Chinney Investments, Limited

Stock Code: 216

Annual Report 2024/25

CONTENTS

CORPORATE INFORMATION

DIRECTORS

James Sing-Wai Wong *(Chairman)*
Yuen-Keung Chan *(Vice Chairman and Managing Director)*
Donald Yin-Shing Lam
Emily Yen Wong
Richard Chi-Ho Lo*
Winfred Wai-Lap Fan*
Randall Todd Turney*
Stephen Henry Chu*

* *Independent non-executive directors*

AUDIT COMMITTEE

Winfred Wai-Lap Fan *(Chairman)*
Richard Chi-Ho Lo
Randall Todd Turney

REMUNERATION COMMITTEE

Winfred Wai-Lap Fan *(Chairman)*
Richard Chi-Ho Lo
Randall Todd Turney
James Sing-Wai Wong
Yuen-Keung Chan

NOMINATION COMMITTEE

Richard Chi-Ho Lo *(Chairman)*
Winfred Wai-Lap Fan
Randall Todd Turney
James Sing-Wai Wong
Emily Yen Wong

COMPANY SECRETARY

Ka-Yee Wan

PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited
The Bank of East Asia, Limited
Chong Hing Bank Limited
Dah Sing Bank, Limited
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Shanghai Commercial Bank Limited

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

REGISTRAR

Tricor Investor Services Limited
17th Floor
Far East Finance Centre
No. 16 Harcourt Road
Hong Kong

REGISTERED OFFICE

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Wing On Centre
111 Connaught Road Central
Hong Kong

Tel : (852) 2877 3307
Fax : (852) 2877 2035
E-mail : general@chinneyhonkwok.com

STOCK CODE

SEHK 216

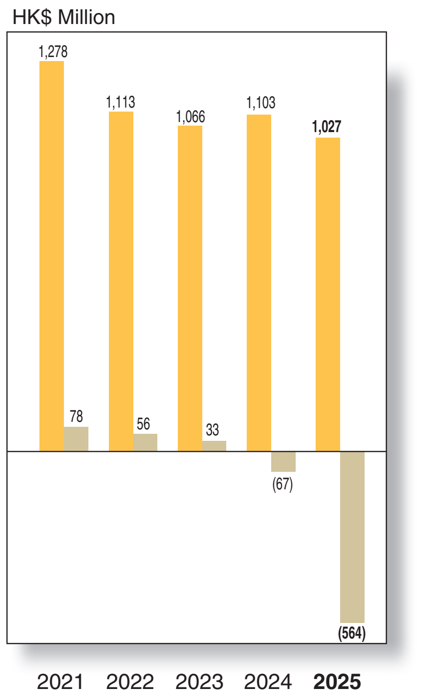
WEBSITE

http://www.chinney.com.hk

INVESTOR RELATIONS

E-mail : ir@chinneyhonkwok.com

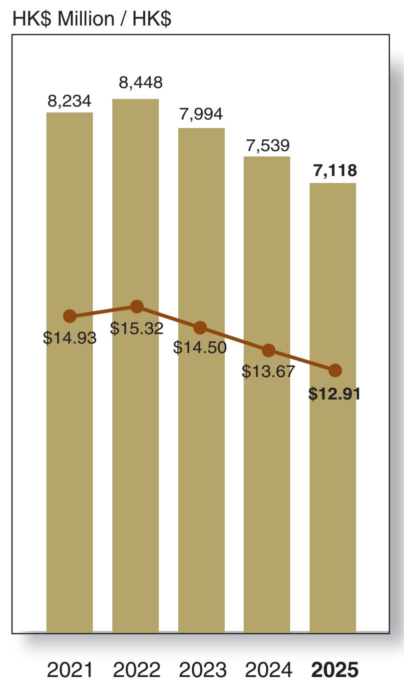
Revenue/ Net Profit/(Loss)



Revenue

Net profit/(loss) attributable to shareholders

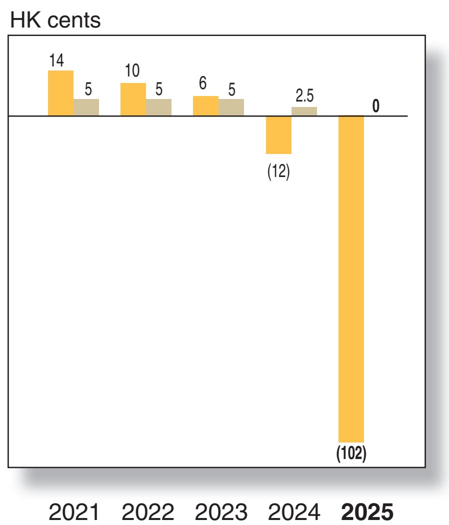
Shareholders' Funds/Net Assets per Share



Shareholders' funds

Net assets per share (HK$)

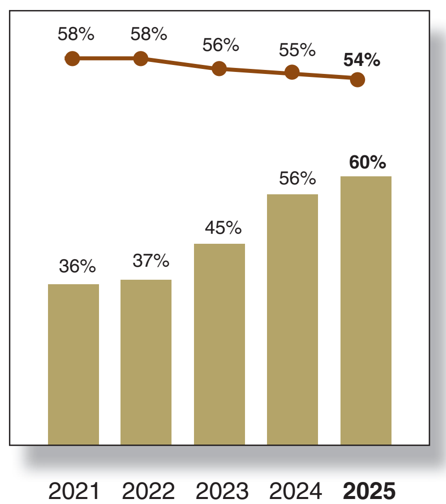
Earnings/(Loss)/ Dividend per Share



Earnings/(loss) per share

Dividend per share

Gearing/Equity Funding



Gearing ratio (*)

% of total assets financed by equity

(*) Representing ratio of "bank and other borrowings + lease liabilities – bank balances" to "shareholders' funds + non-controlling interests."

CHAIRMAN’S STATEMENT

Dear Shareholders:

On behalf of the Board of directors, I present the annual results of the Group for the year ended 31 March 2025.

The Group’s revenue decreased by 7% to HK$1,027 million (2024: HK$1,103 million) and the net operating loss before revaluation and impairment of goodwill was HK$55.1 million (2024: profit of HK$34.4 million). Delays in booking the sales revenue of our Guangzhou Beijing Road project as well as the delayed opening of our Bauhinia Central Hotel were the main contributors to the lower revenues and operating profits. The malaise in the China property markets continued putting downward pressure on consumer’s demand for new residential units and lowered our profit margins.

Reflecting the subdued property markets in Hong Kong and the Mainland, we further marked down the Group’s investment properties by 3.2%. Revaluation losses climbed to HK$490.7 million (2024: HK$101.1 million).

Nonetheless, despite a difficult environment, the construction and trading businesses managed to bring in a higher profit of HK$14.7 million in the financial year, up 96% from HK$7.5 million previous financial year. This helped to offset some of the investment properties net revaluation deficit and other non-cash items. The final loss attributable to equity holders was HK$564.0 million (2024: HK$66.7 million). As such, basic losses per share was HK$1.02 (2024: HK$0.12).

As at 31 March 2025, shareholders’ equity was HK$7,118 million (as at 31 March 2024: HK$7,539 million) and net assets per share attributable to shareholders stood at HK$12.91 (as at 31 March 2024: HK$13.67).

BUSINESS ENVIRONMENT

2024 remained a difficult year for both Hong Kong and China real estate developers. The Hong Kong market suffered under the double whammy of high interest rates in the US and the slow economic recovery on the Mainland. Market sentiment in China remained weak as the economy was buffeted by the twin forces of a trade war with the US and the restructuring of the real estate economy into a high-technology and AI driven one, resulting in higher unemployment in real estate and financial sectors.

The US Fed’s Effective Rate peaked at 5.33% and came down to the current 4.33% starting from August 2024. The lowering of Fed rates is not as fast as everyone expected and high interest rates have hurt office and retail markets badly. Slow economic recovery in the Mainland reduced consumers’ attitudes and spending patterns, as a result, Hong Kong’s tourism sector was hurt.

Coupled with local developers’ offloading residential inventory at heavily discounted prices to improve liquidity and Grade A office vacancies rising to over 15%, the real estate market experienced a significant decline in property values over the year.

BUSINESS ENVIRONMENT *(Continued)*

On the Mainland, the government introduced a series of supportive measures to boost domestic demand and strengthen the housing market. These measures included lowering bank borrowing interest rates and lifting house purchase restrictions. While that stabilized the market, it did not drive growth. Lacking growth momentum, the economy languished from a lack of consumer confidence, made worse by ongoing trade tensions following the re-election of Donald Trump as the US President.

The Greater Bay Area, where our company is mostly focused, is the epicenter of a transforming Chinese economy that will be driven by consumerism. There are also shoots of recovery in Chongqing in China's West, which is benefitting from the huge investments into data centre infrastructure amid a surge in demand for AI chips. The real estate business has also evolved as we apply more technological solutions to improve efficiency and competitiveness.

BRIEF REVIEW OF OUR BUSINESS

Despite severe competition in the leasing markets of Shenzhen, Guangzhou and Chongqing, our office business maintained satisfactory rental income and occupancy rates through proactive leasing strategies. Our newly launched "HonLink" leasing program (offering furnishing services with eco-friendly materials to attract new tenants) in Chongqing has proven successful with a rebound in occupancy rates. We have followed through and launched the "HonLink" concept in both Shenzhen and Guangzhou. The initial responses have also been positive. Our HONKWORK co-working space concept continues to be popular with start-up or young companies for incubation, with plans to eventually move them into larger spaces within the building as they mature. We foresee that these companies will form the backbone of the next economic boom in China.

Although the residential market has been challenging, our residential portfolio performed well. Our Guangzhou Beijing Road residential project "The Riverside" reported promising results. They are selling at approximately two per week, with one third of available units sold at satisfactory price levels. We will continue to execute our sales program at this pace through this coming year. Our retail portfolio grew considerably as "The Riverside" shops came online. Given the correct positioning of food & beverages which suited the current mass market consumers' taste and preferences, I am pleased to report long queues at restaurants opened in our shopping center.

BRIEF REVIEW OF OUR BUSINESS *(Continued)*

For the Hong Kong leasing market, our Hon Kwok Jordan Centre maintained its high occupancy rates despite some tenant turnover during the year. Coupled with the 100% leased data centre, they have maintained a stable and solid income stream for our group.

The hotel and serviced apartment division showed mixed results. We remain strongly positive to the growth in the number of tourists going to Japan, especially key cities like Tokyo and Osaka where we have properties. On 7 February 2025, we announced the acquisition of another property in Osaka, further expanding our Japan hotel portfolio to nine. Room rates have gone up and occupancy has remained high.

Back in Hong Kong, our results were hampered by the delayed opening of the Bauhinia Central hotel. To remediate this, since last quarter, I have appointed Managing Director of Hon Kwok Land Investment Company, Limited, Mr. Donald Lam to lead the management team to focus on the reopening and filling the occupancy of the hotel. Due to the delay in opening, the renovating costs and lack of rental income have severely reduced this property's valuation.

Currently, we anticipate opening the hotel during the third quarter of this year. When opened, the building will represent a remarkable milestone in sustainability efforts for our Group. This building, with its 100% solar paneled curtain wall, will have integrated green energy features paired together with luxurious accommodations. We committed our best efforts to managing environment risks and to build towards a sustainable future. When the hotel is operational, we also anticipate writing back some of the valuation losses in the coming year.

On the plus side, our new economy asset is a bright spot – the Hon Kwok Data Centre continues to perform well with 100% occupancy, and we are actively seeking more opportunities to participate in the new AI technology economy.

Our construction and trading business, particularly in foundation works and aviation, continued its stellar performance. Against strong competition in the industry, our companies exhibited improved profit and growth. This side of our business keeps on exploration and adaptation of high technology products to enhance profitability.

This year's performance is sub-optimal, with many areas of improvement. Instead of "lying flat", we have put in place new strategies to take advantage of our edge in applying technology to bring us back to profitability.

THE OUTLOOK

As we enter our sixth year of "survival" mode, the impact of heavy revaluation losses begun to be more significant in our strong balance sheet. My previous warnings of continuous downward pressure on the economy and sentiments have come true. But the good news is that we may have reached the bottom. Nevertheless, this does not mean there is a V-shape recovery, instead I think we have stabilized at a level that we can maintain for the coming year.

Economic growth in China will keep up a healthy 5% trajectory and exports will continue to lead to a rising trade surplus with the rest of the world.

The Donald Trump initiated US China tariff war is unsettling international trade. Every country has had to contend with unpredictable and capricious tariff schedules. The level of risk has gone up, as evident with higher bond yields. US Fed have also halted their reduction of interest rates as the outlook of US economy is uncertain.

Hong Kong is our home. Despite US Fed rates not dropping as fast as anticipated, we saw the Hong Kong Inter Bank Rate (HIBOR) drop starting in April all the way down below 1%. The lower rates have given borrowers some breathing room for the first time in 2 years.

We also had better news in the hospitality sector. The Hong Kong Airport saw passenger traffic recover to the pre-pandemic levels. With the opening of the third runway at the end of 2024, those numbers are expected to climb. Another potential bright spot is the student accommodation as supply remains low and higher numbers of Asian students are coming to Hong Kong. We also see opportunities from the HK Government's Northern Metropolis project where it plans to create a new town with a residential population of 2.5 million and 650,000 jobs. Together with China's National 14th Five-Year Plan which clearly positioned Hong Kong's development as a key finance and technology hub, it will propel Hong Kong to the next phase of growth, or what I have referred to previously as Hong Kong 4.0. Our Group is repositioning to take advantage of a future where Hong Kong will be the financial hub for China's great technology export boom.

Our Central Government is also better positioned to weather the trade storm. In addition to announcing measures to alleviate the impact of the trade war (such as lowering borrowing costs and increasing capital liquidity), there are also measures to restructure the economy to focus on EV, robotic, low altitude and AI driven high-technology and manufacturing.

THE OUTLOOK *(Continued)*

Even though residential sales remained subdued, there are some bright spots in tier-1 cities like Shanghai, Guangzhou and Shenzhen. With the Central Government's commitment to stabilizing the overall property market environment, we see healthier economic growth in the medium to long term. China remains the place to be for future economic growth.

In recognition of China's ongoing urbanization from its current 65% to 80% of its population, we look to capture opportunities across the wide spectrum of property-related asset classes. As the middle class in China expands, buyers in the age group of 35-45 years old desire to trade up to higher quality homes. And we will look for ways to service what I anticipate as the growing legions of technology companies. With the help of technology, we aim to have higher cost efficiencies to better adapt to the market conditions.

While I acknowledge and express regret for our Company's diminished losses last financial year mainly brought by revaluation losses, I am still bullish for our medium-and long-term prospects. There are generational opportunities in this crisis. In the coming year, we will rationalize our portfolio and resource allocations to prepare for our next phase of growth. Our flagship Bauhinia Central Hotel will come back online, and we expect our Japanese properties to continue to outperform.

We faced a tough business environment for financial year 2024 and to better position the Company for next phase of growth, we started to onboard a new management team who are qualified to maintain our agility through the ongoing market volatility. And with many of those changes ongoing or in place, we have much to look forward to.

IN MEMORIAM

It was with profound sorrow that the Group announced the passing of my father Dr. James Sai-Wing Wong, Founding Chairman of the Chinney Hon Kwok Group, on 16 February 2025 at the age of 86. From the Chinney Group's establishment in 1975 until his retirement as Chairman in 2023, Dr. Wong's visionary leadership and wisdom were fundamental to the Group's success. His enduring legacy continues to guide the Group's development as we move into our next phase of growth.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our fellow directors for their guidance, our colleagues for their hard work and contribution. I also wish to express my sincere thanks to our shareholders and business partners, we will continue to be good partners and hope to count on your support for new projects and initiatives.

James Sing-Wai Wong
Chairman

Hong Kong, 26 June 2025

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

James Sing-Wai Wong

Aged 61, the Chairman and an executive director of the Company. He has been a director of the Company since 2018 and was appointed as the Chairman of the Company in 2023. He graduated from the University of Washington with a bachelor's degree with honors in Economics. He also holds a Juris Doctorate degree from the University of California College of the Law, San Francisco (formerly known as University of California San Francisco, Hastings College of Law), and a master's degree in Systems Engineering and Information Systems from the Florida Institute of Technology. He is a member of the California Bar as well as a licensed California Real Estate Broker. He has accumulated over 30 years of experience in economics, law, management, and information systems in Hong Kong, United States of America ("United States" or "USA"), Canada, the United Kingdom, and the Mainland China.

Mr. Wong is a director of Chinney Holdings Limited ("Chinney Holdings") and Lucky Year Finance Limited ("Lucky Year"), both are substantial shareholders of the Company. Mr. Wong is an executive director of Chinney Kin Wing Holdings Limited ("Chinney Kin Wing") (Stock Code: 1556), and the Chairman and an executive director of both Hon Kwok Land Investment Company, Limited ("Hon Kwok") (Stock Code: 160) and Chinney Alliance Group Limited ("Chinney Alliance") (Stock Code: 385). Hon Kwok, Chinney Alliance and Chinney Kin Wing are all listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He is also a director of certain subsidiaries of the Company. He is the son of late Dr. James Sai-Wing Wong ("Dr. Wong"), the Founding Chairman and a substantial shareholder of the Company.

Yuen-Keung Chan

Aged 70, has served as the Vice Chairman, the Managing Director and executive director of the Company since 2018. Mr. Chan is also the Vice Chairman, the Managing Director and executive director of Chinney Alliance and the Chairman and an executive director of Chinney Kin Wing. Chinney Alliance and Chinney Kin Wing are both listed on the Main Board of the Stock Exchange. He is also a director of various subsidiaries and associates of the Company. He has over 45 years of experience in the construction industry. He is a member of the Chartered Institute of Building.

EXECUTIVE DIRECTORS *(Continued)*

Donald Yin-Shing Lam

Aged 61, was appointed as an executive director of the Company in April 2024, is primarily responsible for the overall financial management and day-to-day operations of the Group. He has extensive experience in banking industry. He has been with Hang Seng Bank Limited (the "Bank") for the past 21 years, lastly as Head of Commercial Banking (Greater China) and a member of the Bank's Executive Committee before his retirement in January 2024. He planned, directed and managed the Bank's commercial banking business in the Greater China region as well as the functional departments of global trade and receivable finance, global payment solutions, insurance sales and corporate wealth management. Prior to this, he had been with HSBC Hong Kong for 14 years lastly as Head of Corporate Marketing and Planning for value transformation of the corporate and institutional banking business, before serving briefly as finance director of a HK-listed company for less than 3 years.

He is a certified banker of the Hong Kong Institute of Bankers and a chartered banker of the Chartered Banker Institute, United Kingdom. He obtained his Bachelor of Social Science (First Class Honor) in Economics and Management Studies from the University of Hong Kong in 1987 and Master of Science in e-Commerce and Master of Business Administration both from The Chinese University of Hong Kong.

Mr. Lam is an active participant in various community services. He served as board member, second vice president, campaign committee chairman and member of Executive Committee of the Community Chest from 2021 to 2022; a member of Chinese People's Political Consultative Conference of Guangxi Autonomous Region from 2013 to 2022; a member of Chinese People's Political Consultative Conference of Changsha City from 2008 to 2012; and a member of Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants from 2016 to 2022.

Mr. Lam is the Managing Director and an executive director of Hon Kwok, which is listed on the Main Board of the Stock Exchange. He is also a director of certain subsidiaries of the Company.

Mr. Lam is currently an independent non-executive director of Best Pacific International Holdings Limited (Stock Code: 2111), Karrie International Holdings Limited (Stock Code: 1050) and Man Wah Holdings Limited (Stock Code: 1999), all are listed on the Main Board of the Stock Exchange.

