	<b><u>321,243,094</u></b>	<b><u>367,977,767</u></b>
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	<b>66,643,487</b>	105,859,481
Bank loans	<b>342,780,455</b>	331,461,099
Amount due to an associate	<b>57,540,664</b>	30,405,128
Lease liabilities	<b>1,048,284</b>	1,059,254
Amount due to a NCI	<b>3,460,000</b>	3,395,000
	<b><u>471,472,890</u></b>	<b><u>472,179,962</u></b>

### 46.2 Foreign currency risk

The Group operates in Hong Kong and the PRC and majority of transactions are denominated in HK\$, United States dollar ("US\$") and Renminbi ("RMB"). Foreign exchange risk arises from commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group entities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.2 Foreign currency risk (Cont'd)

The Group currently does not have a foreign currency hedge policy. In order to mitigate the foreign currency risk, the management closely monitors such risks and will consider hedging significant foreign currency exposure should the need arise.

The Group is not exposed to significant foreign exchange risk in respect of HK\$ against the US\$ as long as this currency is pegged.

### 46.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk related primarily to variable rate bank loans, trade receivables from margin client, cash and cash equivalents, trust accounts of share dealing clients, fixed rate loan receivables and lease liabilities. The Group currently does not have an interest rate hedging policy. However, the directors monitor interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The following table details the interest rate profile of the Group's material interest-bearing financial asset and liability at the end of the reporting period.

	2025	2024
<b>Assets</b>		
Trade receivables from margin client	<b>31,067,496</b>	71,186,789
<b>Liabilities</b>		
Variable rate bank loans	<b>342,780,455</b>	331,461,099
Net exposure	<b>(311,712,959)</b>	(260,274,310)

#### *Sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2024: 50 basis points) increase or decrease is used when reporting interest rate risk internally to the key management personnel and represents the management's assessment of a reasonably possible change in interest rates.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.3 Interest rate risk (Cont'd)

#### *Sensitivity analysis (Cont'd)*

If interest rates had been 50 basis points (2024: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss (2024: profit) for the year ended 31 March 2025 would increase/decrease (2024: decrease/increase) by approximately HK\$1,301,000 (2024: HK\$1,087,000). This is mainly attributable to the Group's interest rates on its variable rate bank loans.

### 46.4 Equity price risk

The Group is exposed to equity price risk arising from equity investments classified as financial assets at FVTPL which are measured at fair value at the end of the reporting period. The directors manage the exposure by maintaining a portfolio of securities with different risk class and monitor the performance regularly. In addition, the directors will monitor the price risk and consider hedging the risk exposure should the need arise.

#### *Sensitivity analysis*

The sensitivity analysis below presents the effects on the Group's post-tax loss (2024: profit) for the year and equity as a result of a change in equity price, assuming the change had occurred at the end of the reporting period and had been applied to the exposure to the equity price for the relevant financial instruments in existence at that date. The changes in equity price represent the management's assessment of a reasonably possible change in equity price at that date over the period until the next annual reporting date.

	Increase/(Decrease) in post-tax loss (2024: profit)		Increase/(Decrease) in equity	
	2025	2024	2025	2024
10% increase in market price	(2,259,000)	1,807,000	2,259,000	1,807,000
10% decrease in market price	<u>2,259,000</u>	<u>(1,807,000)</u>	<u>(2,259,000)</u>	<u>(1,807,000)</u>

### 46.5 Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, other assets, deposits, loan receivables, amount due from an associate, trust accounts of shares dealing clients and cash and cash equivalents. The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.5 Credit risk (Cont'd)

#### *Trade receivables*

In respect of amounts due from cash and margin clients, individual credit evaluations are performed on all clients (including cash and margin clients). Cash clients are required to place deposits as prescribed in the Group's credit policy before execution of any purchase transactions. Receivables due from cash clients are due within the settlement period commonly adopted in the relevant market practices, which is usually within a few days from the trade date. Because of the prescribed deposit requirements and the short settlement period involved, credit risk arising from the amounts due from cash clients is considered relatively low. The Group normally obtains liquid securities and/or cash deposits as collateral for providing margin financing to its clients. Margin loans due from margin clients are repayable on demand. Market conditions and adequacy of securities collateral and margin deposits of each margin account and futures account are monitored by the management on a daily basis. Margin calls and forced liquidation are made where necessary.