NON-EXECUTIVE DIRECTOR

Emily Yen Wong

Aged 59, has been a non-executive director of the Company since 2017. Dr. Emily Wong holds a Doctor of Medicine degree and an Executive Masters of Health Administration degree from University of Washington and is a Diplomate of the American Board of Internal Medicine.

Dr. Emily Wong serves on the Executive Committee of Qiu Shi Science & Technologies Foundation. She is currently an Honorary Associate Professor of Department of Family Medicine and Primary Care in The University of Hong Kong Li Ka Shing Faculty of Medicine and is the Past Chief of Medical Staff at the University of Washington Medical Center.

Dr. Emily Wong is a director of Lucky Year and Chinney Holdings, both of which are substantial shareholders of the Company. She is also a non-executive director of Hon Kwok, which is listed on the Main Board of the Stock Exchange. She is the daughter of Dr. Wong, the Founding Chairman and a substantial shareholder of the Company, and is the sister of James Sing-Wai Wong, the Chairman and an executive director of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Richard Chi-Ho Lo

Aged 57, has been an independent non-executive director of the Company since 2017. He is the Chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Company. He obtained his Bachelor of Arts degree in Economics from the University of California, Los Angeles in the United States, Master of Business Administration (Investment and Finance) degree from the University of Hull in the United Kingdom, and an Executive Program Certificate from Stanford University Graduate School of Business in the United States and a Sustainability Leadership Program Certificate from University of Cambridge in the United Kingdom.

Mr. Lo has over 30 years of experience in the investment and real estate industry. He is currently the President of Fulldiamond Group, an investment and consulting company specializing in real estate, finance, securities, project and fund raising. He is currently a Hong Kong Securities and Futures Commission ("SFC") licensed person for types 1, 4 and 9 and a representative of Fullbright Securities Limited and Fullbright Asset Management Limited.

Mr. Lo is the vice president cum chairman of Business Development Committee of The Hong Kong Real Property Federation, founder and vice president of the World Outstanding Chinese Youth Association and the Standing Committee member of the Hong Kong Pei Hua Education Foundation. He is also a committee member of the Chinese People's Political Consultative Conference Jiangxi Provincial Committee. Mr. Lo had been an independent non-executive director of Shi Shi Services Limited (now known as Kong Shum Smart Management Group (Holdings) Limited) (Stock Code: 8181) which is listed on GEM of the Stock Exchange until December 2024.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Winfred Wai-Lap Fan

Aged 54, has been an independent non-executive director of the Company since 2019. He is the Chairman of both the Remuneration Committee and the Audit Committee and a member of the Nomination Committee of the Company. He is a senior executive and entrepreneur with over a decade of experience as chief executive officer, chief financial officer and advisor of businesses in technology, manufacturing, real estate and retail in the Australia and New Zealand and Asia-Pacific region. Prior to moving back to Hong Kong in 2015, Mr. Fan spent the first two decades of his career in Melbourne, firstly at a leading accounting and advisory firm in Australia where he acted as a key change agent working closely with clients in different industries helping them to restructure and grow. He then held senior positions at a number of retail, manufacturing and IT companies. Mr. Fan has been the chief financial officer then chief executive officer of Anywhere Networks, a global wireless and networking technology company headquartered in Hong Kong since 2015.

Mr. Fan is a Chartered Accountant with a Bachelor of Commerce from Monash University, Melbourne. He is a member of the Chartered Accountants Australia and CPA Australia.

Randall Todd Turney

Aged 62, has been an independent non-executive director of the Company since 2021. He is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Turney brings broad exposure and knowledge of the financial industry, having spent over 35 years in banking, trade finance, and investment management. He is currently Executive Director of Arrow Capital Limited ("Arrow Capital"), an asset management business he co-founded in 2004. Until March 2022, Arrow Capital was licensed and regulated by SFC and managed assets for multiple family offices. Arrow Capital invests capital across multi-asset classes including currencies, fixed income, global equities, commodities, hedge funds, private equity, and real estate with a strong focus on risk management.

Mr. Turney started his investment management career at Salomon Brothers in 1992 (New York/Hong Kong) with a primary focus on emerging markets. In 1995, he joined Goldman Sachs (Singapore/Hong Kong/Australia), where he worked for the next decade, building and leading a wealth management team advising and investing for families and firms throughout Asia, Australia/New Zealand, and Africa. He was recruited out of Goldman Sachs to be the Chief Investment Officer for the family office of a wealthy Hong Kong-based industrialist, which he held for 6 years.

Mr. Turney spent the early years of his career in commercial banking engaging multinational corporate entities, advising on corporate finance, financing global trade, and foreign investment with NationsBank (now Bank of America) in USA and Asia.

Mr. Turney holds a Bachelor of Science Management degree from Tulane University, New Orleans, Louisiana, USA.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Stephen Henry Chu

Aged 64, has been an independent non-executive director of the Company since 2023. Mr. Chu possesses broad exposure and knowledge of the real estate investment and asset management industries, with over 30 years of international real estate experience.

He is currently a SFC licensed person for type 9 (asset management) and a responsible officer of Head & Shoulders Asset Management Limited.

Mr. Chu was the chief executive officer and executive director of Hui Xian Asset Management Limited from 2011 to 2012 where he was in charge of performance and direction of Hui Xian REIT (HKEx Stock Code: 87001) comprised of a composite portfolio of shopping malls, Grade A office towers, serviced apartments and hotels in Mainland China valued at approximately RMB33.32 billion and which encompassed 9.31 million sq.ft. of gross rentable area as at 30 June 2012. From 2009 to 2011, he was the chief executive officer and executive director of ARA Asset Management (Prosperity) Limited, overseeing Prosperity REIT (HKEx Stock Code: 808) which comprised of a commercial portfolio of Grade A office towers, industrial, and I/O (industrial/office) buildings in Hong Kong valued at approximately HK$5.93 billion as at 31 December 2010. From 2007 to 2008 and 2008 to 2009, Mr. Chu was director, and chief executive officer and executive director of ARA Asset Management (Singapore) Limited (SGX-ST Stock Code: F25U) respectively. As chief executive officer, Mr. Chu was the leader of the performance and direction of Fortune REIT which comprised of a portfolio of eleven retail malls and properties in Hong Kong valued at approximately HK$8.6 billion and which encompassed 1,669,778 sq.ft. of gross rental area, and portfolio occupancy of 96% as at 31 December 2008.

He holds a Master of Business Administration degree and a Bachelor of Arts (Honours) degree.

SENIOR MANAGEMENT AND OTHER EXECUTIVES

The executive directors of the Company are regarded as the senior management of the Company, they are under direct responsibilities for the business and operations of the Group with the assistance of head of departments/other executives.

Kai-Nor Siu

Aged 59, joined the Company in 2005 and is the Financial Controller of the Company and Director of Finance of Hon Kwok. She is also a director of certain subsidiaries of the Company. She has over 30 years of experience in the accounting field. She holds a bachelor's degree in Accountancy from The City University of Hong Kong and is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants.

Calvin Ming-Yui Ng

Aged 53, joined the Company in 2010 and is currently the Director – Corporate Finance & Business Development of the Company and of Hon Kwok. He is also a director of certain subsidiaries of the Company. He has over 25 years of experience in investment banking and accounting sectors. He graduated from The University of Hong Kong with a Bachelor of Business Administration degree and obtained a Master of Science (Financial Management) degree from the University of London. He is a member of The Hong Kong Institute of Certified Public Accountants.

Ka-Yee Wan

Aged 51, has been the Company Secretary of the Company since 2018. She is also the Company Secretary of Hon Kwok. She has over 20 years of experience in company secretarial and corporate governance practices. Ms. Wan has obtained a Bachelor of Arts degree from The Chinese University of Hong Kong and a postgraduate diploma in corporate administration from The City University of Hong Kong. She is an associate member of both The Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly The Institute of Chartered Secretaries and Administrators).

The Board is committed to maintain and ensure high standards of corporate governance and is continuously reviewing and improving the corporate governance practices and standards of the Group to ensure that business activities and decision making processes are regulated in a proper manner.

In the opinion of the Board, the Company has applied applicable principles and complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for the year under review, except for the deviations as disclosed in this report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct for directors' securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year.

BOARD OF DIRECTORS

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

Executive Directors

James Sing-Wai Wong *(Chairman)*
Yuen-Keung Chan *(Vice Chairman and Managing Director)*
Donald Yin-Shing Lam

Non-Executive Director

Emily Yen Wong

Independent Non-Executive Directors

Richard Chi-Ho Lo
Winfred Wai-Lap Fan
Randall Todd Turney
Stephen Henry Chu

Details of background and qualifications of each director are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 9 to 14 of this annual report.

BOARD OF DIRECTORS *(Continued)*

The Board is responsible for the overall strategic development of the Group. It also monitors the financial performance and the internal controls of the Group's business operations. Executive directors are responsible for running the Group and executing the strategies adopted by the Board. The day-to-day operation of the Group is delegated to the management with department heads responsible for different aspects of the business and functions.

During the year under review, four board meetings were held to discuss the Group's business development, operation and financial performance. Notice of at least 14 days is given to all directors for all regular board meetings. All regular board meetings adhere to a formal agenda in which a schedule of matters is addressed to the Board. All directors have access to board papers and related materials, and are provided with adequate information which enable the Board to make an informed decision on the matters to be discussed and considered at the board meetings. Minutes of board meetings are kept by the Company Secretary and are open for inspection by any director at any reasonable time.

To the best knowledge of the directors, there is no financial, business, family or other material/relevant relationships among the members of the Board except that James Sing-Wai Wong and Emily Yen Wong are siblings.

BOARD INDEPENDENCE

The Group has established following mechanisms to ensure independent views and input are available to the Board, which have been reviewed by the Board and considered to be effective:

(a) As at the date of this report, four out of the eight directors are independent non-executive directors, which meets the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors.

(b) Most of the independent non-executive directors of the Company are appointed to board committees and continue to contribute actively in board and board committees' meetings to bring independent judgement on the development, performance and risk management of the Group.

(c) The Nomination Committee strictly adheres to the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of independent non-executive directors, and is mandated to assess annually the independence of independent non-executive directors to ensure that they can continually exercise independent judgement.

The Company has received from each independent non-executive director a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. With the assessment conducted by the Nomination Committee, the Board still considers that each independent non-executive director is independent in character and judgement.

(d) No equity-based remuneration with performance-related elements will be granted to independent non-executive directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The position of the Chairman and the Managing Director are held by two different individuals.

James Sing-Wai Wong is the Chairman whereas Yuen-Keung Chan is the Managing Director of the Company. There is a clear division of responsibilities between the Chairman and the Managing Director, in that the Chairman bears primary responsibility for the functioning of the Board, by ensuring its effective operation, while the Managing Director bears executive responsibility for the business and the management of the day-to-day operations of the Company.

NOMINATION, APPOINTMENT AND RE-ELECTION OF DIRECTORS

The nomination, appointment and re-election of the directors of the Company are governed by the articles of association of the Company (the "Articles of Association"), the nomination policy adopted by the Company and relevant rules and regulations.

Pursuant to the nomination policy of the Company, the Nomination Committee identifies individual(s) suitably qualified to become Board members when there is a vacancy or an additional director is considered necessary and considers criteria including, among other things, character and integrity, qualifications (professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy that are relevant to the business and corporate strategies of the Company), willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments, independence of proposed independent non-executive directors. The Nomination Committee then recommend to the Board to appoint the appropriate candidate for directorship.

In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee will also review the overall contribution and service to the Company of each retiring director including his/her attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance of the Board and shall then make recommendations to the Board for its consideration and recommendation for the proposed candidate(s) to stand for re-election at the annual general meeting of the Company.

The non-executive directors of the Company are appointed on month to month basis, their terms of office are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Articles of Association, which, in any circumstances, will not exceed three years.

The Articles of Association do not require the directors to retire by rotation at least once every three years. However, in accordance with article 104 of the Articles of Association, at each annual general meeting of the Company, one-third of the directors for the time being (or, if their number is not three or a multiple of three, then the number nearest one-third), other than the one who holds the office as executive chairman or managing director, shall retire from office by rotation. The Board will ensure the retirement of each director, other than the one who holds the office as executive chairman or managing director, by rotation at least once every three years in order to comply with the CG Code provisions.

NOMINATION, APPOINTMENT AND RE-ELECTION OF DIRECTORS *(Continued)*

The Chairman and the Managing Director will not be subject to retirement by rotation; which deviates from CG Code provision B.2.2, which stipulate that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years, as the Board considers that the continuity of office of the Chairman and the Managing Director provide the Group with a strong and consistent leadership and is of great importance to the smooth operations of the Group.

In accordance with article 104 of the Articles of Association, Emily Yen Wong and Winfred Wai-Lap Fan shall retire by rotation at the forthcoming annual general meeting. Emily Yen Wong and Winfred Wai-Lap Fan, being eligible, will offer themselves for re-election.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company Secretary updates directors on the latest developments and changes to the Listing Rules and the applicable legal and regulatory requirements as well as the business environment regarding subjects necessary in the discharge of their duties. All directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills.

Directors are required to submit to the Company annually details of training sessions undertaken by them in each financial year for the Company to maintain a training record for its directors. According to the training records maintained by the Company, the training received by each of the existing directors during the year ended 31 March 2025 is summarised as follows:

Name of director	Type of training
Executive Directors	
James Sing-Wai Wong	A, B
Yuen-Keung Chan	A, B
Donald Yin-Shing Lam	A, B
Non-Executive Director	
Emily Yen Wong	A, B
Independent Non-Executive Directors	
Richard Chi-Ho Lo	A, B
Winfred Wai-Lap Fan	A, B
Randall Todd Turney	A, B
Stephen Henry Chu	A, B

A: attending seminars/conferences/forums

B: reading newspapers, journals and updates relating to the economy, general business, investment, corporate governance and director's duties and responsibilities

CORPORATE GOVERNANCE FUNCTION

The Board is collectively responsible for performing the corporate governance duties including:

(a) to develop, review and update the Company's policy and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;

(d) to review the Company's compliance with the CG Code and disclosure in the "Corporate Governance Report"; and

(e) to perform such other corporate governance duties and functions set out in the CG Code (as amended from time to time) for which the Board is responsible.

REMUNERATION COMMITTEE

The Remuneration Committee was established in 2005. The Remuneration Committee currently comprises three independent non-executive directors, namely Winfred Wai-Lap Fan, Richard Chi-Ho Lo and Randall Todd Turney and two executive directors, namely James Sing-Wai Wong and Yuen-Keung Chan. The Chairman of the Remuneration Committee is Winfred Wai-Lap Fan.

During the year under review, the Remuneration Committee held one meeting, during which the existing remuneration of all directors have been reviewed individually. The Remuneration Committee has also reviewed the Group's remuneration policy and made recommendations to the Board on the remuneration packages of all directors and senior management (senior management is considered equivalent to executive director from the Company's viewpoint). It has considered factors such as the performance of the directors, the profitability of the Group, salaries paid by comparable companies, time commitment and responsibilities. It aims to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Group.

The remuneration of the Company's management is currently attended by the executive directors of the Company. The management report to the executive directors who therefore have a clear understanding of the management's performance, enabling a more objective review of the management remuneration. In the Board's opinion, it is more appropriate for the executive directors, instead of the Remuneration Committee, to perform these responsibilities. This, however, deviates from CG Code provision E.1.2 which stipulate that the remuneration committee should review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives.

Draft minutes of the Remuneration Committee meeting are circulated to members of Remuneration Committee for comments and the signed minutes are kept by the Company Secretary.

DIRECTORS' REMUNERATION POLICY

The Company has adopted a remuneration policy for its directors, which aims to provide a fair market level of remuneration to retain and motivate high quality directors, and attract experienced people of high calibre to oversee the business and development of the Group. Pursuant to the remuneration policy, the following key principles have been established for the remuneration for both executive directors' and non-executive directors' remuneration/fees (including independent non-executive directors):

- executive directors' remuneration packages shall comprise fixed and variable components linking to individual and the Group's performance and comparable to peer companies, and shall be reviewed annually by the Remuneration Committee and approved by the Board.

- non-executive directors (including independent non-executive directors) shall receive fixed remuneration/fee to be set at an appropriate level by reference to the relevant time commitment and the size and complexity of the Group, and shall be reviewed annually by the Remuneration Committee and approved by the Board.

- authorisation is to be granted from the Company's shareholders at its annual general meeting to determine directors' remuneration/fee for each financial year.

- no individual is involved in determining his or her own remuneration/fee.

AUDIT COMMITTEE

The Audit Committee was established in 2001. The Audit Committee currently comprises three members, namely Winfred Wai-Lap Fan, Richard Chi-Ho Lo and Randall Todd Turney and they are all independent non-executive directors of the Company. The Chairman of the Audit Committee is Winfred Wai-Lap Fan. The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, accounting and financial management in the Audit Committee.

The Audit Committee's functions include:

- to review and monitor financial reporting and the reporting judgement contained in them; and

- to review financial and internal controls, accounting policies and practices with management and external auditor.

AUDIT COMMITTEE *(Continued)*

The Audit Committee held two meetings during the year under review, which were attended by the external auditor, Ernst & Young and the work performed by the Audit Committee included the review of the following:

- the half-yearly and annual results and the related financial reporting matters;
- the financial and accounting policies and practices of the Group;
- the relationships with external auditor, including remuneration, independence, objectivity and effectiveness of the audit process; and
- the effectiveness of the Group's financial and internal controls and risk management system.

Draft minutes of the Audit Committee meetings are circulated to members of Audit Committee for comments and the signed minutes are kept by the Company Secretary.

NOMINATION COMMITTEE

The Nomination Committee was established in 2021. The Nomination Committee currently comprises three independent non-executive directors, namely Richard Chi-Ho Lo, Winfred Wai-Lap Fan and Randall Todd Turney, one executive director, namely James Sing-Wai Wong and one non-executive director, namely Emily Yen Wong. The Chairman of the Nomination Committee is Richard Chi-Ho Lo.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become directors, selecting or making recommendations to the Board on nominations, appointment or re-appointment of directors and Board succession, and assessing the independence of the independent non-executive directors.

During the year under review, Nomination Committee held one meeting. The major works performed by the Nomination Committee during the year included assessing the independence of independent non-executive directors of the Company, making recommendations to the Board on nomination and appointment of directors and on the retiring directors' eligibility for re-election at the annual general meeting. In selecting and recommending candidate(s) for directorship, the Nomination Committee has followed the procedures, process and criteria as set out in the nomination policy of the Company, the summary of which is disclosed in the paragraph headed "Nomination, Appointment and Re-election of Directors" in this report. The committee also reviewed the structure, size and composition of the Board, the board diversity policy and the nomination policy and considered that the said policies were appropriate and effective.

Draft minutes of the Nomination Committee meetings are circulated to members of Nomination Committee for comments and the signed minutes are kept by the Company Secretary.

DIVERSITY OF THE BOARD AND OF THE WORKFORCE

The Board has adopted a board diversity policy, which set out the approach to achieve diversity on the Board. When deciding on appointments of board members and continuation of those appointments, the Board considers a number of board diversity criteria according to the policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. These measurable objectives have been set to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and will be reviewed by the Nomination Committee annually to ensure the continued effectiveness of the Board. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Board, with the help of Nomination Committee, reviewed the structure, size and composition of the Board and was satisfied, in general, with diversity of the Board in accordance with the board diversity policy. The Board considers that the current Board's composition reflects an appropriate balance of gender, skills, experience and diverse perspectives among its members that complement the Group's strategy and business developments. The Board also recognised that the board diversity could be further enhanced in the area of gender and would continue to take initiatives to identify suitable candidates to strengthen the Board diversity and targeted to at least maintain the current level of female representation of the Board.

To identify potential successors to the Board to maintain the board diversity, the Company would search via internal resources (e.g. by directors' referrals) and may engage professional search firm as and when required.

Gender

Female	Male
1 director	7 directors

Age Group

50-59	60-69	70 or above
3 directors	4 directors	1 director

Length of services with Board

5 years or below	6 to 10 years
3 directors	5 directors

Capacity

Executive Director	Non-Executive Director	Independent Non-Executive Director
3 directors	1 director	4 directors

The Company has also taken, and continues to take steps to promote diversity at all levels of its workforce. The Group provides equal opportunity to all employees and does not discriminate on the grounds of gender, race, age, nationality, religion, sexual orientation, disability and any other aspects of diversity. As at 31 March 2025, the workforce (including senior management) are approximately in the 1: 0.84 ratio of men to women.

ATTENDANCE AT MEETINGS OF THE BOARD, REMUNERATION, AUDIT AND NOMINATION COMMITTEES AND GENERAL MEETING

	Number of meeting(s) attended during the year ended 31 March 2025				
	Board Meetings	Remuneration Committee Meeting	Audit Committee Meetings	Nomination Committee Meeting	Annual General Meeting held on 30 August 2024
Number of meeting(s) held during the year ended 31 March 2025	4	1	2	1	1
James Sing-Wai Wong	4	1	N/A	1	1
Yuen-Keung Chan	4	1	2	1*	1
Donald Yin-Shing Lam	4	N/A	2	N/A	1
Emily Yen Wong	4	N/A	N/A	N/A*	1
Richard Chi-Ho Lo	4	1	2	1	1
Winfred Wai-Lap Fan	3	1	2	1	1
Randall Todd Turney	4	1	2	1	1
Stephen Henry Chu	3	N/A	N/A	N/A	1

* *Yuen-Keung Chan ceased to be a member of the Nomination Committee and Emily Yen Wong has become a member of the Nomination Committee, both with effect from 5 July 2024.*

AUDITOR'S REMUNERATION

During the year, the Group had engaged its external auditor, Ernst & Young, to provide the following services and their respective fees charged are set out as below:

	Fees paid/payable
	HK$'000
Types of services	
Audit services	4,816
Non-audit services (tax compliance services and other services)	851
	5,667

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE ACCOUNTS

The directors acknowledge their responsibilities for the accounts and they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The directors' responsibilities for the accounts and the responsibilities of the external auditor to the shareholders are set out in the Independent Auditor's Report on pages 53 to 58 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibilities for maintaining the Group's systems of internal control and reviewing their effectiveness. The internal control systems of the Group are designed to provide reasonable assurance to minimize risk of failure in operational systems, and to assist in the achievement of the Group's goals. The systems are also structured to safeguard the Group's assets, to ensure the maintenance of proper accounting records and compliance with applicable laws, rules and regulations. The systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives. The Group has dedicated internal audit function which reviews the effectiveness of the risk management and internal control systems from time to time in order to ensure that they meet with the dynamic and ever changing business environment.

During the year, the Audit Committee has reviewed the Group's internal control system and considered the internal audit report with the Group's executive directors and finance executive. The review covers all material controls, including financial, operational and compliance controls and risk management of the Group and such systems have been considered reasonably effective and adequate.

The Group regularly reminds the directors and relevant employees for the compliance of policies regarding the inside information, and provide them with updates on the appropriate guidelines or policies to ensure the compliance with regulatory requirements.

COMPANY SECRETARY

The Company Secretary is responsible for advising the Board on corporate governance and other related matters as well as ensuring good information flow within the Board.

During the year, the Company Secretary undertook no less than 15 hours of relevant professional training.

CONSTITUTIONAL DOCUMENTS

During the year, there was no change in the Company's constitutional documents.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"). Pursuant to which, in considering the declaration and payment of dividends, the Board shall maintain adequate cash reserves for meeting its working capital requirements and future business growth and take into account the following factors of the Group:

a. financial results;

b. cash flow situation;

c. business conditions and strategies;

d. future operations and earnings;

e. capital requirements and expenditure plans;

f. interests of shareholders;

g. any restrictions on payment of dividends; and

h. any other factors that the Board may consider relevant.

The Board has discretion to declare and distribute dividends to the shareholders of the Company, subject to the Articles of Association and all applicable laws and regulations. The Board will review the Dividend Policy from time to time and may exercise its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as it deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any given period.

SHAREHOLDERS' RIGHTS

1. Convening of general meeting on requisition by shareholders

Pursuant to Section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "CO"), shareholders representing at least 5% of the total voting rights of all the shareholders are entitled to send a request to the Company to convene a general meeting. Such request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. A request may be sent to the Company in hard copy form or in electronic form and must also be authenticated by the person or persons making it.

SHAREHOLDERS' RIGHTS *(Continued)*

2. **Procedures for sending enquiries to the Board**

   Shareholders may send their enquiries and concerns in writing to the Board by addressing them to the Company Secretary at the registered office of the Company and the Company Secretary shall then forward the same to the appropriate executives of the Company or members of the Board for further handling.

3. **Procedures for putting forward proposals at an annual general meeting by shareholders**

   Pursuant to Section 615 of the CO, shareholders representing at least 2.5% of the total voting rights of all the shareholders or at least 50 shareholders can request the Company to give notice of a resolution that may properly be moved and is intended to be moved at an annual general meeting. A request may be sent to the Company in hard copy form or in electronic form and must identify the resolution of which notice is to be given. It must be authenticated by the person or persons making it and be received by the Company not later than 6 weeks before the annual general meeting to which the requests relate; or if later, the time at which notice is given of that meeting.

COMMUNICATIONS WITH SHAREHOLDERS

The Company has established a shareholders communication policy and reviews it on a regular basis to ensure its effectiveness. The Board recognises the importance of good communications with all shareholders and is committed to maintaining a policy of open and timely disclosure of relevant information on its attributes to shareholders and other stakeholders through the publication of interim and annual reports, public announcements and other public circulars, all of which are available on the Company's website.

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. Shareholders are encouraged to attend the annual general meeting for which at least 21 days' prior notice is given. The Chairman of the Board as well as the chairman of each of the board committees (or in their absence, other members of the committees) together with Ernst & Young, the Company's external auditor are available to answer shareholders' questions at the meeting. At the general meeting, each substantially separate issue will be considered by a separate resolution, including the re-election of individual director, and the poll procedures will be clearly explained.

The Board has reviewed the implementation and effectiveness of the shareholders communication policy. Having considered the multiple channels of communication and engagement in place, it is satisfied that the shareholders communication policy has been properly implemented during the year under review and is effective.

Hong Kong, 26 June 2025

The directors herein present their report and the audited financial statements for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The Group is principally engaged in the businesses of (i) property development, (ii) property investment and (iii) property and carpark management. The Group targets to generate stable and recurrent rental income from investment properties to help cover its operating overheads and expenses whereas property sales will enhance additional cash inflows to the Group. There were no significant changes in the nature of the Group's principal activities during the year. Further details of the Company's principal subsidiaries are set out in note 1 to the financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the CO, including an analysis using financial key performance indicators and an indication of likely future development in the Group's business are set out in "Financial Highlights" on page 3 and the section headed "The Outlook" under "Chairman's Statement" on pages 7 to 8 of this annual report respectively. The Group's financial risk management objectives and policies are set out in note 40 to the financial statements. These discussions form part of this report.

FINANCIAL RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2025 and the Group's financial position at that date are set out in the financial statements on pages 59 to 169 of this annual report.

The directors do not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: 2.5 Hong Kong cents).

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on 29 August 2025. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 26 August 2025 to 29 August 2025 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 25 August 2025. Shareholders whose names appear on the register of members of the Company on 29 August 2025 (i.e. the record date) will be entitled to attend and vote at the annual general meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group recorded revenues of HK$1,027 million (2024: HK$1,103 million), primarily derived from the property sales of The Riverside in Guangzhou and the remaining inventories in Nanhai, and rental income from investment properties in Hong Kong, Mainland China and Japan.

The Group recorded an operating loss of HK$55.1 million (2024: operating profit of HK$34.4 million) amid the subdued property market and high interest cost environment. During the year, the Mainland property market condition has improved slightly. Since our project "The Riverside" was launched to market for pre-sale, it received satisfactory responses given its prime location and features. Up to the date of this report, total contracted sales of "The Riverside" reached HK$612 million. However, owing to the delay in obtaining the Certificate of Completion to late 2024, only a portion of the units sold were delivered to buyers before 31 March 2025 with the corresponding sales revenue of HK$399 million booked in this financial year. It is expected that the contracted but not yet recognised sales amounting to HK$213 million will be recognised in the following financial year 2025/2026.

In light of the decline in market value of the properties in Hong Kong and the Mainland, the Group recorded net revaluation losses on investment properties of HK$490.7 million (2024: HK$101.1 million) during the year. Yet, such unrealized revaluation losses are non-cash in nature and will not affect the overall financial position of the Group.

Taking into account the net revaluation deficit on investment properties of HK$490.7 million (2024: HK$101.1 million) and impairment of goodwill of HK$18.2 million on investments (2024: Nil), net loss attributable to shareholders was HK$564.0 million (2024: HK$66.7 million). Basic loss per share was HK$1.02 (2024: HK$0.12). As at 31 March 2025, shareholders' equity was HK$7,118 million (2024: HK$7,539 million) and net assets per share attributable to shareholders stood at HK$12.91 (2024: HK$13.67). Gearing ratio of the Group increased slightly to 60% as at 31 March 2025 (2024: 56%).

The Group continues to focus on property development and property investment businesses, mainly conducted by Hon Kwok, a 68.09% owned subsidiary listed on the Main Board of the Stock Exchange, and its subsidiaries ("Hon Kwok Group") with regional focus in Hong Kong, Mainland China and Japan.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(i) Property Development

The Property Development segment recorded total revenue of HK$528 million (2024: HK$593 million), primarily from the recognition of sales from the completed project in Guangzhou "The Riverside", and the remaining property units of Metropolitan Oasis in Nanhai, contributed total segment profit of HK$181 million for the year ended 31 March 2025 (2024: HK$235 million).

(1) Mainland China

The Riverside 港匯臺, Guangzhou

The development project, with a total gross floor area of approximately 77,300 sq.m., comprises a residential building "The Riverside", an office building "Hon Kwok Building" and the commercial podium. Located on Beijing Road, Yue Xiu District, in close proximity of the Beijing Road Pedestrian Street with good connection to public transportation, this primely located composite development integrates residences, office, dining and retail uses, creates a convenient and leisure lifestyle environment.

The Riverside offers 144 units for sale and was first launched for pre-sale in October 2023. Up to the date of this report, 60 units were sold with total contracted sales amounted to approximately HK$612 million. The delivery of 40 pre-sold units commenced in December 2024, recognising sales revenue of HK$399 million in this financial year 2024/2025.

The Riverside and Hon Kwok Building

Botanica 寶翠園, Guangzhou

Botanica is Hon Kwok Group's 60% owned residential project. Located in Tian He District, all residential units had been sold in prior years. The remaining car parking spaces were kept as inventory, of which a portion of car parking spaces were sold during the year, generating sales revenue of HK$45 million.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(i) Property Development *(Continued)*

(1) Mainland China *(Continued)*

Metropolitan Oasis 雅瑤綠洲, Nanhai

Located in Da Li District, Nanhai, the remaining residential units and car parking spaces of this project were sold during the year, generating sales revenue of HK$84 million.

Enterprise Square 僑城坊, Shenzhen

Enterprise Square

This project, in which Hon Kwok Group owns a 20% interest, has a total gross floor area of approximately 224,500 sq.m., and was being developed into a comprehensive development comprises twelve buildings including premium luxury residential apartment, offices buildings and commercial mall. The unsold portion of the residential apartment units are held for sale while the office tower and commercial mall are held as investment properties for earning rental income. For the year ended 31 March 2025, the project generated revenue from property sales and rental income of HK$172 million (2024: HK$270 million). Net profit attributable to Hon Kwok Group in respect of this project, including changes in fair value of investment properties, amounted to HK$0.2 million (2024: HK$9.0 million).

(2) Hong Kong

Development project on South Bay Road, Repulse Bay

This joint venture project, in which Hon Kwok Group owns a 50% interest, is being developed into premium luxury residences. Situated at South Bay Road, Repulse Bay, this project enjoys spectacular sea views. Construction works are progressing on schedule according to plan.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(ii) Property Investment

During the year, the Group's investment properties contributed rental revenue of HK$453 million (2024: HK$452 million). The property portfolio comprises office, data centre and hotel properties located in Hong Kong, Mainland China and Japan. Due to revaluation of investment properties to market price as at 31 March 2025, fair value losses (net of deferred tax) of HK$490.7 million was recognised this year (2024: HK$101.1 million). Owing to the significant revaluation deficit, total segment loss amounted to HK$427 million for the year ended 31 March 2025 (2024: segment profit of HK$99 million).

(1) Mainland China

Hon Kwok Building 漢國大廈 and Tung Hing Fong 同慶坊, Guangzhou

This 32-storey office building with a gross floor area of approximately 41,300 sq.m. is located on Beijing Road, adjacent to The Riverside. Completed in December 2024, the property has been awarded the Leadership in Energy and Environmental Design (LEED) Gold certification. Tung Hing Fong, the retail space occupying the podium of The Riverside and Hon Kwok Building, enjoys high foot traffic in this prime location. Since the office and retail components were launched for leasing, they received encouraging market responses. The leasing team is optimising the tenant mix offering diverse dining and leisure experiences to customers.

One of the restaurants at Tung Hing Fong

Tung Hing Fong – Beijing Road Pedestrian Street

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(ii) Property Investment *(Continued)*

(1) Mainland China *(Continued)*

Ganghui Dasha 港滙大廈, Guangzhou

Ganghui Dasha is also located at Beijing Road, Yue Xiu District. This 20-storey commercial/office building with a total gross floor area of approximately 13,000 sq.m. maintained stable rental income and reached an average occupancy rate of about 87% during the year (2024: 83%).

Hon Kwok City Commercial Centre 漢國城市商業中心, Shenzhen

With a total gross floor area of approximately 128,000 sq.m., this premium 75-storey building is situated at Fu Ming Road, Futian District, a central business district of Shenzhen. It offers high-quality Grade A office and retail components, and has a good tenant mix consisting of renowned multinational corporates, financial services and professional firms. The building was awarded the Leadership in Energy and Environmental Design (LEED) Gold certification. It has achieved an average overall occupancy rate of 65% for the year (2024: 68%).

Hon Kwok City Commercial Centre

Hon Kwok City Commercial Centre HonLink – Fully furnished office spaces with green elements

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(ii) Property Investment *(Continued)*

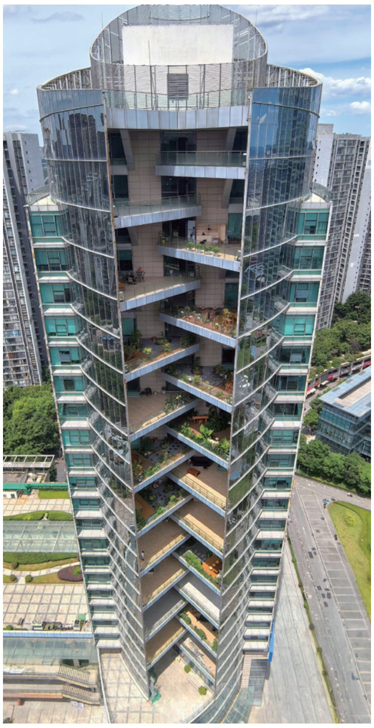
(1) Mainland China (Continued)

City Square 城市天地廣場 and City Suites 寶軒公寓, Shenzhen

This 5-storey commercial podium is situated at Jia Bin Road, Luo Hu District, is occupied by the retail shops at ground level and the first floor, along with The Bauhinia Hotel (Shenzhen)寶軒酒店(深圳)(the 162-room hotel) on the three upper floors. During the year, local tourism market regained momentum and the hotel business improved gradually with average occupancy rate maintained at approximately 70%. Whereas for City Suites, a 64-unit serviced apartment on top of the podium, the average occupancy rate remained relatively stable and stood at around 93% (2024: 94%).

Chongqing Hon Kwok Centre 重慶漢國中心, Chongqing

Located in Bei Bu Xin Qu, this 21-storey twin-tower office building complex atop a 4-storey retail/commercial podium offers a total gross floor area of approximately 108,000 sq.m.. The average occupancy rate was 65% during the year (2024: 69%). Recently, our leasing team proactively launched to market, a new leasing programme "HonLink", which offers new tenants with furnishing services. This ESG oriented product has successfully secured a number of new tenants and will help improve occupancy of the property in the following months.



Chongqing Hon Kwok Centre HonLink-Balcony

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(ii) Property Investment *(Continued)*

(1) Mainland China (Continued)

Chongqing Hon Kwok Centre 重慶漢國中心, Chongqing (Continued)


Honkwork – Co-working space

HonLink – light F & B Stores at lobby


HonLink – Fully furnished office spaces with green elements

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(ii) Property Investment *(Continued)*

(1) Mainland China *(Continued)*

Chongqing Jinshan Shangye Zhongxin 重慶金山商業中心, Chongqing

This is another twin-tower project located in Bei Bu Xin Qu, adjacent to the Chongqing Hon Kwok Centre mentioned above. With a total gross floor area of approximately 173,000 sq.m., this investment property comprises a 41-storey office tower and a 42-storey hotel cum office composite tower, each with its respective 4-storey retail/commercial podium. Overall average occupancy rate was 81% during the year (2024: 84%).

Chongqing Hon Kwok Centre and Chongqing Jinshan Shangye Zhongxin

HF608, Shanghai

Situated on Xikang Road, Shanghai, it is a 4-storey commercial premises with total gross floor area of approximately 6,660 sq.m.. The property reached an occupancy rate of over 90% as at 31 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(ii) Property Investment *(Continued)*

(2) Hong Kong

Digital Realty Kin Chuen (HKG11)

Digital Realty Kin Chuen (HKG11)

This data centre is situated at Kin Chuen Street, Kwai Chung, New Territories. With a gross floor area of approximately 228,000 sq.ft., the building comprises 12-storeys above ground and a 2-level basement. The property is 100% leased to a leading international data centre operator on a long-term lease with progressive rental increment. The data centre continues to generate stable and solid income stream to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(ii) Property Investment *(Continued)*

(2) Hong Kong *(Continued)*

The Bauhinia Hotel (Central) 寶軒酒店(中環) and The Bauhinia 寶軒

The Bauhinia Hotel (Central) is a 42-room boutique hotel occupying the four podium floors of a hotel/serviced apartment building whereas The Bauhinia is a 171-room serviced apartment residence atop the above hotel. The competitive edge of convenient access to public transportation networks can meet the needs of different customers and business travelers. The hotel/serviced apartment is targeted to reopen in the third quarter of 2025 upon completion of the revamp works. The revamp project not only rebranding the building with stylish and luxury lifestyle and also exhibiting green and sustainability concept. For example, it applied smart technologies and energy-efficient materials, the Photovoltaics "BIPV" technology on building façade to generate power from sustainable solar energy.