Trade receivables of the Group from other customers consist of a large number of customers, spread across diverse industries and geographical areas.

The Group's policy to manage credit risk is to deal only with credit worthy counterparties. In order to minimise the credit risk, the management of the Group has formulated a credit policy and, delegated a team responsible for determination of credit limits and credit approvals and other monitoring procedures to ensure that follow-up action is taken.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and consider information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group does not obtain collateral from customers other than amounts due from margin clients.

Except for trade receivables with the amounts of HK\$46,261,631 (2024: HK\$82,136,792) are assessed individually, the Group performed impairment assessment for trade receivables equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.5 Credit risk (Cont'd)

#### *Trade receivables (Cont'd)*

#### *Measurement of ECL on collective basis*

The following table provides information about the Group's exposure to credit risk for trade receivables from sales of goods which are assessed based on provision matrix at 31 March 2025 and 2024:

	Average expected loss rate	Gross carrying amounts	Loss allowance
<b>2025</b>			
Neither yet past due nor impaired	0.97 %	9,628,473	93,192
1–30 days past due	1.76 %	4,360,694	76,956
31–60 days past due	7.40 %	2,932,945	216,971
61–90 days past due	24.88 %	585,341	145,643
91–120 days past due	58.40 %	878,496	513,020
Over 120 days past due	30.11 %	46,623	14,038
		<u>18,432,572</u>	<u>1,059,820</u>
<b>2024</b>			
Neither yet past due nor impaired	0.50%	12,711,589	64,030
1–30 days past due	0.84%	5,226,135	43,947
31–60 days past due	4.52%	1,649,950	74,620
61–90 days past due	6.17%	836,703	51,631
91–120 days past due	0.00%	21,561	–
Over 120 days past due	17.63%	327,189	57,706
		<u>20,773,127</u>	<u>291,934</u>

Average expected loss rates are based on the payment profiles of revenue over 12 months before the end of the reporting period. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

In applying the forward-looking information, the Group has taken into account the possible impacts associated with the overall change in the economic environment arising from rising market interest rates and high inflation, including the default rates in which the relevant debtors operates.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.5 Credit risk (Cont'd)

#### *Trade receivables (Cont'd)*

#### *Measurement of ECL on individual basis*

At 31 March 2025, trade receivables with the amounts of HK\$46,261,631 (2024: HK\$82,136,792) in relation to property investment, development and leasing, sales of goods and broking and securities margin financing operation were performed impairment assessment on individual basis. The following table presents the balances of gross carrying amounts and the loss allowance in respect of the individually assessed trade receivables at 31 March 2025 and 2024:

	Gross carrying amounts	Loss allowance
<b>2025</b>		
Property investment, development and leasing	318,031	23,055
Sales of goods	7,133,666	547,682
Broking and securities margin financing operations	38,809,934	5,704,852
	<u>46,261,631</u>	<u>6,275,589</u>
<b>2024</b>		
Property investment, development and leasing	414,364	23,055
Broking and securities margin financing operations	81,722,428	4,966,475
	<u>82,136,792</u>	<u>4,989,530</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.5 Credit risk (Cont'd)

#### *Other financial assets at amortised cost*

Other financial assets at amortised cost include other receivables, loan receivables, deposits, other assets, amount due from an associate, trust accounts of shares dealing clients and cash and cash equivalents. In order to minimise the credit risk of other receivables, loan receivables, deposits, amount due from an associate and other assets, the management of the Group makes periodic collective and individual assessment on their recoverability based on historical settlement records and past experience as well as current external information and adjusted to reflect probability-weighted forward-looking information, including the default rate where the relevant debtors operates. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

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

The management is of opinion that there is no significant increase in credit risk on other receivables, loan receivables, deposits, amount due from an associate and other assets since initial recognition as the risk of default is low after considering the factors as set out in note 2.9 and, thus, ECL recognised is based on 12-month ECL. As at 31 March 2025, 12-month ECL allowance of HK\$599,715 (2024: HK\$599,715) and HK\$16,446,598 (2024: HK\$16,446,598) was made against the gross carrying amount of other receivables and amount due from an associate, respectively, while no 12-month ECL allowance was provided on loan receivables, deposits and other assets (2024: HK\$Nil), taking into account the debtors' creditworthiness, financial strength, past collection records, etc. No lifetime ECL was provided on other receivables, loan receivables, deposits, amount due from an associate and other assets (2024: HK\$Nil).