The Bauhinia Hotel (Central) – night view

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(ii) Property Investment *(Continued)*

(2) Hong Kong *(Continued)*

The Bauhinia Hotel (TST) 寶軒酒店(尖沙咀)

Located in Observatory Court, Tsim Sha Tsui, The Bauhinia Hotel (TST) is a 98-room boutique hotel occupying a total of 20 floors of a 23-storey commercial/office building. Benefited from the rebound of the tourism industry, average occupancy rate improved to about 95% for the year ended 31 March 2025 (2024: 88%).

The Bauhinia Hotel (TST)

Hon Kwok Jordan Centre 漢國佐敦中心

With a gross floor area of approximately 62,000 sq.ft., Hon Kwok Jordan Centre is a 23-storey commercial/office building situated at Hillwood Road, Tsim Sha Tsui. The change in local consumption pattern has impacted our leasing performance, average occupancy rate dropped to approximately 82% (2024: 90%). Nevertheless, our leasing team adopted proactive leasing strategy and occupancy rate improved to 87% at 31 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(ii) Property Investment *(Continued)*

(3) Japan

R Hotel Namba South Osaka, R Hotel Honmachi Osaka, R Hotel Kansai Airport Osaka, Lightning Hotel Asakusa Tokyo, R Hotel Namba Daikokucho Osaka, Okinawa villas project and Tennoji hotel project

R Hotel Namba South Osaka

R Hotel Honmachi Osaka

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(ii) Property Investment *(Continued)*

(3) Japan *(Continued)*

To capture business opportunity, the Group has formed a joint venture company with an independent third party and invested in a portfolio of hotel properties located in Tokyo, Osaka and Okinawa. As at 31 March 2025, the Group has acquired seven hotel properties and held two investments of hotel project. Under the booming tourism market, the property portfolio achieved satisfactory occupancy with growing rental income. The acquisitions were financed by internal resources and bank mortgage loans.

R Hotel Kansai Airport Osaka

R Hotel Namba Daikokucho Osaka

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review *(Continued)*

(iii) Property Investment – Valuation

The Group's investment property portfolio measured on a fair value basis, was valued at HK$15,391 million as at 31 March 2025 (2024: HK$15,548 million), comprised of Mainland China portfolio of HK$9,715 million, Hong Kong portfolio of HK$5,114 million and Japan portfolio of HK$562 million. Taking into account the additions to the investment property and the effect of exchange rate differences, the Group recorded a decrease in fair value of investment properties (net of deferred taxation) of HK$490.7 million for the year ended 31 March 2025 (2024: HK$101 million) to reflect the fair value of investment properties. The decrease in fair value in Hong Kong and Mainland properties by HK$548.6 million was partially offset by the fair value gains of HK$57.9 million in Japan properties, resulting in a net decrease by HK$490.7 million.

(iv) Property and carpark management, and others

For the year ended 31 March 2025, the property and carpark management division reported revenue of HK$46 million as compared with HK$58 million last year. Due to the change in spending patterns of local consumers, the domestic retail market was slowed, resulting in decline of car park management income. As at 31 March 2025, the Group managed 15 car parks (2024: 26 car parks) with approximately 1,540 parking spaces (31 March 2024: 1,810 parking spaces).

(v) Construction and Trading

Chinney Alliance, a 29.1% owned associate listed on the Main Board of the Stock Exchange (Stock Code: 385), recorded revenue of HK$7,692 million (2023: HK$5,982 million) and net profit attributable to its shareholders of HK$50.7 million (2023: HK$25.7 million) for the year ended 31 December 2024.

Chinney Alliance's foundation piling and ground investigation businesses are conducted by Chinney Kin Wing, its 74.5% owned subsidiary listed on the Main Board of the Stock Exchange (Stock Code: 1556). Chinney Kin Wing contributed revenue of HK$2,486 million (2023: HK$2,119 million) and operating profit of HK$149.5 million (2023: HK$142.5 million). Despite an increase in revenue by 17%, operating profit was merely increased slightly due to rising costs and shrinking margins under the intense competition. Nevertheless, the management team continued to enhance its profitability through strategic diversification and exploring merger and acquisition opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

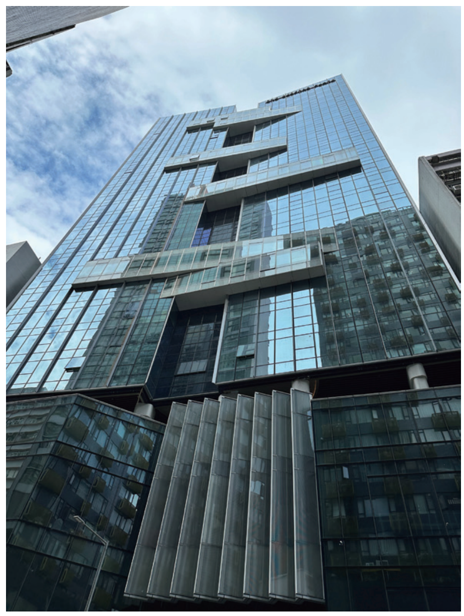
Business Review *(Continued)*

(v) Construction and Trading *(Continued)*

The building construction division, engaged in superstructure construction works, contributed revenue of HK$718 million (2023: HK$888 million) and recorded an operating loss of HK$13.2 million (2023: profit of HK$11.0 million). The turning of operating profit to loss was mainly resulted from the high competition with limited contracts in the market. Besides, the slowing down of the contracts on hand, and the increase in costs and interest expenses also eroded profitability. Nonetheless, our Macau division will benefit from ample opportunities in the Macau market arising from the ongoing hotel construction works and more contracts to be approved in the government pipeline.

Yan Chai Residence at 15 Hoi Hing Road, Tsuen Wan

The building-related contracting services division, engaged in electrical, HVAC, fire services and pump and drainage businesses, achieved revenue of HK$3,485 million (2023: HK$2,262 million) with operating results turned to a profit of HK$8.8 million (2023: loss of HK$15.0 million). Given its strong capabilities to capture tender opportunities, the division will benefit from the abundant business opportunities in the Macau market. Furthermore, the division is diversifying into high technology projects, for example, implementing robotics for repetitive drilling and welding projects, contributing to the EV and Data Centre infrastructure, and winning an alternative energy project to build solar panels inside water reservoirs.



Commercial Development Project One Bedford Place at Tai Kok Tsui

The aviation division contributed revenue of HK$490 million (2023: HK$306 million) and an operating profit of HK$24.2 million (2023: HK$6.2 million). The opening of the third runway in 2024 boosted both revenue and profits for the year. The division is actively exploring innovative technologies to strengthen its competitive advantages to enhance its long-term profitability.

The plastic and chemical products division generated revenue of HK$513 million (2023: HK$406 million) with an operating profit of HK$10.3 million (2023: loss of HK$0.2 million). Geographical uncertainty drove customers to place orders before tariffs imposition, surging plastic sales before end of 2024 amid the uncertain market condition. Moving forward, the division continue to explore the engineering and eco-friendly products, as well as enhancing the marketing efforts on JcoNAT disinfectant and hygiene products.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Financial Review

Liquidity and financial resources

The total interest-bearing debts of the Group amounted to approximately HK$7,568 million as at 31 March 2025 (2024: HK$7,643 million), of which approximately 13% (2024: 34%) of the debts were classified as current liabilities. Included therein were debts of HK$43 million related to bank and other loans with repayable on demand clause and HK$175 million related to project loan which will be refinanced during the forthcoming financial year. Based on the repayment schedules pursuant to the related loan agreements and assuming that the aforesaid refinancing will be completed on schedule, the current portion of the total interest-bearing debts was approximately 10%.

Total cash and cash equivalents including time deposits were approximately HK$1,106 million as at 31 March 2025 (2024: HK$1,320 million), were mainly denominated in Hong Kong dollars and Renminbi. Included in cash and cash equivalents are restricted bank deposits of HK$252 million (2024: HK$137 million) which can only be applied in the designated property development projects prior to their completion of construction. The Group had committed but undrawn banking facilities of a total of approximately HK$265 million at year end available for its working capital purpose.

Total shareholders' funds as at 31 March 2025 were approximately HK$7,118 million (2024: HK$7,539 million). The decrease was mainly due to current year's loss attributable to shareholders, set off by the exchange gains arising from translation of the Group's Renminbi denominated net assets.

The gearing ratio of the Group, as measured by the net interest-bearing debts of approximately HK$6,462 million (2024: HK$6,323 million) over total shareholders' funds plus non-controlling interests totaling of approximately HK$10,806 million (2024: HK$11,342 million), was 60% as at 31 March 2025 (2024: 56%).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Financial Review *(Continued)*

Funding and treasury policies

The Group adopts prudent funding and treasury policies. Surplus funds are primarily maintained in the form of cash deposits with leading banks. The Group manages its funding requirements primarily on a short-to-medium term basis and refinances the maturing borrowings at appropriate time.

Acquisition and development of properties are financed partly by internal resources and partly by bank loans. Repayments of bank loans are scheduled to match asset lives and project completion dates. Bank loans are mainly denominated in Hong Kong dollars and Renminbi and bear interest at floating rates. The Group entered into cross currency interest rate swap agreements with financial institutions for the purpose of hedging interest rate risk of certain bank borrowings. As at 31 March 2025, the notional principal amount of the cross currency interest rate swap contracts was approximately HK$170 million.

Foreign currency exposure is closely monitored by management and hedged to the extent desirable. As at 31 March 2025, the Group had no material exposure under foreign exchange contracts or any other hedging instruments.

Pledge of assets

Properties (comprising investment properties and development properties) with an aggregate carrying value of approximately HK$16,147 million as at 31 March 2025 and shares in certain subsidiaries were pledged to secure certain banking facilities of the Group.

Contingent liabilities

Particulars of the contingent liabilities of the Group are set out in note 34 to the financial statements.

Employees and remuneration policies

The Group, not including its associates and joint ventures, employed approximately 330 employees as at 31 March 2025 (as at 31 March 2024: 370). Remuneration is determined by reference to market terms and the qualifications and experience of the staff concerned. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance. The Group also provides other benefits including medical cover, provident fund, personal accident insurance and educational subsidies to all eligible staff.

KEY RISK FACTORS

The following content lists out the key risks and uncertainties facing the Group. It is a non-exhaustive list and there may be other risks and uncertainties which are not identified for the time being or turn out to be material in future.

Risks Pertaining to the Property Market in Mainland China

A substantial part of the Group's property portfolio is located in Mainland China, and a major part of the Group's revenue is derived in Mainland China. Therefore, the Group is exposed to the risks associated with China's property market including risks of policy changes, currency fluctuation and interest rate changes. The Group continues to implement strategies and strengthen its financial position to withstand any adverse impact when the business environment deteriorates.

Risks Pertaining to the Property Market in Hong Kong

A portion of the Group's investment property portfolio is located in Hong Kong, earning rental and management income. Therefore, the Group is susceptible to changes in economic conditions, consumer consumption and the tourist market in Hong Kong. Besides, the local government may introduce further regulatory measures on the property market, thus adversely affecting the local business environment.

Interest Rate Risks

The Group's bank borrowings mainly bear floating rates. The Group's finance and treasury operation is affected by the change in interest rates and market condition. To reduce our exposure due to volatility in interest rates, the Group has closely monitored the interest rate movements and refinanced existing banking facilities when favourable pricing opportunities arise.

Counterparty Risks

The Group relies on contractors in carrying out its property developing activities. While the Group has been careful in selecting its contractors, there can be no assurance that the contractors will perform satisfactorily. Any unsatisfactory performance of the contractors may potentially lead to construction cost overrun, project delay and contract disputes, which can adversely affect the return of the project. The Group has procedures in place in selecting and managing the performance of the contractors to reduce the negative impact that may arise.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on page 170 of this annual report. This summary does not form part of the audited financial statements.

SHARE CAPITAL

There were no movements in the share capital of the Company during the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2025.

DISTRIBUTABLE RESERVES

At 31 March 2025, the Company's reserves available for distribution, calculated in accordance with the provisions of Sections 291, 297 and 299 of the CO, amounted to HK$581,381,000. The directors do not recommend the payment of a final dividend for the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, purchases from the Group's five largest suppliers accounted for 70% of the total purchases for the year. Purchases from the Group's largest supplier included therein totalled 28%. Sales to the Group's five largest customers accounted for less than 30% of the total sales for the year.

None of the directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the number of issued shares of the Company) had any beneficial interest in the Group's five largest customers and suppliers.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group's relationship with its employees is set out in the "Employees and remuneration policies" above.

The Group recognises the importance of maintaining a good relationship with business partners, customers, suppliers and contractors to achieve its long-term business growth and development. Accordingly, the Group has kept good communication and shared business updates with them when appropriate.

DIRECTORS

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

James Sing-Wai Wong
Yuen-Keung Chan
Donald Yin-Shing Lam
Emily Yen Wong
Richard Chi-Ho Lo*
Winfred Wai-Lap Fan*
Randall Todd Turney*
Stephen Henry Chu*

* *Independent non-executive directors*

Biographical details of the directors of the Company are set out on pages 9 to 14 of this annual report.

The Company has received from each of its independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and still considers them to be independent.

The persons who were directors of the subsidiaries of the Company during the year and up to the date of this report (not including those directors listed above) were Chi-Cheung Chan#, Yun-Hai Chen, Shui-Yung Cheng, Chi-Ho Chong, Siu-Wai Ding#, Hai-Ou Gao, Xiao-Wen Hong, Thomas Ka-Leung Hui, Philip Bing-Lun Lam, Kevin Chun-Ho Lau#, Stephen Chun-Piu Lee#, Xiao-Ping Li, Shuet-Mui Lo, Wei Luo#, Calvin Ming-Yui Ng, Siu-Kai Ng#, Ke Qiu, Kai-Nor Siu, Richalle Chia-Ti Wee, May-Kwan Yim, Wai-Lun Yip#, Qiang Zhang.

\# *no longer the director(s) of the subsidiary(ies) of the Company as at the date of this report*

RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 104 of the Articles of Association, Emily Yen Wong and Winfred Wai-Lap Fan shall retire by rotation at the forthcoming annual general meeting. Emily Yen Wong and Winfred Wai-Lap Fan, being eligible, will offer themselves for re-election.

A circular containing the requisite information on the retiring directors will be sent to shareholders together with this annual report, to assist shareholders to make an informed decision on their re-elections.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The remuneration of the directors of the Company is reviewed by the Remuneration Committee having regard to the remuneration policy adopted by the Company for its directors, the summary of which is disclosed in the section headed "Directors' Remuneration Policy" in the "Corporate Governance Report" on page 20 of this annual report. Details of the directors' remuneration are set out in note 8 to the financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except as disclosed in note 37 to the financial statements, no director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of the Company's holding companies, subsidiaries or fellow subsidiaries was a party during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2025, none of the directors of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2025, so far as is known to the directors of the Company, the following substantial shareholders and other persons had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name	*Notes*	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued shares
Dr. Wong	*1, 2 & 3*	Through controlled corporations	341,439,324	61.93
	1 & 3	Directly beneficially owned	480,000	0.09
Lucky Year	*1 & 2*	Through controlled corporation	341,439,324	61.93
Chinney Holdings	*1 & 2*	Directly beneficially owned	341,439,324	61.93

Notes:

1. *All the interests stated above represent long positions.*
2. *Dr. Wong, Lucky Year and Chinney Holdings are deemed to be interested in the same parcel of 341,439,324 shares by virtue of Section 316 of the SFO.*
3. *Dr. Wong passed away on 16 February 2025.*

Save as disclosed herein, as at 31 March 2025, none of the substantial shareholders or other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

CONNECTED TRANSACTIONS

On 26 September 2022, Honour Well Development Limited ("Honour Well"), an indirect wholly-owned subsidiary of Hon Kwok and an indirect non wholly-owned subsidiary of the Company, entered into a framework agreement with each of Chinney Construction Company, Limited ("Chinney Construction") and Shun Cheong Building Services Limited ("Shun Cheong"), both being indirect wholly-owned subsidiaries of Chinney Alliance, pursuant to which, Chinney Construction was appointed by Honour Well as the contractor for the builder's works at the contract sum of not exceeding HK$96,300,000 and Shun Cheong was appointed by Honour Well as the contractor for the mechanical and electrical engineering works and façade works at the contract sum of not exceeding HK$141,000,000 relating to the revamp project of the building located at 119-121 Connaught Road Central, Sheung Wan, Hong Kong. The related transactions constituted connected transactions for each of the Company, Hon Kwok and Chinney Alliance under the Listing Rules. The transactions were approved by the independent shareholders of the Company, Hon Kwok and Chinney Alliance at the respective general meetings held by each of the companies on 28 November 2022.

Details of the transactions were set out in the joint announcement of the Company, Hon Kwok and Chinney Alliance dated 26 September 2022 and the Company's circular dated 8 November 2022. During the year ended 31 March 2025, HK$49,103,000 was paid to Shun Cheong and HK$10,687,000 was paid to Chinney Construction, respectively in respect of the transactions.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

(a) In February 2023, Hon Kwok Treasury Limited, a wholly-owned subsidiary of Hon Kwok, as borrower, entered into a facility agreement relating to term and revolving loan facilities of HK$737 million, which may be increased to HK$1,500 million subject to the terms and conditions as stipulated therein with a syndicate of financial institutions, as lenders. The loan facilities have a term of 48 months commencing from the date of the facility agreement and will be used for (i) refinancing the existing syndicated loan; (ii) financing the costs and expenses in relation to the loan facilities; and (iii) financing or refinancing the general working capital requirements of Hon Kwok Group.

    Pursuant to the facility agreement, it shall be an event of default if (i) the Company ceases to be the major beneficial shareholder of Hon Kwok as a result of the Company ceasing to hold no less than 30% effective shareholding of Hon Kwok or does not or ceases to maintain management control of Hon Kwok; or (ii) Dr. Wong, the controlling shareholder of both Hon Kwok and the Company, or his family members collectively, do not or cease to hold the major beneficial ultimate shareholding interest in the Company.

    If an event of default under the facility agreement occurs, the agent acting for the lenders may, and shall if so requested by a majority of the lenders, terminate the loan facilities and/or declare all outstanding amounts together with all interest accrued under the loan facilities to be immediately due and payable.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES *(Continued)*

(b) In September 2023, Gold Famous Development Limited ("Gold Famous"), a wholly-owned subsidiary of Hon Kwok, as borrower, entered into a facility agreement relating to term loan facilities of HK$1,525 million with a syndicate of financial institutions, as lenders. The loan facilities will be used for (i) refinancing the existing facilities of Gold Famous; and (ii) financing the general corporate requirements of Hon Kwok Group. The loan facilities have a term of 48 months after the date of its first utilisation.

Pursuant to the facility agreement, it shall be an event of default if (i) the Company (1) ceases to be the single largest beneficial shareholder of Hon Kwok; or (2) does not or ceases to hold not less than 30% effective shareholding interests of Hon Kwok; or (3) does not or ceases to maintain management control of Hon Kwok; or (ii) Dr. Wong, the controlling shareholder of both Hon Kwok and the Company, or his family members collectively, do not or cease to hold the major beneficial ultimate shareholding interests in the Company.

If an event of default under the facility agreement occurs, the agent acting for the lenders may, and shall if so directed by a majority of the lenders, terminate the loan facilities and/or declare all outstanding amounts together with all interest accrued under the loan facilities to be immediately due and payable.

(c) In September 2024, Chinney Treasury Limited, a wholly-owned subsidiary of the Company, as borrower, entered into a facility agreement relating to HK$537,500,000 term loan facilities with a syndicate of banks, as lenders. The loan facilities have a term of 48 months commencing from the date of the facility agreement and will be used for refinancing the existing loans facilities.