The Group deposited its trust accounts of shares dealing clients and cash and cash equivalents with approved and reputable banks. Bankruptcy or insolvency of the banks may cause the Group's right with respect to trust accounts of shares dealing clients and cash and cash equivalents held to be delayed or limited. The directors monitor the credit rating of these banks on an ongoing basis, and consider that the Group's exposure to credit risk were minimal.

The Group does not have any other significant concentrations of credit risk.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.6 Liquidity risk

The Group is exposed to liquidity risk on financial liabilities. The directors adopt a prudent policy to maintain a sufficient level of cash and cash equivalents and financial assets to meet continuous operational need. Various banking facilities and credit lines have also been arranged with different banks in order to fund any liquidity requirements in the short term.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and the earliest period in which the Group is committed to pay.

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Over 5 years	Total contractual undiscounted cash flow	Carrying amount
<b>2025</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other payables	66,643,487	-	-	-	66,643,487	66,643,487
Bank loans ( <i>Note</i> )	295,216,001	4,755,624	14,266,873	58,269,712	372,508,210	342,780,455
Amount due to an associate	-	57,540,664	-	-	57,540,664	57,540,664
Lease liabilities	1,073,250	-	-	-	1,073,250	1,048,284
Amount due to a NCI	3,460,000	-	-	-	3,460,000	3,460,000
	<u>366,392,738</u>	<u>62,296,288</u>	<u>14,266,873</u>	<u>58,269,712</u>	<u>501,225,611</u>	<u>471,472,890</u>
<b>2024</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other payables	105,859,481	-	-	-	105,859,481	105,859,481
Bank loans ( <i>Note</i> )	60,362,421	223,788,609	15,422,001	68,131,986	367,705,017	331,461,099
Amount due to an associate	-	30,405,128	-	-	30,405,128	30,405,128
Lease liabilities	1,073,250	-	-	-	1,073,250	1,059,254
Amount due to a NCI	3,395,000	-	-	-	3,395,000	3,395,000
	<u>170,690,152</u>	<u>254,193,737</u>	<u>15,422,001</u>	<u>68,131,986</u>	<u>508,437,876</u>	<u>472,179,962</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.6 Liquidity risk (Cont'd)

*Note:* Bank loans with a repayable on demand clause are included in the “within one year or on demand” time band in the above maturity analysis. At 31 March 2025, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$13,709,635 (2024: HK\$14,979,268). Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	Within one year	More than one year but less than two years	More than two years but less than five years	Over five years	Total contractual undiscounted cash flow	Carrying amount
<b>2025</b>						
Bank loans	<u>1,609,828</u>	<u>1,252,090</u>	<u>3,756,271</u>	<u>9,182,490</u>	<u>15,800,679</u>	<u>13,709,635</u>
<b>2024</b>						
Bank loans	<u>1,701,192</u>	<u>1,667,603</u>	<u>3,902,112</u>	<u>10,842,894</u>	<u>18,113,801</u>	<u>14,979,268</u>

### 46.7 Fair value measurements of financial instruments

Financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.7 Fair value measurements of financial instruments (Cont'd)

The financial assets and liabilities measured at fair value in the consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<b>2025</b>				
<b>Financial assets</b>				
<i>Financial assets at FVTPL</i>				
– Listed equity securities	27,052,000	–	–	27,052,000
<i>Financial assets at FVOCI (non-recycling)</i>				
– Unlisted equity investments	–	–	95,416,457	95,416,457
	<u>27,052,000</u>	<u>–</u>	<u>95,416,457</u>	<u>122,468,457</u>