Pursuant to the facility agreement, it shall be an event of default if Dr. Wong, the controlling shareholder of the Company, and/or his family members collectively, (a) cease(s) to maintain management control over the Company or (b) cease(s) to remain as the major beneficial ultimate shareholder(s) of the Company.

If an event of default under the facility agreement occurs, the agent acting for the lenders may, and shall if so directed by a majority of the lenders, by notice to Chinney Treasury Limited, cancel all or any part of the commitment(s); and/or declare all or part of the loan(s), together with accrued interest, and all other amounts accrued or outstanding under the loan facilities be immediately due and payable; and/or declare all or part of the loan(s) be payable on demand.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total number of issued shares was held by the public as at the latest practicable date prior to the issue of this annual report.

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, every director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group throughout the year.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to build an environmental-friendly corporation with the aim to conserve natural resources. The Group has taken initiatives to reduce energy consumption and encourage recycle of office supplies and other materials. The Group will continue to review and promote its environmental policies. For details regarding the environmental and social related policies and performance of the Group for the year ended 31 March 2025, please refer to the Company's 2024/25 Environmental, Social and Governance Report, which is available on the websites of the Stock Exchange and of the Company.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year ended 31 March 2025, there were no material breach of or non-compliance with applicable laws and regulations by the Group that have significant impact on the business and operations of the Group.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK$218,000.

AUDITOR

Ernst & Young retire and a resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Yuen-Keung Chan
Vice Chairman and Managing Director

Hong Kong, 26 June 2025

Ernst & Young
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To the members of Chinney Investments, Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Chinney Investments, Limited (the "Company") and its subsidiaries (the "Group") set out on pages 59 to 169, 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 Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Estimation of fair value of investment properties	
As at 31 March 2025, the Group's investment properties measured at fair value amounted to approximately HK$15,391 million, with net losses arising from fair value change recognised in the consolidated statement of profit or loss of approximately HK$704 million from investment properties. The valuation process is inherently subjective, and dependent on a number of estimates such as market rent, market yield, market price per unit, stabilised growth rate, etc. To support management's determination of the fair value, the Group has engaged an independent professionally qualified valuer to perform the valuation of investment properties. The significant accounting judgements and estimates and disclosures about the fair value measurement of investment properties are included in notes 3 and 15 to the financial statements.	Among our audit procedures, we evaluated the objectivity, independence and competence of the valuer by examining the valuer's qualification and assessed the valuation methodologies and assumptions adopted by the valuer with assistance from our internal valuation expert. For investment properties, we evaluated the data used as inputs for the valuation, which included reference to the market unit selling price of comparable properties nearby and the rental value of existing tenancies, by benchmarking against market values of comparable properties and checking the relevant tenancy agreements.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment for completed properties held for sale	
As at 31 March 2025, the Group has recorded completed properties held for sale of approximately HK$1,071 million in aggregate. Completed properties held for sale are stated at the lower of cost and net realisable value. Management's impairment assessment is significant to our audit, considering the degree of judgement involved in estimating the sales proceeds and selling expenses, and the level of complexity involved in making those assumptions in estimation. The significant accounting judgements and estimates and disclosures about the balances of completed properties held for sale are included in notes 3 and 20 to the financial statements.	Our audit procedures included the understanding and review of management's impairment assessment process and assumptions adopted in estimating the selling price less the estimated costs for the sale of completed properties with reference to externally available industry and market data and actual sales transactions of properties and selling expenses incurred during the year and subsequent to the end of the reporting period.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ip Hing Lam (practising certificate number: P06562).

Ernst & Young
Certified Public Accountants
Hong Kong

26 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
REVENUE	5	**1,027,235**	1,102,627
Cost of sales		**(487,488)**	(506,772)
Gross profit		**539,747**	595,855
Other income and gains, net	5	**51,450**	47,147
Fair value losses on investment properties, net		**(703,872)**	(156,699)
Administrative and other operating expenses, net		**(144,592)**	(130,056)
Impairment of goodwill		**(18,184)**	–
Finance costs	6	**(364,670)**	(386,003)
Share of profits of associates		**14,971**	31,138
Share of loss of a joint venture		**(1,862)**	–
PROFIT/(LOSS) BEFORE TAX	7	**(627,012)**	1,382
Income tax expense	10	**(86,202)**	(45,237)
LOSS FOR THE YEAR		**(713,214)**	(43,855)
Attributable to:			
Owners of the Company		**(563,971)**	(66,667)
Non-controlling interests		**(149,243)**	22,812
		(713,214)	(43,855)
LOSSES PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	12	**HK$(1.02)**	HK$(0.12)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025

	2025 *HK$'000*	2024 *HK$'000*
LOSS FOR THE YEAR	**(713,214)**	(43,855)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income/(loss) of associates	**5,813**	(29,361)
Exchange differences on translation of foreign operations	**205,396**	(517,481)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**211,209**	(546,842)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(19,368)**	–
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**191,841**	(546,842)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(521,373)**	(590,697)
Attributable to:		
Owners of the Company	**(408,312)**	(427,175)
Non-controlling interests	**(113,061)**	(163,522)
	(521,373)	(590,697)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	**232,252**	260,524
Goodwill	*16*	**36,369**	54,553
Investment properties	*15*	**15,391,331**	15,548,039
Investments in joint ventures	*17*	**391,267**	393,129
Investments in associates	*18*	**1,286,662**	1,268,855
Financial assets at fair value through other comprehensive income	*19*	**46,978**	99,624
Financial assets at fair value through profit or loss	*24*	**7,864**	23,572
Total non-current assets		**17,392,723**	17,648,296
CURRENT ASSETS			
Tax recoverable		**35,614**	27,012
Properties held for sale under development and completed properties held for sale	*20*	**1,074,838**	1,156,651
Trade receivables	*21*	**24,308**	16,907
Contract costs		**18,401**	8,129
Financial assets at fair value through profit or loss	*24*	**9,138**	8,809
Amount due from a joint venture	*17*	**56,616**	27,341
Prepayments, deposits and other receivables	*22*	**391,787**	361,009
Cash and cash equivalents	*23*	**1,105,641**	1,319,972
Total current assets		**2,716,343**	2,925,830
CURRENT LIABILITIES			
Trade payables, other payables, accrued liabilities and others	*25*	**248,752**	39,701
Derivative financial instruments	*26*	**1,435**	–
Interest-bearing bank and other borrowings	*28*	**738,157**	2,546,177
Loan from a related company	*37(b)*	**250,000**	–
Lease liabilities	*14*	**16,933**	28,394
Contract liabilities	*27*	**42,395**	129,143
Customer deposits		**74,932**	74,891
Tax payable		**81,589**	26,129
Total current liabilities		**1,454,193**	2,844,435
NET CURRENT ASSET		**1,262,150**	81,395
TOTAL ASSETS LESS CURRENT LIABILITIES		**18,654,873**	17,729,691

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*28*	**6,551,148**	5,050,224
Lease liabilities	*14*	**11,483**	18,193
Deferred tax liabilities	*29*	**1,286,623**	1,319,729
Total non-current liabilities		**7,849,254**	6,388,146
Net assets		**10,805,619**	11,341,545
EQUITY			
Equity attributable to owners of the Company			
Share capital	*30*	**405,411**	405,411
Reserves	*31*	**6,712,111**	7,133,416
		7,117,522	7,538,827
Non-controlling interests		**3,688,097**	3,802,718
Total equity		**10,805,619**	11,341,545

James Sing-Wai Wong
Director

Yuen-Keung Chan
Director

	Attributable to owners of the Company								
	Share capital HK$'000	Other reserve## HK$'000	Asset revaluation reserve# HK$'000	Exchange fluctuation reserve HK$'000	Fair value reserve of financial asset at fair value through other comprehensive income HK$'000	Retained profits Accumulated loss HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2024	405,411	440,250	91,165	(489,948)	–	7,091,949	7,538,827	3,802,718	11,341,545
Loss for the year	–	–	–	–	–	(563,971)	(563,971)	(149,243)	(713,214)
Other comprehensive income/ (loss) for the year:									
Exchange differences on translation of foreign operations	–	–	–	175,027	–	–	175,027	36,182	211,209
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	–	–	–	–	(19,368)	–	(19,368)	–	(19,368)
Total comprehensive income/ (loss) for the year	–	–	–	175,027	(19,368)	(563,971)	(408,312)	(113,061)	(521,373)
Investment in a subsidiary	–	–	–	–	–	–	–	13,599	13,599
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	(14,368)	(14,368)
Final 2024 dividend declared	–	–	–	–	–	(13,784)	(13,784)	–	(13,784)
Acquisition of a non-controlling interest	–	–	–	–	–	791	791	(791)	–
At 31 March 2025	405,411	440,250*	91,165*	(314,921)*	(19,368)*	6,514,985*	7,117,522	3,688,097	10,805,619

	Attributable to owners of the Company							
	Share capital HK$'000	Other reserve## HK$'000	Asset revaluation reserve# HK$'000	Exchange fluctuation reserve* HK$'000	Retained profits* HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2023	405,411	440,250	91,165	(129,440)	7,186,184	7,993,570	3,935,659	11,929,229
Profits (loss) for the year	–	–	–	–	(66,667)	(66,667)	22,812	(43,855)
Other comprehensive loss for the year:								
Exchange differences on translation of foreign operations	–	–	–	(360,508)	–	(360,508)	(186,334)	(546,842)
Total comprehensive loss for the year	–	–	–	(360,508)	(66,667)	(427,175)	(163,522)	(590,697)
Investment in a subsidiary	–	–	–	–	–	–	59,322	59,322
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	(28,741)	(28,741)
Final 2023 dividend declared	–	–	–	–	(27,568)	(27,568)	–	(27,568)
At 31 March 2024	405,411	440,250*	91,165*	(489,948)*	7,091,949*	7,538,827	3,802,718	11,341,545

\# *The asset revaluation reserve arose from a change in use from an owner-occupied property to an investment property carried at fair value. In accordance with HKAS 16, the balance was frozen and was not available to offset the current and future years' revaluation deficits on investment properties until the retirement or disposal of these assets.*

\## *Other reserve included (i) the share of equity component of a convertible bond issued by a subsidiary of Chinney Alliance Group Limited ("Chinney Alliance"), an associate of the Group and (ii) the difference between the consideration and the net asset value of the partial disposal of subsidiaries without loss of control.*

* *These reserve accounts comprise the consolidated reserves of HK$6,712,111,000 (2024: HK$7,133,416,000) in the consolidated statement of financial position.*

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**(627,012)**	1,382
Adjustments for:			
Finance costs	*6*	**364,670**	386,003
Share of loss of a joint venture		**1,862**	–
Share of profits of associates		**(14,971)**	(31,138)
Bank and other interest income	*5*	**(20,633)**	(26,249)
Depreciation	*7*	**41,237**	30,179
Fair value losses on investment properties, net	*7*	**703,872**	156,699
Fair value losses/(gain) on financial assets at fair value through profit or loss	*7*	**(328)**	488
Fair value losses on derivative financial instruments	*7*	**1,435**	–
Gain on disposal of items of property, plant and equipment	*7*	**(91)**	(267)
Gain on lease modification	*7*	**(27)**	–
Impairment of goodwill		**18,184**	–
		468,198	517,097
Decrease in properties held for sale under development and completed properties held for sale	*33(a)*	**177,271**	112,169
Increase in trade receivables, prepayments, deposits and other receivables		**(36,729)**	(59,473)
Decrease/(increase) in contract costs		**(10,074)**	896
Increase/(decrease) in trade payables, other payables, accrued liabilities and others	*33(a)*	**39,873**	(26,077)
Decrease in customer deposits		**(686)**	(8,052)
Decrease in contract liabilities		**(86,931)**	(136,184)
Cash generated from operations		**550,922**	400,376
Interest paid		**(3,232)**	(2,910)
Hong Kong profits tax paid		**(307)**	(1,664)
Overseas taxes paid		**(88,062)**	(333,110)
Net cash flows from operating activities		**459,321**	62,692

	Notes	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment	13	**(1,618)**	(5,544)
Dividends received from associates		**4,327**	4,327
Interest received		**20,633**	26,249
Proceeds from disposal of items of property, plant and equipment		**176**	359
Proceeds from disposal of equity investment designated at fair value through other comprehensive income		**19,884**	–
Proceeds from disposal of financial assets designated at fair value through profit or loss		**23,572**	–
Increase in an amount due from a joint venture		**(29,275)**	(24,141)
Additions to investment properties		**(143,109)**	(487,532)
Acquisition of financial assets measured at fair value through other comprehensive income		**–**	(23,097)
Acquisition of financial assets measured at fair value through profit or loss		**(7,865)**	(15,710)
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired		**22,071**	(19,195)
Acquisition of non-controlling interests from a minority shareholder		**(999)**	–
Net cash flows used in investing activities		**(92,203)**	(544,284)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(453,546)**	(471,401)
Dividends paid to non-controlling shareholders		**(14,368)**	(28,741)
Dividend paid		**(13,784)**	(27,568)
New bank and other loans		**1,816,085**	850,820
Repayment of bank and other loans		**(2,139,563)**	(374,266)
New loan from a related company		**250,000**	–
Principal portion of lease payments	32(b)	**(31,986)**	(17,419)
Capital Injection from minority shareholder		**13,599**	59,322
Net cash flows used in financing activities		**(573,563)**	(9,253)

	Notes	2025 HK$'000	2024 HK$'000
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(206,445)**	(490,845)
Cash and cash equivalents at beginning of year		**1,296,029**	1,845,359
Effect of foreign exchange rate changes, net		**14,185**	(58,485)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,103,769**	1,296,029
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	*23*	**944,012**	1,116,764
Non-pledged time deposits	*23*	**161,629**	203,208
Cash and bank balances as stated in the consolidated statement of financial position		**1,105,641**	1,319,972
Non-pledged time deposits with original maturity of more than three months when acquired		**(1,872)**	(23,943)
Cash and cash equivalents at end of year		**1,103,769**	1,296,029

1. CORPORATE AND GROUP INFORMATION

Chinney Investments, Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.

During the year, the Group was mainly involved in property development, property investment and property-related activities.

The immediate holding company of the Company is Chinney Holdings Limited, a company incorporated in Hong Kong.

In the opinion of the directors, the ultimate holding company of the Company is Lucky Year Finance Limited ("Lucky Year"), a company incorporated in the British Virgin Islands (the "BVI").

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Best Range Global Limited	BVI	US$1	–	68.09	Investment holding
Champion Fine International Investments Inc.	Canada	Canadian dollar ("CAD")1	–	68.09	Investment holding
Chinney Property Management Limited	Hong Kong	HK$100	–	68.09	Property management
CP Parking Limited	Hong Kong	HK$4,340,000	–	68.09	Carpark management
Crown Honour Developments Limited	Hong Kong	HK$2	–	68.09	Nominee services
Foshan Nanhai XinDa Land Development Ltd.[1]	PRC/Mainland China	HK$300,000,000	–	68.09	Property development
G9 Asia IV Pte. Ltd.	Singapore	US$18,730,000	–	100.00	Investment holding
Gold Famous Development Limited ("Gold Famous")	Hong Kong	HK$1	–	68.09	Property development
Guangzhou Honkwok Fuqiang Land Development Ltd.[1&2]	PRC/Mainland China	RMB185,000,000	–	40.85	Property development

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Guangzhou Hua Yin Land Development Co., Ltd.[1]	PRC/Mainland China	RMB80,000,000	–	68.09	Property development
Guangzhou Sheng Jin Real Estate Co., Ltd.[1]	PRC/Mainland China	RMB52,114,000	–	68.09	Property development
Guangzhou Tungfu Property Management Co., Ltd.[1]	PRC/Mainland China	RMB44,400,000	–	68.09	Property holding and letting
Hon Kwok Land Investment (China) Limited	Hong Kong	HK$2	–	68.09	Investment holding
Hon Kwok Land Investment Company, Limited ("Hon Kwok")	Hong Kong	HK$1,519,301,000	68.09	–	Investment holding
Hon Kwok Land Investment (Shenzhen) Co., Ltd.[1]	PRC/Mainland China	HK$30,000,000	–	68.09	Property development
Hon Kwok Project Management Limited	Hong Kong	HK$2	–	68.09	Project management
Hon Kwok Treasury Limited	Hong Kong	HK$2	–	68.09	Financing
Honour Well Development Limited	Hong Kong	HK$2	–	68.09	Property holding and letting
Hotwin Investment (Chongqing) Co., Ltd.[1]	PRC/Mainland China	US$14,300,000	–	68.09	Property holding and letting
J.L. Chinney (Holdings) Company Limited	BVI	US$1,250,000	100.00	–	Investment holding
J.L. Group Company Limited	Hong Kong	HK$8,000,000	–	100.00	Investment holding

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
J.L. Investment Company Limited	Hong Kong	HK$10,000	–	100.00	Property holding and letting
King Capital Development Limited	Hong Kong	HK$2	–	68.09	Property holding and letting
King Champion Limited	Hong Kong	HK$2	–	68.09	Property holding and letting
Multi-Investment Group Limited	BVI	US$1	–	100.00	Investment holding
Optimal Trade Holdings Limited	BVI	US$10	–	40.85	Investment holding
Shanghai Yinbai Property Co. Limited[1]	PRC/Mainland China	RMB111,000,000	–	100.00	Property holding and letting
Shenzhen Guanghai Investment Co., Ltd.[1]	PRC/Mainland China	RMB880,000,000	–	68.09	Property holding and letting
Shenzhen Honkwok Huaye Development Co., Ltd.[1]	PRC/Mainland China	RMB50,000,000	–	68.09	Property holding and letting
The Bauhinia Hotel Management Limited	Hong Kong	HK$2	–	68.09	Property letting
The Bauhinia Hotel (TST) Management Limited	Hong Kong	HK$2	–	68.09	Property letting

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
The Bauhinia Hotels Group Japan I 合同会社 (Good Kaisha)#	Japan	JPY¥1,000,000	–	40.85	Property Investment
The Bauhinia Hotels Group Japan 2 合同会社 (Good Kaisha)#	Japan	JPY¥1,000,000	–	40.85	Property Investment
The Bauhinia Hotels Group Japan 3 合同会社 (Good Kaisha)#	Japan	JPY¥1,000,000	–	40.85	Property Investment
The Bauhinia Hotels Group Japan 5 合同会社 (Good Kaisha)#	Japan	JPY¥1,000,000	–	34.73	Property Investment
Vast Champ Investment (Chongqing) Co., Ltd.[1]	PRC/Mainland China	US$30,000,000	–	68.09	Property holding and letting
Wide Fame Investment Limited	Hong Kong	HK$2	–	68.09	Financing
Wise Pacific Investment Limited	Hong Kong	HK$10,000	–	68.09	Money lending

[1] *These subsidiaries are registered in the PRC as foreign-owned enterprises with business duration of 25 to 50 years.*

[2] *Guangzhou Honkwok Fuqiang Land Development Limited is a subsidiary of a non-wholly-owned subsidiary of the Company and, accordingly, is accounted for as a subsidiary by virtue of the Company's control over it.*

\# *The Group can enjoy all economic beneficial interest instead of equity interest of the Companies by contractual terms.*

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.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value as further explained in note 2.4. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

As at 31 March 2025, the Group had net current assets of HK$1,262 million, out of which HK$1,075 million represented properties held for sale under development and completed properties held for sale and HK$1,106 million represented its cash and bank balances, the Group has interest-bearing bank borrowings due within one year amounting to HK$738 million.

In view of the prevailing slow-down of the property market and the current economic environment, the directors of the Company have given due consideration to the future liquidity and operating performance of the Group in assessing whether the Group will have sufficient fund to fulfill its financial obligations and to continue as a going concern for at least twelve months from 31 March 2025. The directors of the Company are of the view that the Group maintains adequate working capital, after taking into consideration of the following:

(i) the ability to re-finance existing borrowings as well as new debt financing to the Group to finance existing financial and future operating and capital expenditures;

(ii) to accelerate the pre-sale and sales of properties and the collection of sales proceeds; and

(iii) the realisation of certain of its assets to generate more cashflow when needed.

Taking into account the various measures mentioned above and the fact that (i) the Group is in net current assets position of HK$1,262 million as at 31 March 2025 and (ii) the cash flows projection of the Group including the Group's ability to obtain new financing, to renew or re-finance the existing credit facilities before maturity, the directors of the Company are of the view that the Group has sufficient working capital to finance its operations in the next twelve months from the end of the reporting period. Accordingly, these financial statements have been prepared on the going concern basis which assumes, inter alia, the realisation of assets and settlement of liabilities in the normal course of business.

2. ACCOUNTING POLICIES *(Continued)*

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting right results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2. ACCOUNTING POLICIES *(Continued)*

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill) any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of revised HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2. ACCOUNTING POLICIES *(Continued)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(Continued)*

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

2. ACCOUNTING POLICIES *(Continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(Continued)*

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures:* The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(Continued)*

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The Group's investments in associates and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of the associate and joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate or joint venture are eliminated to the extent of the Group's investments in an associate or a joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of an associate or a joint venture is included as part of the Group's investments in an associate or a joint venture.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments in associates and joint ventures *(Continued)*

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Business combinations and goodwill *(Continued)*

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Fair value measurement

The Group measures its investment properties and certain of its financial assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets, investment properties, properties held for sale under development and completed properties held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Related parties

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 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;

or

(b) the party is an entity where 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 of a parent, subsidiary or fellow subsidiary of the other entity);
- (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;
- (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); and
- (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.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5% or over the unexpired terms of the leases
Leasehold improvements	20%
Motor vehicles	20%
Furniture and equipment	20% to 30%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investment properties *(Continued)*

Properties under construction or development for future use as investment properties are classified as investment properties under construction. If the fair value cannot be reliably determined, the investment properties under construction will be measured at cost until such time as fair value can be determined or construction is completed.

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

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

Properties held for sale under development and completed properties held for sale

Completed properties held for sale

Completed properties held for sale are stated at the lower of costs and net realisable values. Cost is determined by an apportionment of the total land and buildings costs attributable to unsold properties. Net realisable value is estimated by the directors based on the prevailing market prices, on an individual property basis.

Properties held for sale under development

Properties held for sale under development are intended to be held for sale after completion. Properties held for sale under development are stated at the lower of costs and net realisable values and comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

On completion of construction, the properties are transferred to completed properties held for sale. Properties held for sale under development are classified as current assets.

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

Group as a lessee *(Continued)*

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land and buildings	Over the lease term

When the right-of-use assets relate to interests in leasehold land held as properties held for sale, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policies for "properties held for sale under development and completed properties held for sale".

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are separately presented in the consolidated statement of financial position.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

Group as a lessee (Continued)

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial asset designated at fair value through other comprehensive income (equity investment)

Upon initial recognition, the Group can elect to classify irrevocably its equity investment as equity investment designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets *(Continued)*

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets *(Continued)*

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accrued liabilities, interest-bearing bank and other borrowings, loan from a related company, derivative financial instruments and customer deposits.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial liabilities *(Continued)*

Financial liabilities at amortised cost (trade payables, other payables, accrued liabilities and borrowings)

After initial recognition, trade payables, other payables, accrued liabilities and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in “Impairment of financial assets” and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at bank, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or 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.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, 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 between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers (Continued)

Revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

– provides all of the benefits received and consumed simultaneously by the customer;

– creates and enhances an asset that the customer controls as the Group performs; or

– does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

(a) Sales of properties

Revenue from the sale of properties is recognised at the point in time when the purchasers obtained the physical possession of the completed property and the Group has the present right to payment and the collection of the consideration is probable.

(b) Property management fee income and utility income are recognised when the services are rendered.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from other sources

(a) rental income is recognised on a time proportion basis over the lease terms.

(b) interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instruments or a shorter period, when appropriate, to the net carrying amount of the financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods and services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as investment properties, property, plant and equipment, and properties held for sale under development and completed properties held for sale, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of the reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in independently administered funds. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The Group also operates a defined contribution retirement benefit scheme for those employees who are eligible and have elected to participate in the scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the participating employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the scheme. When an employee leaves the scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Employee benefits *(Continued)*

Termination benefits

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, a joint venture and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economy life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Judgements *(Continued)*

Determining the timing of satisfaction of contracts related to the sale of properties

The Group determined that the sales contract with customers requires the Group to complete the development of property before transferring the legal title of the relevant property to customers. The Group also determined that the Group does not have an enforceable right to payment from customers for performance completed to date before the transfer of legal title of the relevant property to customers. Consequently, the Group concluded that the timing of transfer of properties is at the point in time when the purchasers obtained the physical possession or the legal title of the completed property.

Classification between investment properties and properties held for sale

The Group determines whether a property qualifies as an investment property or a property held for sale, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both.

Properties held for sale are properties held by the Group with intention for sale in the Group's ordinary course of business.

Judgement is made on an individual property basis to determine whether leased out properties are classified as properties held for sale or investment properties.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Judgements *(Continued)*

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolio and concluded that the Group's investment properties located in Hong Kong were held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties through sale. Therefore, in measuring the Group's deferred taxation on investment properties located in Hong Kong, the directors of the Company have determined that the presumption that the carrying values of investment properties measured using the fair value model are recovered entirely through sale is not rebutted.

For the Group's investment properties located in the PRC, the directors of the Company concluded that the Group's investment properties located in the PRC were held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties located in the PRC, the directors of the Company have determined that the presumption that the carrying values of investment properties measured using the fair value model are recovered entirely through sale is rebutted.

Estimation uncertainty

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the fair value less cost of disposal of the cash-generating units to which the goodwill is allocated. Estimating the fair value less cost of disposal requires the Group to make an estimate of the term yield rate and the relevant market rent in the calculation. The carrying amount of goodwill at 31 March 2025 was HK$36,369,000 (2024: HK$54,553,000). Further details are set out in note 16 to the financial statements.

Estimation of net realisable values of properties held for sale under development and completed properties held for sale

The Group considers information from a variety of sources, including recent prices of similar properties in the same location and condition, with adjustments to reflect any changes in economic conditions since the dates of transactions that occurred at those prices. Particulars of the properties held for sale under development and completed properties held for sale of the Group are set out in note 20 to the financial statements.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Further details, including the key assumptions used for fair value measurement, are given in note 15 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Current income taxes and deferred income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the amount of the provision for tax and the timing of payment of the related taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax and deferred tax provisions in the periods in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 28 to the financial statements.

Land appreciation tax

Under the Provisional Regulations on land appreciation tax ("LAT") implemented upon the issuance of the Provisional Regulations of the PRC on 27 January 1995, all gains arising from the transfer of real estate properties in Mainland China with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

The subsidiaries of the Group engaging in the property development business in Mainland China are subject to LAT, which has been included in income tax. However, the implementation of Provisional Regulations on LAT varies amongst various Mainland China cities and the Group has not finalised certain of its LAT returns with various tax authorities. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these liabilities based on management's best estimates. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax and provisions for LAT in the period in which such determination is made. Further details are contained in note 10 to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the property development segment develops properties for sale;

(b) the property investment segment holds investment properties for development and the generation of rental income; and

(c) the property, carpark management and others segment comprises, principally, the sub-leasing of carparking business and the property management service business which provides management services to residential and commercial properties.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, non-lease-related finance costs, share of profits of associates, fair value losses on financial assets at fair value through profit or loss as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude investments in joint ventures, investments in associates, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, other unallocated head office and corporate assets, including tax recoverable and cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities, including interest-bearing bank and other borrowings, tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

During the current and prior years, there were no intersegment transactions.

4. **OPERATING SEGMENT INFORMATION** *(Continued)*

Year ended 31 March 2025	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Segment revenue: ***(note 5)***				
Sales to external customers	**528,210**	**452,589**	**46,436**	**1,027,235**
Segment results	**180,947**	**(426,551)**	**(11,623)**	**(257,227)**
Reconciliation:				
Interest income				**20,633**
Corporate and other unallocated expenses				**(40,982)**
Far value losses on derivative financial instruments				**(1,435)**
Fair value gain on financial assets at fair value through profit or loss				**328**
Finance costs (other than interest on lease liabilities)				**(361,438)**
Share of profits of associates				**14,971**
Share of loss of a joint venture				**(1,862)**
Loss before tax				**(627,012)**
Segment assets	**1,661,920**	**16,034,514**	**3,115,323**	**20,811,757**
Reconciliation:				
Elimination of intersegment receivables				**(3,585,855)**
Investments in associates				**391,267**
Investments in joint ventures				**1,286,662**
Financial assets at fair value through profit or loss				**17,002**
Financial assets at fair value through other comprehensive income				**46,978**
Corporate and other unallocated assets				**1,141,255**
Total assets				**20,109,066**

4. OPERATING SEGMENT INFORMATION *(Continued)*

Year ended 31 March 2025	**Property development** *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Segment liabilities	**1,264,407**	**2,333,248**	**391,880**	**3,989,535**
Reconciliation:				
Elimination of intersegment payables				**(3,585,855)**
Corporate and other unallocated liabilities				**8,899,767**
Total liabilities				**9,303,447**
Other segment information:				
Fair value losses on investment properties, net	**–**	**703,872**	**–**	**703,872**
Gain on disposal of items of property, plant and equipment	**91**	**–**	**–**	**91**
Depreciation	**1,916**	**7,573**	**31,748**	**41,237**
Capital expenditure*	**976**	**305,745**	**591**	**307,312**

* *Capital expenditure represents additions to property, plant and equipment and investment properties.*

4. OPERATING SEGMENT INFORMATION *(Continued)*

Year ended 31 March 2024	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Segment revenue: ***(note 5)***				
Sales to external customers	592,595	452,282	57,750	1,102,627
Segment results	235,340	98,637	14,510	348,487
Reconciliation:				
Interest income				26,249
Corporate and other unallocated expenses				(20,911)
Fair value losses on financial assets at fair value through profit or loss				(488)
Finance costs (other than interest on lease liabilities)				(383,093)
Share of profits of associates				31,138
Profit before tax				1,382
Segment assets	1,456,754	16,152,154	2,890,795	20,499,703
Reconciliation:				
Elimination of intersegment receivables				(3,066,550)
Investments in associates				1,268,855
Investments in joint ventures				393,129
Financial assets at fair value through profit or loss				32,381
Financial assets at fair value through other comprehensive income				99,624
Corporate and other unallocated assets				1,346,984
Total assets				20,574,126

4. OPERATING SEGMENT INFORMATION *(Continued)*

Year ended 31 March 2024	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Segment liabilities	1,172,341	1,914,248	270,283	3,356,872
Reconciliation:				
Elimination of intersegment payables				(3,066,550)
Corporate and other unallocated liabilities				8,942,259
Total liabilities				9,232,581
Other segment information:				
Fair value losses on investment properties, net	–	156,699	–	156,699
Gain on disposal of items of property, plant and equipment	67	–	200	267
Depreciation	2,270	7,698	20,211	30,179
Capital expenditure*	890	543,821	4,579	549,290

* *Capital expenditure represents additions to property, plant and equipment and investment properties.*

Geographical information

(a) Revenue

	2025 ***HK$'000***	2024 *HK$'000*
Hong Kong	**186,366**	195,916
Mainland China	**831,075**	903,896
Japan	**9,794**	2,815
Total	**1,027,235**	1,102,627

The revenue information above is based on the locations of the operations.

4. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information *(Continued)*

(b) Non-current assets

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**6,119,285**	6,307,219
Mainland China	**10,656,150**	10,939,896
Japan	**562,247**	277,786
Other	**199**	199
Total	**17,337,881**	17,525,100

The non-current asset information above is based on the locations of the assets and excludes financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Sale of properties	**528,210**	592,595
Property management income	**47,921**	50,167
Revenue from other sources		
Gross rental income	**451,104**	459,865
Total	**1,027,235**	1,102,627

5. REVENUE, OTHER INCOME AND GAINS, NET *(Continued)*

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 March 2025

Segments

	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Types of goods or services				
Sales of properties	528,210	–	–	528,210
Property management income and others	–	38,391	9,530	47,921
Total revenue from contracts with customers	528,210	38,391	9,530	576,131
Geographical markets				
Hong Kong	–	2,686	9,530	12,216
Mainland China	528,210	35,705	–	563,915
Total revenue from contracts with customers	528,210	38,391	9,530	576,131
Timing of revenue recognition				
Goods transferred at a point in time	528,210	–	–	528,210
Services transferred over time	–	38,391	9,530	47,921
Total revenue from contracts with customers	528,210	38,391	9,530	576,131

5. REVENUE, OTHER INCOME AND GAINS, NET *(Continued)*

Revenue from contracts with customers *(Continued)*

(i) Disaggregated revenue information *(Continued)*

For the year ended 31 March 2024

Segments

	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Types of goods or services				
Sales of properties	592,595	–	–	592,595
Property management income and others	–	36,897	13,270	50,167
Total revenue from contracts with customers	592,595	36,897	13,270	642,762
Geographical markets				
Hong Kong	–	–	13,270	13,270
Mainland China	592,595	36,897	–	629,492
Total revenue from contracts with customers	592,595	36,897	13,270	642,762
Timing of revenue recognition				
Goods transferred at a point in time	592,595	–	–	592,595
Services transferred over time	–	36,897	13,270	50,167
Total revenue from contracts with customers	592,595	36,897	13,270	642,762

5. REVENUE, OTHER INCOME AND GAINS, NET *(Continued)*

Revenue from contracts with customers *(Continued)*

(i) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied:

	2025	2024
	HK$'000	*HK$'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
– Sales of properties	**96,029**	223,291

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of properties

The performance obligation is satisfied upon the physical possession of the completed property being obtained by the purchasers.

Property management income

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are for periods of one year or less, or are billed based on the time incurred.

	2025	2024
	HK$'000	*HK$'000*
Other income and gains, net		
Bank and other interest income	**20,633**	26,249
Gain on disposal of items of property, plant and equipment	**91**	267
Management fee income received from an associate	**–**	3,080
Others	**30,726**	17,551
Total	**51,450**	47,147

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest on bank and other loans	**453,546**	471,401
Interest on lease liabilities	**3,232**	2,910
Less: Interest capitalised under properties under development and investment properties	**(92,108)**	(88,308)
Total	**364,670**	386,003

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

		2025	2024
	Notes	***HK$'000***	*HK$'000*
Cost of properties sold		**280,241**	299,310
Depreciation#	*13*	**41,237**	30,179
Lease payments not included in the measurement of lease liabilities#*	*14(b)*	**699**	1,836
Auditor's remuneration		**4,816**	4,509

7. PROFIT/(LOSS) BEFORE TAX *(Continued)*

	Notes	2025 HK$'000	2024 HK$'000
Employee benefit expense (including directors' remuneration *(note 8)*):			
Wages, salaries, allowances and benefits in kind		**95,207**	88,539
Pension scheme contributions		**2,808**	2,576
Sub-total		**98,015**	91,115
Less: Amount capitalised under properties under development/construction		**(41,400)**	(33,000)
Total		**56,615**	58,115
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties*		**207,247**	207,462
Foreign exchange differences, net		**(1,833)**	67
Fair value losses on investment properties, net	*15*	**703,872**	156,699
Fair value loss/(gain) on financial assets at fair value through profit or loss***		**(328)**	488
Fair value loss on derivative financial instruments***		**1,435**	–
Bank and other interest income		**(20,633)**	(26,249)
Gain on disposal of items of property, plant and equipment		**(91)**	(267)
Gain on lease modification		**(27)**	–

At 31 March 2025 and 2024, the amount of forfeited pension scheme contributions available to the Group for future utilisation was not significant.

Included in the amount is depreciation of leased carparks of HK$23,067,000 (2024: HK$19,325,000) which is included in "Cost of sales" in the consolidated statement of profit or loss.

* *The direct operating expenses (including repairs and maintenance) arising from rental-earning properties and lease payments not included in the measurement of lease liabilities for the year are included in "Cost of sales" in the consolidated statement of profit or loss.*

** *The contract costs arising from sales of properties and foreign exchange difference, net for the year are included in "Other operating expenses, net" in the consolidated statement of profit or loss.*

*** *The fair value losses/(gains) on financial assets at fair value through profit or loss and fair value losses on derivative financial instruments are included in "Administrative expenses" in the consolidated statement of profit or loss.*

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Fees	**2,614**	2,133
Other emoluments:		
Salaries, allowances and benefits in kind	**7,067**	12,433
Discretionary performance-related bonuses*	**–**	3,118
Pension scheme contributions	**553**	169
Sub-total	**7,620**	15,720
Total	**10,234**	17,853

* *The performance-related bonuses are determined with reference to the operating results, individual performance and comparable market statistics during both years.*

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025	2024
	HK$'000	*HK$'000*
Randall Todd Turney	**320**	320
Richard Chi-Ho Lo	**320**	320
Winfred Wai-Lap Fan	**320**	320
Stephen Henry Chu	**347**	–
Total	**1,307**	960

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

8. DIRECTORS' REMUNERATION *(Continued)*

(b) Executive directors and non-executive director(s)

	Fees	Salaries, allowances and benefits in kind	Discretionary performance-related bonuses	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2025					
Executive directors:					
James Sing-Wai Wong	**640**	**2,470**	**–**	**228**	**3,338**
Yuen-Keung Chan	**–**	**–**	**–**	**–**	**–**
Donald Yin-Shing Lam (appointed on 19 April 2024)	**–**	**4,597**	**–**	**325**	**4,922**
Total	**640**	**7,067**	**–**	**553**	**8,260**
Non-executive director:					
Emily Yen Wong	**667**	**–**	**–**	**–**	**667**
Total	**1,307**	**7,067**	**–**	**553**	**8,927**

	Fees	Salaries, allowances and benefits in kind	Discretionary performance-related bonuses	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2024					
Executive directors:					
James Sai-Wing Wong (Retired on 31 August 2023)	–	10,000	2,000	–	12,000
James Sing-Wai Wong	640	2,433	1,118	169	4,360
Yuen-Keung Chan	–	–	–	–	–
Total	640	12,433	3,118	169	16,360
Non-executive directors:					
Paul Hon-To Tong (Retired on 31 August 2023)	213	–	–	–	213
Emily Yen Wong	320	–	–	–	320
	533	–	–	–	533
Total	1,173	12,433	3,118	169	16,893

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2024: two) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2024: three) non-director, highest paid employees for the year are as follows:

	2025 HK$'000	2024 HK$'000
Salaries, allowances and benefits in kind	**13,951**	17,044
Discretionary performance-related bonuses	**–**	–
Pension scheme contributions	**254**	262
Total	**14,205**	17,306

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees 2025	 2024
HK$3,500,001 to HK$4,000,000	**2**	–
HK$4,000,001 to HK$4,500,000	**–**	1
HK$4,500,001 to HK$5,000,000	**–**	1
HK$6,500,001 to HK$7,000,000	**1**	–
HK$8,000,001 to HK$8,500,000	**–**	1
Total	**3**	3

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25%. In the prior year, no provision for Hong Kong profits tax was made as the Group had available tax losses brought forward from prior years to offset the assessable profits generated during that year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

10. INCOME TAX *(Continued)*

LAT has been calculated in conformity with the prevailing rules and practices on the Group's completed projects in Mainland China at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

	2025	2024
	HK$'000	*HK$'000*
Current – Hong Kong	**–**	–
Current – Elsewhere	**72,564**	59,897
LAT in Mainland China	**63,441**	40
Deferred *(note 29)*	**(49,803)**	(14,700)
Total tax charge for the year	**86,202**	45,237

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2025	2024
	HK$'000	*HK$'000*
Profit/(loss) before tax	**(627,012)**	1,382
Tax at the statutory tax rate	**(77,507)**	21,815
Income not subject to tax	**(4,814)**	(6,727)
Expenses not deductible for tax	**92,945**	21,641
Tax losses utilised from previous periods	**(8,306)**	(14,161)
Tax losses not recognised	**22,168**	27,148
Profits and losses attributable to associates	**(2,487)**	(5,935)
LAT	**63,441**	40
Others	**762**	1,416
Tax charge at the Group's effective rate of -13.7% (2024: 3,273%)	**86,202**	45,237

10. INCOME TAX *(Continued)*

The share of tax expense attributable to associates amounting to HK$8,782,000 (2024: HK$10,296,000) is included in "Share of profits of associates" in the consolidated statement of profit or loss. There was no share of tax attributable to joint ventures during the year ended 31 March 2025 (2024: Nil).