<b>2024</b>				
<b>Financial assets</b>				
<i>Financial assets at FVTPL</i>				
– Listed equity securities	21,646,350	–	–	21,646,350
<i>Financial assets at FVOCI (non-recycling)</i>				
– Unlisted equity investments	–	–	90,985,137	90,985,137
	<u>21,646,350</u>	<u>–</u>	<u>90,985,137</u>	<u>112,631,487</u>

There were no transfer between Level 1 and Level 2 during the years ended 31 March 2025 and 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

### 46.7 Fair value measurements of financial instruments (Cont'd)

The methods and valuation techniques used for the purpose of measuring fair values categorised in Level 3 are described below.

#### *Unlisted equity investments (Level 3)*

The unlisted equity investments represent investments in a private equity fund and a private company. The Group determines their fair values at the end of the reporting period based on the adjusted net assets value with underlying assets and liabilities measured at fair value as reported by the general partners of the fund, with reference to inputs such as an investment property's market value which is valued by an independent professional qualified valuer.

The information about the fair value of unlisted equity investments under Level 3 fair value hierarchy are described below:

	Valuation technique	Unobservable input	Relationship of unobservable inputs to fair value
<b>2025 and 2024</b>			
Unlisted equity investments	Adjusted net assets value, determined based on fair value of underlying property held in PRC	Fair value of the underlying property	The higher the fair value, the higher the net assets value

The reconciliation of the carrying amounts of the Group's financial instruments classified within Level 3 of the fair value hierarchy is as follows:

	2025	2024
Fair value at 1 April	90,985,137	65,219,287
Fair value gain recognised in other comprehensive income	4,711,636	26,011,980
Exchange loss	(280,316)	(246,130)
Fair value at 31 March	95,416,457	90,985,137

Fair value gain on unlisted equity investments is recognised in other comprehensive income and included under "Fair value reserve (non-recycling)".

There were no transfers into or out of Level 3 during the year ended 31 March 2025 (2024: nil).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 47. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain the Group's ability to continue operating as a going concern and to preserve healthy capital structure ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, issue of new shares, repurchase of existing shares as well as issue of new debt or redemption of existing debt. The Group's overall strategy remains unchanged from prior years.

The Group monitors capital on the basis of net debt to equity ratio. For this purpose net debt is defined as total debts (which includes bank loans and lease liabilities) less cash and cash equivalents. The Group's policy is to keep the net debt to equity ratio at a reasonable level.

The Group is not subject to any external imposed capital requirements, except for certain subsidiaries of the Group licensed by the Securities and Futures Commission are obliged to meet the regulatory liquid capital requirements under the Securities and Futures (Financial Resources) Rules at all times.

The net debt to equity ratio at the end of the reporting period are as follows:

	2025	2024
Total debts	343,828,739	332,520,353
Less:		
– Cash and cash equivalents	(74,468,842)	(41,844,128)
Net debt	269,359,897	290,676,225
Equity attributable to owners of the Company	1,114,374,772	1,135,612,393
Net debt to equity ratio	24%	26%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 48. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at 31 March 2025 and 2024 are as follows:

Name of company	Country/Place of incorporation/ operations and business	Type of legal entity	Class of shares/ registered capital	Issued and fully paid share capital/ registered capital	Percentage of ownership interest held by the Company		Principal activities
					2025 %	2024 %	
Always Best Company Limited	British Virgin Islands/ The PRC	Limited liability company	Ordinary	US\$1	95	95	Trading of plastic products
Dongguan Nan Sing Plastics Limited	The PRC	Limited liability company	Registered	HK\$160,000,000	95	95	Manufacture of plastic products
Hotel Benito Management Limited	Hong Kong	Limited liability company	Ordinary	HK\$100,990	100*	100*	Hotel operation
K.W. & Associates Company Limited	Hong Kong	Limited liability company	Ordinary	HK\$2,000,000	100*	100*	Property investment
More Investments Limited	Hong Kong	Limited liability company	Ordinary	HK\$3	100*	100*	Property investment
Nan Sing Plastics Limited ("Nan Sing Plastics")	Hong Kong	Limited liability company	Ordinary	HK\$15,000,000	95	95	Trading of plastic products
Nan Sing Warehouse Limited	Hong Kong	Limited liability company	Ordinary	HK\$100,000	95	95	Warehouse and sales of scrap plastic materials
Nanryo Super Plastics (Hong Kong) Limited	Hong Kong	Limited liability company	Ordinary	HK\$19,500,000	- <sup>#</sup>	95	Trading of plastic products
Nice Profit Hong Kong Investment Limited	Hong Kong	Limited liability company	Ordinary	HK\$100	50*	50*	Property investment
SAP Realty Company Limited	Hong Kong	Limited liability company	Ordinary	HK\$100,100	100*	100*	Property investment
Southeast Asia Properties & Finance (China) Limited	Hong Kong/The PRC	Limited liability company	Ordinary	HK\$2	100*	100*	Property investment and development
Stockwell Securities Limited	Hong Kong	Limited liability company	Ordinary	HK\$30,000,000	100*	100*	Stock broking and commodities dealing