11. DIVIDEND

	2025	2024
	HK$'000	*HK$'000*
Proposed final – Nil (2024: 2.5 HK cents) per ordinary share	–	13,784

The directors do not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: 2.5 HK cents per ordinary share).

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company of HK$563,971,000 (2024: HK$66,667,000), and the weighted average number of ordinary shares in issue during the year of 551,368,153 (2024: 551,368,153).

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2025 and 2024 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the years ended 31 March 2025 and 2024.

13. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets			Owned assets					
	Leasehold land	Buildings	Total	Buildings	Leasehold improvements	Furniture and equipment	Motor vehicles	Total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2025									
At 31 March 2024 and 1 April 2024:									
Cost	200,630	118,465	319,095	72,263	7,580	18,029	13,671	111,543	430,638
Accumulated depreciation	(37,548)	(75,853)	(113,401)	(27,625)	(4,991)	(13,108)	(10,989)	(56,713)	(170,114)
Net carrying amount	163,082	42,612	205,694	48,638	2,589	4,921	2,682	54,830	260,524
At 1 April 2024	163,082	42,612	205,694	44,638	2,589	4,921	2,682	54,830	260,524
Additions	–	17,945	17,945	–	–	1,010	608	1,618	19,563
Disposals	–	–	–	–	–	(5)	(80)	(85)	(85)
Transfer to investment property	–	–	–	(3,050)	–	–	–	(3,050)	(3,050)
Lease modification	–	(4,103)	(4,103)	–	–	–	–	–	(4,103)
Depreciation provided during the year	(5,380)	(29,933)	(35,313)	(2,191)	(1,125)	(1,632)	(976)	(5,924)	(41,237)
Exchange realignment	422	–	422	163	–	43	12	218	640
At 31 March 2025, net of accumulated depreciation	158,124	26,521	184,645	39,560	1,464	4,337	2,246	47,607	232,252
At 31 March 2025:									
Cost	195,093	113,368	308,461	66,228	7,573	17,945	11,373	103,119	411,580
Accumulated depreciation	(36,969)	(86,847)	(123,816)	(26,668)	(6,109)	(13,608)	(9,127)	(55,512)	(179,328)
Net carrying amount	158,124	26,521	184,645	39,560	1,464	4,337	2,246	47,607	232,252

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

	Right-of-use assets			Owned assets					
	Leasehold land	Buildings	Total	Buildings	Leasehold improvements	Furniture and equipment	Motor vehicles	Total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2024									
At 31 March 2023 and 1 April 2023:									
Cost	200,630	81,866	282,496	72,263	5,641	16,206	11,981	106,091	388,587
Accumulated depreciation	(26,503)	(57,533)	(84,036)	(23,575)	(3,727)	(11,319)	(9,782)	(48,403)	(132,439)
Net carrying amount	174,127	24,333	198,460	48,688	1,914	4,887	2,199	57,688	256,148
At 1 April 2023	174,127	24,333	198,460	48,688	1,914	4,887	2,199	57,688	256,148
Additions	–	36,599	36,599	–	1,939	1,863	1,742	5,544	42,143
Disposals	–	–	–	–	–	(40)	(52)	(92)	(92)
Depreciation provided during the year	(5,405)	(18,320)	(23,725)	(2,336)	(1,264)	(1,752)	(1,102)	(6,454)	(30,179)
Exchange realignment	(5,640)	–	(5,640)	(1,714)	–	(37)	(105)	(1,856)	(7,496)
At 31 March 2024, net of accumulated depreciation	163,082	42,612	205,694	44,638	2,589	4,921	2,682	54,830	260,524
At 31 March 2024:									
Cost	200,630	118,465	319,095	72,263	7,580	18,029	13,671	111,543	430,638
Accumulated depreciation	(37,548)	(75,853)	(113,401)	(27,625)	(4,991)	(13,108)	(10,989)	(56,713)	(170,114)
Net carrying amount	163,082	42,612	205,694	44,638	2,589	4,921	2,682	54,830	260,524

At 31 March 2025, certain of the Group's leasehold land and buildings with a net carrying amount of approximately HK$182,280,000 (2024: HK$195,143,000) were pledged to secure general banking facilities granted to the Group as detailed in note 28(a)(v) to the financial statements.

14. LEASES

The Group as a lessee

The Group has lease contracts for land and building used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Lease of buildings generally have lease terms from one to three years.

(a) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025	2024
	HK$'000	*HK$'000*
Carrying amount at 1 April	**46,587**	27,407
New leases	**17,945**	36,599
Modification	**(4,130)**	–
Accretion of interest recognised during the year	**3,232**	2,910
Payments	**(35,218)**	(20,329)
Carrying amount at 31 March	**28,416**	46,587
Analysed into:		
Current portion	**16,933**	28,394
Non-current portion	**11,483**	18,193

The maturity analysis of lease liabilities is disclosed in note 40 to the financial statements.

(b) The amounts recognised in profit or loss in relation to leases are as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest on lease liabilities	**3,232**	2,910
Depreciation of right-of-use assets *(note 13)*	**35,313**	23,725
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	**699**	1,836
Gain on lease modification	**(27)**	–
Total amount recognised in profit or loss	**39,217**	28,471

14. LEASES *(Continued)*

The Group as a lessee *(Continued)*

(c) *Variable lease payments*

The Group leased a number of carparks which contain variable lease payment terms that are based on the Group's turnover generated from the carparks. There are also minimum annual base rental arrangements for these leases. The amounts of the fixed and variable lease payments recognised in profit or loss for the current year for these leases are HK$23,579,000 and HK$699,000 (2024: HK$19,325,000 and HK$1,836,000), respectively.

(d) The total cash outflow for leases is disclosed in note 32(c) to the financial statements.

The Group as a lessor

The Group leases its investment properties (note 15) consisting of eight (2024: eight) commercial properties in China, six (2024: six) industrial properties in Hong Kong and seven (2024: five) commercial properties in Japan under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK$451,104,000 (2024: HK$452,282,000), details of which are included in note 5 to the financial statements.

At 31 March 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025	2024
	HK$'000	*HK$'000*
Within one year	**306,024**	310,980
After one year but within two years	**254,717**	246,271
After two years but within three years	**217,883**	206,153
After three years but within four years	**196,563**	192,165
After four years but within five years	**177,254**	182,092
After five years	**797,307**	933,486
Total	**1,949,748**	2,071,147

Certain of the Group's bank loans are secured by assignments of rental income from the leases of the Group's properties as detailed in note 28(a)(iv) to the financial statements.

15. INVESTMENT PROPERTIES

		2025	
	Completed investment properties at fair value	**Investment property under construction at fair value**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
At beginning of year	**14,913,630**	**634,409**	**15,548,039**
Additions	**256,229**	**49,465**	**305,694**
Net gains/(losses) from fair value adjustments	**(786,665)**	**82,793**	**(703,872)**
Exchange realignment	**230,087**	**8,333**	**238,420**
Transfer	**775,000**	**(775,000)**	**–**
Transfer from property, plant and equipment	**3,050**	**–**	**3,050**
At end of year	**15,391,331**	**–**	**15,391,331**

		2024	
	Completed investment properties at fair value	Investment property under construction at fair value	Total
	HK$'000	*HK$'000*	*HK$'000*
At beginning of year	15,232,408	488,637	15,721,045
Additions	447,581	96,167	543,748
Net losses from fair value adjustments	(232,575)	75,876	(156,699)
Exchange realignment	(533,784)	(26,271)	(560,055)
At end of year	14,913,630	634,409	15,548,039

15. INVESTMENT PROPERTIES *(Continued)*

The directors of the Company have determined that the Group's completed investment properties and investment property under construction are commercial properties, based on the nature, characteristics and risks of each property. The Group's completed investment properties and investment property under construction were revalued on 31 March 2025 based on valuations performed by Savills Valuation and Professional Services Limited and Vigers international Property Consultants, independent professionally qualified valuers, at an aggregate value of HK$15,391,331,000 (2024: HK$15,548,039,000). Each year, the Group's management decides to appoint which external valuers to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the valuers on the valuation assumptions and valuation results twice a year when the valuation is performed for the interim and annual financial reporting.

Certain completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 14 to the financial statements.

At 31 March 2025, the Group's investment properties with an aggregate carrying value of HK$15,249,304,000 (2024: HK$15,011,000,000) were pledged to secure the banking facilities granted to the Group as detailed in note 28(a)(i) to the financial statements. In addition, certain of the Group's bank loans are secured by assignments of rental income from the leases of the Group's investment properties as detailed in note 28(a)(iv) to the financial statements.

Based on the property ownership certificates, a portion of the completed investment properties with a total gross floor area of approximately 3,023 sq.m. is designated as non-market commodity housing which is not freely transferable in the market. As at 31 March 2025, the market value of such portion was HK$78,587,000 (2024: HK$77,742,000).

Further particulars of the Group's investment properties are included in "Particulars of Properties" on pages 171 to 176.

Investment properties included interest expense of HK$63,920,000 (2024: HK$56,217,000) that was incurred and capitalised during the year.

15. INVESTMENT PROPERTIES *(Continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's completed investment properties and investment property under construction at fair value:

	Fair value measurement as at 31 March 2025 using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Recurring fair value measurement for:				
Commercial properties	**–**	**–**	**15,391,331**	**15,391,331**

	Fair value measurement as at 31 March 2024 using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurement for:				
Commercial properties	–	–	15,548,039	15,548,039

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

15. INVESTMENT PROPERTIES *(Continued)*

Fair value hierarchy *(Continued)*

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	HK$'000
Carrying amount at 1 April 2023	15,721,045
Additions	543,748
Net losses from fair value adjustments	(156,699)
Exchange realignment	(560,055)
Carrying amount at 31 March 2024 and 1 April 2024	15,548,039
Additions	305,694
Net losses from fair value adjustments	(703,872)
Exchange realignment	238,420
Transfers	3,050
Carrying amount at 31 March 2025	**15,391,331**

Below is a summary of the valuation techniques used and the key inputs to the valuation of completed investment properties and the investment property under construction at fair value:

	Valuation techniques	Significant unobservable inputs	Range	
Commercial properties			**2025**	2024
Completed	Income capitalisation approach	Estimated rental value		
		per sq.ft. per month (HK$)	**19 to 72**	17 to 99
		per sq.m. per month (RMB)	**53 to 387**	54 to 411
		Capitalisation rate	**3.2% to 6.5%**	3.1% to 6.5%
	Direct comparison approach	Unit price (HK$/unit)	**2,000,000**	2,300,000
		Unit price (RMB/unit)	**80,000 to 480,000**	80,000 to 480,000
		Price per sq.ft. (HK$)	**8,500 to 9,900**	7,204 to 11,300
Commercial properties			**2025**	2024
Under construction	Residual approach	Estimated rental value		
		per sq.m. per month (RMB)	**–**	158 to 394
		Capitalisation rate	**–**	4.5% to 5.0%
		Development cost to completion		
		per s.q.m.(RMB)	**–**	1,802

15. INVESTMENT PROPERTIES *(Continued)*

Fair value hierarchy *(Continued)*

Income capitalisation approach

Under the income capitalisation approach, fair value is estimated on the basis of capitalisation of existing rental income and reversionary market rental income.

The market rentals of the investment properties are assessed and capitalised at market yield expected by investors for this type of properties. The market rents are assessed by reference to the rentals achieved in the investment properties as well as other lettings of similar properties in the neighbourhood. The market yield, which is the capitalisation rate adopted, is made by reference to the yields derived from analysing the sales transactions of similar properties and adjusted to take account of the valuers' knowledge of the market expectation from property investors to reflect factors specific to the Group's investment properties.

The key inputs were the market rent and the market yield, which a significant increase/decrease in the market rent in isolation would result in a significant increase/decrease in the fair value of the investment properties and a significant increase/decrease in the market yield in isolation would result in a significant decrease/increase in the fair value of the investment properties.

Direct comparison approach

Under the market approach, fair value is estimated by the direct comparison method on the assumption of the sale of the property interest with the benefit of vacant possession and by making reference to comparable sales transactions as available in the market.

The valuation takes into account the characteristics of the investment properties, which include the location, size, shape, view, floor level, year of completion and other factors collectively, to arrive at the market price per unit.

The key input was the market price per unit, which a significant increase/decrease in the market price would result in a significant increase/decrease in the fair value of the investment properties.

Discounted cash flow approach

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flows in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

15. INVESTMENT PROPERTIES *(Continued)*

Fair value hierarchy *(Continued)*

Discounted cash flow approach (Continued)

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The key inputs were the room tariff, the occupancy rate, the terminal capitalisation rate, the discount rate and the stabilised growth rate, in which a significant increase/decrease in the room tariff, the occupancy rate and the growth rate in isolation would result in a significant increase/decrease in the fair value of the investment properties. A significant increase/decrease in the terminal capitalisation rate and the discount rate in isolation would result in a significant decrease/increase in the fair value of the investment properties.

Residual approach

Under the residual approach, the valuation is based on the assumption that the property is newly completed in accordance with the development proposal in terms of property uses, respective saleable areas and construction schedules to establish the gross development value ("GDV"). The total development costs including construction costs, professional fees, infrastructure costs, management costs, financial costs and developer's profit are estimated and deducted from the established GDV. The resultant residual figure is then adjusted back to the valuation date to arrive at the market value of the property interest concerned. The income approach has been used in estimating the GDV. A significant increase/(decrease) in the reversionary rental value and GDV would in isolation result in a significant increase/(decrease) in the fair value of the investment properties.

A significant increase/(decrease) in the vacancy rate, yield rate, development costs, construction period and deducted sales profit rate in isolation would result in a significant (decrease)/increase in the fair value of the investment properties. Generally, a change in the assumption made for the reversionary rental value is accomplished by a directionally similar change in the yield rate and an opposite change in the vacancy rate.

16. GOODWILL

2025

	HK$'000
At 1 April 2024:	
Cost	57,016
Accumulated impairment	(2,463)
Net carrying amount	54,553
At 1 April 2024, net of accumulated impairment	54,553
Impairment during the year	(18,184)
At 31 March 2025, net of accumulated impairment	**36,369**
At 31 March 2025:	
Cost	**57,016**
Accumulated impairment	**(20,647)**
Net carrying amount	**36,369**

2024

	HK$'000
At 1 April 2023:	
Cost	57,016
Accumulated impairment	(2,463)
Net carrying amount	54,553
At 31 March 2023, 1 April 2023 and 31 March 2024, net of accumulated impairment	54,553
At 31 March 2024:	
Cost	57,016
Accumulated impairment	(2,463)
Net carrying amount	54,553

16. GOODWILL *(Continued)*

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit ("CGU") for impairment testing:

- Shanghai Yinbai CGU

The carrying amount of goodwill allocated to the cash-generating unit is as follows:

	Shanghai Yinbai CGU	
	2025	2024
	HK$'000	*HK$'000*
Carrying amount of goodwill	**36,369**	54,553

Shanghai Yinbai CGU

As a result of prevailing slow-down of the property market, the Group determined there were indicators of potential impairment on Shanghai Yinbai CGU at 31 March 2025. Based on the valuation performed by the Company, it was determined that the carrying value of the Shanghai Yinbai CGU of HK$416,176,000 was greater than its recoverable amount of HK$397,992,000, resulting in impairment on goodwill amounted to HK$18,184,000.

The recoverable amount of the Shanghai Yinbai CGU, a CGU with significant self-owned investment property, has been determined based on fair value less cost of disposal calculation. The fair value less cost of disposal is estimated based on market unobservable transactions and the fair value measurement is categorised into Level 3 fair value hierarchy. The fair value of the self-owned investment property was performed by an independent valuer, Vigers Appraisal and Consulting Limited, and was determined by the income capitalisation approach with key assumptions in relation to market rent ranging from RMB9.81 to 12.81 per sq.m. per day and term yield rate ranging at 4.25%.

16. GOODWILL *(Continued)*

Impairment testing of goodwill *(Continued)*

Shanghai Yinbai CGU (Continued)

Assumptions were used in the fair value less cost of disposal calculation of the Shanghai Yinbai CGU. The following describes each key assumption on which management had based its cash flow projections to undertake impairment testing of goodwill:

Market rent – The unit rents of the comparable units to the significant self-owned investment property of Shanghai Yinbai CGU.

Market yield rate – The market yield rate based on the valuer's research on commercial and office markets in the surrounding area of the self-owned investment property of Shanghai Yinbai CGU, which has been taken into consideration the location, risks and characteristics of the self-owned investment property.

17. INVESTMENTS IN JOINT VENTURES/AMOUNT DUE FROM A JOINT VENTURE

	2025	2024
	HK\$'000	*HK\$'000*
Share of net assets	**199**	199
Loan to a joint venture	**391,068**	392,930
Total	**391,267**	393,129

The loan to a joint venture are unsecured and has no fixed term of repayment. In the opinion of the directors, the loan is unlikely to be repaid in the foreseeable future and are considered as part of the Group's net investments in the joint ventures.

The amount due from a joint venture is unsecured, interest-free and repayable on demand.

17. INVESTMENTS IN JOINT VENTURES/AMOUNT DUE FROM A JOINT VENTURE *(Continued)*

Particulars of the Group's joint ventures are as follows:

Name	Particulars of issued share capital	Place of incorporation and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activity
Two City Hall Place Limited	Common share capital of CAD100	Canada	34.05	34.05	34.05	Dormant
Time Trade Global Limited	Ordinary share capital of USD2	BVI	34.05	34.05	34.05	Property development

The investments in joint ventures are indirectly held by the Company.

The following table illustrates the financial information of the Group's joint ventures that are not individually material:

	2025	2024
	HK$'000	*HK$'000*
Share of the joint ventures' losses for the year	**(1,862)**	–
Share of the joint ventures' other comprehensive losses	**–**	–
Share of the joint ventures' total comprehensive losses	**(1,862)**	–
Aggregate carrying amount of the Group's investments in joint ventures	**391,267**	393,129

18. INVESTMENTS IN ASSOCIATES

	2025	2024
	HK$'000	*HK$'000*
Goodwill on acquisition	**18,374**	18,374
Share of net assets	**1,268,288**	1,250,481
Total	**1,286,662**	1,268,855

Particulars of the associates are as follows:

Name	**Particulars of issued share capital**	**Place of incorporation and business**	**Percentage of ownership interest attributable to the Group**	**Principal activities**
Chinney Alliance#	HK$59,490,000	Bermuda/ Hong Kong	29.10	Investment holding
Chinney Trading Company Limited ("Chinney Trading")	HK$615,425,000	Hong Kong	13.62	Property development
Marigold Properties Limited	US$100	BVI	30.00	Property development

Chinney Alliance is an investment holding company with its subsidiaries engaged in the manufacture and sale of industrial products and building-related contracting business, and superstructure and substructure foundation piling work.