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

## 48. PRINCIPAL SUBSIDIARIES (Cont'd)

Name of company	Country/Place of incorporation/ operations and business	Type of legal entity	Class of shares/ registered capital	Issued and fully paid share capital/ registered capital	Percentage of ownership interest held by the Company		Principal activities
					2025 %	2024 %	
Strong Bright Technology Limited	Hong Kong	Limited liability company	Ordinary	HK\$10,000	100*	100	Property investment
Tanpar Company Limited	Hong Kong	Limited liability company	Ordinary	HK\$100	95	95	Trading
Top Epoch Limited	Hong Kong	Limited liability company	Ordinary	HK\$1	100*	100*	Property investment
Tsen Hsin Industrial Company Limited	Hong Kong	Limited liability company	Ordinary	HK\$400,000	95	95	Property investment
Workcave Limited	Hong Kong	Limited liability company	Ordinary	HK\$1	100*	100*	Co-working space operation
Gainful Sky Hong Kong Limited	Hong Kong	Limited liability company	Ordinary	HK\$100	100*	100*	Property investment

\* Issued capital held directly by the Company

# The Company was deregistered on 13 September 2024

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

### 48. PRINCIPAL SUBSIDIARIES (Cont'd)

The following table lists out the information relating to Nan Sing Plastics, a subsidiary of the Company with material NCI. The details and the summarised financial information, before intragroup eliminations, are as follows:

	2025	2024
Proportion of ownership interests and voting rights held by the NCI	4.64%	4.64%
Current assets	387,503,152	411,169,730
Non-current assets	2,005,193	1,806,296
Current liabilities	(130,115,940)	(157,106,480)
Non-current liabilities	(52,920,847)	(55,014,801)
Net assets	206,471,558	200,854,745
Carrying amount of NCI	9,587,162	9,326,355
Revenue	268,648,788	218,249,787
Expenses	(263,031,975)	(208,228,464)
Profit and total comprehensive income for the year	5,616,813	10,021,323
Profit and total comprehensive income attributable to NCI	260,807	465,323
Dividend paid to NCI	—	—
Net cash generated from operating activities	13,701,996	14,894,257
Net cash generated from/(used in) investing activities	52,024,301	(78,343,288)
Net cash used in financing activities	(34,685,396)	(881,738)
Net increase/(decrease) in cash and cash equivalents	31,040,901	(64,330,769)

Except for Nan Sing Plastics, the directors consider that the NCI of other non-wholly owned subsidiaries during the years ended 31 March 2025 and 2024 were insignificant to the Group and thus they are not separately presented in these consolidated financial statements.

## SUMMARY OF MAJOR PROPERTIES HELD FOR INVESTMENT

For the year ended 31 March 2025 (in HK Dollars)

Location	Existing Use	Category of lease term	Group's interest
(1) Shops, G/F–2/F, 7 Cameron Road, Tsimshatsui, Kowloon, Hong Kong	Commercial	Medium-term lease	100%
(2) 9/F, Chan Shan Building, Dong Men Nan Road, Shenzhen, PRC	Commercial	Medium-term lease	100%
(3) Flat C & D, 2/F., Block 2, Kwai Tak Industrial Centre, Kwai Chung, New Territories, Hong Kong	Industrial	Medium-term lease	95%
(4) Everglory Centre, No. 1B Kimberly Street, Tsimshatsui, Kowloon, Hong Kong	Commercial	Medium-term lease	100%
(5) Nan Sing Building, Town Centre, Zhangmutou, Dongguan, PRC	Residential/ Commercial	Medium-term lease	100%

## SUMMARY OF MAJOR PROPERTIES UNDER DEVELOPMENT

For the year ended 31 March 2025 (in HK Dollars)

Location	Intended usage	Category of lease term	Group's interest
(1) No. 7 Cameron Road, Tsimshatsui, Kowloon, Hong Kong (except shops, G/F–2/F)	Hotel operation	Medium-term lease	100%
(2) No. 1 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	Vacant	Medium-term lease	100%



## SUMMARY OF MAJOR PROPERTIES HELD FOR OWN USE

For the year ended 31 March 2025 (in HK Dollars)

Location	Usage	Category of lease term	Group's interest
(1) Room 407–410, 4/F, Tower 2, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong	Commercial	Medium-term lease	100%
(2) No. 24, Essex Crescent, Kowloon Tong, Kowloon, Hong Kong	Residential	Medium-term lease	100%
(3) Nan Sing Industrial Estate, Nan Shan Development Zone, Zhangmutou, Dongguan, PRC	Industrial	Medium-term lease	95%
(4) Nan Shan, Development Zone, Zhangmutou, Dongguan, PRC	Industrial	Medium-term lease	95%

## FIVE YEARS FINANCIAL SUMMARY

For the year ended 31 March 2025 (in HK Dollars)

The consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements are as follows:

	2025	2024	2023	2022	2021
<b>Results</b>					
Revenue	<u>232,260,459</u>	<u>192,687,470</u>	<u>238,533,661</u>	<u>274,414,996</u>	<u>260,322,083</u>
(Loss)/Profit for the year attributable to:					
Owners of the Company	<u>(25,568,231)</u>	<u>56,389,855</u>	<u>27,776,200</u>	<u>26,512,717</u>	<u>6,266,111</u>
Non-controlling interests	<u>(252,936)</u>	<u>(518,030)</u>	<u>1,251,741</u>	<u>224,899</u>	<u>2,276,544</u>
	<u>(25,821,167)</u>	<u>55,871,825</u>	<u>29,027,941</u>	<u>26,737,616</u>	<u>8,542,655</u>
<b>Assets and liabilities</b>					
Total assets	<u>1,616,442,516</u>	<u>1,635,320,068</u>	<u>1,529,020,628</u>	<u>1,577,524,878</u>	<u>1,482,720,163</u>
Total liabilities	<u>(492,323,073)</u>	<u>(489,604,142)</u>	<u>(449,036,248)</u>	<u>(503,310,652)</u>	<u>(433,510,398)</u>
	<u>1,124,119,443</u>	<u>1,145,715,926</u>	<u>1,079,984,380</u>	<u>1,074,214,226</u>	<u>1,049,209,765</u>
Equity attributable to:					
Owners of the Company	<u>1,114,374,772</u>	<u>1,135,612,393</u>	<u>1,069,113,659</u>	<u>1,063,882,292</u>	<u>1,038,005,257</u>
Non-controlling interests	<u>9,744,671</u>	<u>10,103,533</u>	<u>10,870,721</u>	<u>10,331,934</u>	<u>11,204,508</u>
	<u>1,124,119,443</u>	<u>1,145,715,926</u>	<u>1,079,984,380</u>	<u>1,074,214,226</u>	<u>1,049,209,765</u>
<b>(LOSS)/EARNINGS PER SHARE</b>					
Basic and diluted	<u>(11.3) cents</u>	<u>25.0 cents</u>	<u>12.3 cents</u>	<u>11.8 cents</u>	<u>2.8 cents</u>
<b>DIVIDEND PER SHARE</b>	<u>3 cents</u>	<u>3 cents</u>	<u>3 cents</u>	<u>3 cents</u>	<u>3 cents</u>