Chinney Alliance has a financial year end date of 31 December. The consolidated financial statements are adjusted for the material transactions between Chinney Alliance and group companies between 1 January and 31 March.

The Group's shareholdings in Chinney Alliance are held through a wholly-owned subsidiary of the Company.

18. INVESTMENTS IN ASSOCIATES *(Continued)*

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025	2024
	HK$'000	*HK$'000*
Share of the associates' profit for the year	**14,971**	31,138
Share of the associates' other comprehensive income/(loss)	**5,813**	(29,361)
Share of the associates' total comprehensive income	**20,784**	1,777
Aggregate carrying amount of the Group's investments in the associates	**1,286,662**	1,268,855

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025	2024
	HK$'000	*HK$'000*
Unlisted equity investments, at fair value		
– 5300 Yonge Limited Partnership	**37,595**	61,182
– Trivium Japan Core Hotel Investments Limited	**195**	20,079
– Unlisted companies	**9,188**	18,363
Total	**46,978**	99,624

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers the investments to be strategic in nature.

20. PROPERTIES HELD FOR SALE UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE

	2025	2024
	HK$'000	*HK$'000*
Completed properties held for sale	**1,071,256**	439,422
Properties held for sale under development	**3,582**	717,229
Total	**1,074,838**	1,156,651

20. PROPERTIES HELD FOR SALE UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE *(Continued)*

	2025	2024
	HK$'000	*HK$'000*
Properties held for sale under development		
– Expected to be recovered:		
Within one year	**–**	713,647
– Pending construction expected to be recovered:		
After one year	**3,582**	3,582
Total	**3,582**	717,229

Properties held for sale under development and completed properties held for sale included interest expense of HK$28,188,000 (2024: HK$32,092,000) that was incurred and capitalised to the completion of the development of the properties.

During the year, certain of the Group's completed properties held for sale with an aggregate carrying value amounting to HK$715,636,000 (2024: properties held for sale under development HK$713,647,000) at the end of the reporting period were pledged to secure the banking facilities granted to the Group as detailed in note 28(a)(ii) to the financial statements.

Further particulars of the Group's properties held for sale under development and completed properties held for sale are included in "Particulars of Properties" on pages 171 to 176.

21. TRADE RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**24,308**	16,907
Impairment	**–**	–
Net carrying amount	**24,308**	16,907

21. TRADE RECEIVABLES *(Continued)*

Monthly rent in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. The balance of the consideration in respect of the sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreements. Overdue trade debts are closely monitored by management and are provided for in full in cases of non-recoverability. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice/contract date and net of loss allowance, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**14,610**	10,179
31 to 60 days	**402**	185
61 to 90 days	**430**	59
Over 90 days	**8,866**	6,484
Total	**24,308**	16,907

The carrying amounts of the trade receivables approximate to their fair values.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The financial impact of ECLs for trade receivables under HKFRS 9 was insignificant for the years ended 31 March 2025 and 2024.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Prepayments	**62,271**	75,253
Deposits	**23,072**	19,678
Other receivables	**306,444**	266,078
Total	**391,787**	361,009

None of the deposits is either past due or impaired. The provision for impairment relates to other receivables.

The remaining balance of other receivables that were neither past due nor impaired relate to a large number of independent parties for whom there was no recent history of default. As at 31 March 2025 and 2024, the loss allowance was assessed to be minimal.

The Group has applied the general approach to provide for expected credit losses for financial assets included in prepayments, deposits and other receivables. The Group considers the historical loss rate and adjusts for forward looking macroeconomic data in calculating the expected credit loss rate. The Group has classified financial assets included in prepayments, deposits and other receivables in stage 1 and continuously monitors their credit risk. As at 31 March 2025 and 2024, the Group estimated that the expected loss rate for financial assets included in prepayments, deposits and other receivables was insignificant.

23. CASH AND BANK BALANCES

	2025 HK$'000	2024 HK$'000
Cash and bank balances	**944,012**	1,116,764
Time deposits	**161,629**	203,208
Total	**1,105,641**	1,319,972

Included in cash and bank balances are restricted bank deposits of HK$251,600,000 (2024: HK$161,181,000), which can only be applied in the designated property development projects prior to the completion of their construction.

At the end of the reporting period, the cash and bank balances including time deposits of the Group denominated in RMB, amounted to HK$659,055,000 (2024: HK$1,012,671,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between three months and twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK$'000	2024 HK$'000
Key management insurance contracts	**5,626**	5,626
Listed equity investment, at fair value	**3,512**	3,183
Other unlisted investment, at fair value	**7,864**	23,572
Total	**17,002**	32,381
Analysed for reporting purposes as:		
Current assets	**9,138**	8,809
Non-current assets	**7,864**	23,572
Total	**17,002**	32,381

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

The above listed equity investment was classified as financial assets at fair value through profit or loss as it was held for trading.

The key management insurance contracts and other unlisted investment were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

As at 31 March 2025, the key management insurance contract represented life insurance plans with investment elements relating to three members of key management personnel of the Group. The total sum insured is US$930,000 (2024: US$930,000) (approximately HK$7,241,000) (2024: approximately HK$7,241,000) with an annual minimum guaranteed return of 2%.

As at 31 March 2025, if the Group withdrew from the insurance contract, the account value, net of surrender charges of US$720,000 (2024: US$720,000) (approximately HK$5,626,000) (2024: approximately HK$5,626,000), would be refunded to the Group. The amount of surrender charges decreased over time and was no longer required from the 6th year of contract conclusion onwards.

25. TRADE PAYABLES, OTHER PAYABLES, ACCRUED LIABILITIES AND OTHERS

Included in trade payables, other payables, accrued liabilities and others are trade payables of HK$16,623,000 (2024: HK$8,916,000). An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**16,623**	8,916

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

26. DERIVATIVE FINANCIAL INSTRUMENTS

	2025	2024
	HK$'000	*HK$'000*
Liabilities		
Cross-currency interest rate swaps	**1,435**	–

The cross-currency interest rate swaps are not designated for hedge purposes and are measured at fair value through profit or loss. Changes in the fair value of non-hedging cross-currency interest rate swaps amounting to HK$1,435,000 (2024: Nil) were charged to profit or loss during the year.

27. CONTRACT LIABILITIES

Contract liabilities mainly represent sales proceeds received from buyers in connection with the Group's pre-sales of properties. The decrease in contract liabilities in 2025 and 2024 was mainly due to the decrease in sales proceeds received from customers in relation to the pre-sale of properties during the year.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025			2024		
	Effective annual interest rate (%)	**Maturity**	***HK$'000***	Effective annual interest rate (%)	Maturity	*HK$'000*
Current						
Bank loans – unsecured	**N/A**	**N/A**	**–**	5.2-8.0	2024	650,000
Bank loans – secured	**1.6-7.55**	**2025-2026 or on demand**	**738,157**	5.5-8.6	2024-2025 or on demand	1,896,177
Total – Current			**738,157**			2,546,177
Non-current						
Bank loans – secured	**1.6-7.55**	**2026-2050**	**6,513,104**	1.6-7.4	2025-2048	5,012,590
Other loan	**2.25**	**2026**	**38,044**	2.25	2025	37,634
Total – Non-current			**6,551,148**			5,050,224
Total			**7,289,305**			7,596,401

28. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

	2025	2024
	HK$'000	*HK$'000*
Analysed into:		
Bank and other loans repayable:		
Within one year or on demand	**738,157**	2,546,177
In the second year	**2,499,003**	514,433
In the third to fifth years, inclusive	**3,514,119**	4,202,399
Beyond five years	**538,026**	333,392
Total	**7,289,305**	7,596,401

Notes:

(a) Certain of the Group's bank loans are secured by:

(i) mortgages over certain of the Group's investment properties, which had an aggregate carrying value at the end of the reporting period of HK$15,249,304,000 (2024: HK$15,011,000,000) as detailed in note 15 to the financial statements;

(ii) mortgages over certain of the Group's properties held for sale and under development, which had an aggregate carrying value at the end of the reporting period of HK$715,636,000 (2024: HK$713,647,000) as detailed in note 20 to the financial statements;

(iii) charges over shares of certain subsidiaries of the Group;

(iv) assignments of rental income from the leases of certain of the Group's investment properties; and

(v) the pledge of certain of the Group's leasehold land and buildings, which had a net carrying value at the end of the reporting period of HK$182,280,000 (2024: HK$195,143,000) as detailed in note 13 to the financial statements.

(b) Irrevocable and unconditional guarantees have been given by the Company in respect of bank borrowings of certain subsidiaries. In addition, the Company has subordinated its loans to certain subsidiaries in favour of the relevant lending banks.

(c) Except for certain bank and other loans denominated in RMB and Japanese Yen ("JPY") equivalent to HK$1,820,157,000 (2024: HK$1,967,852,000) and HK$201,455,000 (2024: HK$157,598,000), all bank and other borrowings at the end of the reporting period were denominated in Hong Kong dollars.

As further explained in note 39 to the financial statements, certain of Group's non-current interest-bearing bank and other borrowings in the amount of HK$40,718,000 (2024: HK$43,002,000) containing a repayment on demand clause have been classified as current liabilities. For the purpose of the above analysis, the loans are included within current interest-bearing bank and other borrowings and analysed into bank loans repayable within one year or on demand.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

Based on the maturity terms of the loans, the amounts repayable in respect of the loans are HK$697,439,000 (2024: HK$2,503,175,000) payable within one year or on demand; HK$2,529,221,000 (2024: HK$516,717,000) payable in the second year; HK$3,524,619,000 (2024: HK$4,204,683,000) payable in the third to fifth years, inclusive; and HK$538,026,000 (2024: HK$371,826,000) payable beyond five years.

All bank loans of the Group bear interest at floating rates.

The carrying amounts of the Group's current and non-current bank borrowings approximate to their fair values.

29. DEFERRED TAX

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

	Depreciation allowance in excess of related depreciation	Revaluation of investment properties	Tax losses	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2023	(20,699)	(1,376,147)	577	(6,789)	(1,403,058)
Deferred tax (charged)/credited to the statement of profit or loss during the year *(note 10)*	(9,750)	94,450	–	(70,000)	14,700
Exchange realignment	–	68,629	–	–	68,629
At 31 March 2024 and 1 April 2024	**(30,449)**	**(1,213,068)**	**577**	**(76,789)**	**(1,319,729)**
Deferred tax (charged)/credited to the statement of profit or loss during the year *(note 10)*	**(183)**	**83,832**	**–**	**(33,846)**	**49,803**
Exchange realignment	**–**	**(16,697)**	**–**	**–**	**(16,697)**
Net deferred tax liabilities at 31 March 2025	**(30,632)**	**(1,145,933)**	**577**	**(110,635)**	**(1,286,623)**

29. DEFERRED TAX *(Continued)*

At the end of the reporting period, the Group had unrecognised tax losses arising in Hong Kong of HK$2,060,420,000 (2024: HK$1,938,099,000) and in Mainland China of HK$116,003,000 (2024: HK$141,288,000). Tax losses arising in Hong Kong are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose and tax losses arising in Mainland China will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these deductible temporary differences and tax losses as they have arisen in the companies that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the deductible temporary differences and tax losses can be utilised.

At 31 March 2025, except for the deferred tax recognised for certain PRC subsidiaries that will distribute dividend according to dividend pay out ratio of 65% estimated by us, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earning that are subject to withholding taxes of the Group's other subsidiaries in Mainland China and Canada will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China and in Canada for which deferred tax liabilities have not been recognised totaled HK$1,539,421,000 at 31 March 2025 (2024: HK$1,355,248,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

30. SHARE CAPITAL

	2025 ***HK$'000***	2024 *HK$'000*
Issued and fully paid:		
551,368,153 (2024: 551,368,153) ordinary shares	**405,411**	405,411

31. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

32. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests are set out below:

	2025	2024
Percentage of equity interest held by non-controlling interests:		
Hon Kwok	**31.91%**	31.91%

	2025 ***HK$'000***	2024 *HK$'000*
Profit/(loss) for the year allocated to non-controlling interests:		
Hon Kwok	**(149,243)**	22,812
Dividends paid to non-controlling interests of Hon Kwok	**14,368**	14,368
Accumulated balances of non-controlling interests at the reporting date:		
Hon Kwok	**3,688,097**	3,802,718

32. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

The following tables illustrate the summarised financial information of Hon Kwok. The amounts disclosed are before any inter-company eliminations:

	2025	2024
	HK$'000	*HK$'000*
Revenue	**1,012,714**	1,086,515
Total expenses	**(902,997)**	(972,760)
Other income	**50,538**	43,930
Fair value losses on investment properties, net	**(678,919)**	(141,123)
Share of profit of an associate	**204**	9,365
Share of loss of a joint venture	**(1,862)**	–
Profit/(loss) for the year	**(609,029)**	25,927
Total comprehensive loss for the year	**(418,783)**	(512,916)
Current assets	**2,618,710**	2,859,709
Non-current assets	**16,314,125**	16,541,148
Current liabilities	**(1,035,733)**	(2,002,207)
Non-current liabilities	**(7,014,444)**	(6,065,781)
Net cash flows from operating activities	**457,149**	86,994
Net cash flows used in investing activities	**(85,001)**	(545,662)
Net cash flows used in financing activities	**(611,826)**	36,711
Net decrease in cash and cash equivalents	**(239,678)**	(421,957)

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

(i) Certain additions of properties held for sale under development and completed properties held for sale of HK$62,703,000 (2024: HK$19,343,000) were not paid at the end of the reporting period and were recorded as accrued liabilities.

(ii) During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK$17,945,000 and HK$17,945,000, respectively, in respect of lease arrangements for properties (2024: HK$36,599,000 and HK$36,599,000).

(iii) During the year, the Group had non-cash lease modification resulting in decrease in right-of-use assets and lease liabilities of HK$4,103,000 and HK$4,130,000, respectively, for lease arrangements for properties (2024: Nil).

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(a) Major non-cash transactions *(Continued)*

(iv) During the year, the Group had non-cash additions to investment properties of HK$98,665,000 (2024: Nil) which was not paid at the end of the reporting period and were recorded as accrued liabilities.

(b) Changes in liabilities arising from financing activities

	Lease liabilities *HK$'000*	Interest-bearing bank and other borrowings *HK$'000*
At 1 April 2023	**27,407**	**7,234,593**
Changes from financing cash flows	**(17,419)**	**474,622**
New lease	**36,599**	**–**
Interest expenses	**2,910**	**–**
Interest paid classified as operating cash flows	**(2,910)**	**–**
Exchange realignment	**–**	**(112,814)**
At 31 March 2024 and 1 April 2024	**46,587**	**7,596,401**
Changes from financing cash flows	**(31,986)**	**(323,478)**
New lease	**17,945**	**–**
Modification	**(4,130)**	**–**
Interest expenses	**3,232**	**–**
Interest paid classified as operating cash flows	**(3,232)**	**–**
Exchange realignment	**–**	**16,382**
At 31 March 2025	**28,416**	**7,289,305**

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Within operating activities	**(3,931)**	(4,746)
Within financing activities	**(31,986)**	(17,419)
Total	**(35,917)**	(22,165)

34. CONTINGENT LIABILITIES

(a) As at 31 March 2025, the Group has given a guarantee of HK$487,500,000 (2024: HK$487,500,000) to a bank in connection with a facility granted to a joint venture and such banking facility guaranteed by the Group to the joint venture was utilised to the extent of HK$237,500,000 (2024: HK$237,500,000).

(b) As at 31 March 2025, the Group has given guarantees of HK$178,200,000 (2024: HK$27,840,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property ownership certificates to the purchasers.

The fair value of the guarantees is not significant and the directors of the Company consider that, in case of default in payments by the purchasers, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties and therefore no provision has been made in the financial statements for the years ended 31 March 2025 and 2024 for the guarantees.

35. PLEDGE OF ASSETS

Details of the Group's bank loans, which are secured by the assets of the Group, are included in note 28 to the financial statements.

36. COMMITMENTS

The Group had the following commitments at the end of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Property development expenditure	**248,279**	443,731

37. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material related party transactions during the year:

	Notes	**2025** **HK$'000**	2024 HK$'000
Management fee income received from an associate	*(i)*	**–**	3,080
Construction cost paid to a related company	*(ii)*	**150,583**	72,760
Interest expense paid to a related company	*(iii)*	**7,233**	–

Notes:

(i) In the prior year, the management fees were charged to Chinney Alliance based on the time involvement of the personnel providing the services. Yuen-Keung Chan and James Sing-Wai Wong are directors of the Company and Chinney Alliance.

(ii) On 26 September 2022, Honour Well Development Limited ("Honour Well"), an indirect non wholly-owned subsidiary of the Company, entered into a framework agreement with each of Chinney Construction and Shun Cheong Building Services Limited ("Shun Cheong"), both being indirect wholly-owned subsidiaries of Chinney Alliance, pursuant to which, Chinney Construction was appointed by Honour Well as the contractor for the builder's works at the contract sum of not exceeding HK$96,300,000 and Shun Cheong was appointed by Honour Well as the contractor for the mechanical and electrical engineering works and façade works at the contract sum of not exceeding HK$141,000,000 relating to the revamp project of the building located at 119-121 Connaught Road Central, Sheung Wan, Hong Kong. The related transactions constituted connected transactions for each of the Company, Hon Kwok and Chinney Alliance under the Listing Rules. The transactions were approved by independent shareholders of the Company, Hon Kwok and Chinney Alliance at the respective general meetings held by each of the companies on 28 November 2022.

(iii) The interest expense was recognised on the loan receivable from Chinney Kin Wing Holdings Limited ("Chinney Kin Wing"), a subsidiary of the Company's associate, Chinney Alliance Group Limited ("Chinney Alliance") at an interest rate of 6% per annum. The transaction constitutes a connected transaction of the Company, however, as the loan is not secured by any assets of the Group and is conducted on normal commercial terms or better, the transaction is fully exempted from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A. 90 of the Listing Rules.

(b) Loan from a related company

The loan from a related company represented advance from Chinney Kin Wing, a subsidiary of the Company's associate, Chinney Alliance pursuant to a loan agreement dated 25 July 2024. The loan is unsecured, interest-bearing at 6% per annum and repayable within 12 months from the date of drawdown with an option for extension for further 12 months subject to the approval of Chinney Kin Wing. Details of the transactions were set out in the voluntary announcement of the Company dated 25 July 2024.

37. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Compensation of key management personnel of the Group

	2025	2024
	HK$'000	*HK$'000*
Short-term employee benefits	**21,019**	36,126
Post-employment benefits	**806**	262
Total	**21,825**	36,388

Further details of directors' emoluments are included in note 8 to the financial statements.

38. FINANCIAL INSTRUMENTS BY CATEGORY

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

2025

Financial assets

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at amortised costs	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amount due from a joint venture	–	–	56,616	56,616
Trade receivables	–	–	24,308	24,308
Financial assets at fair value through profit or loss	–	17,002	–	17,002
Financial assets at fair value through other comprehensive income	46,978	–	–	46,978
Financial assets included in prepayments, deposits and other receivables	–	–	329,516	329,516
Cash and bank balances	–	–	1,105,641	1,105,641
Total	46,978	17,002	1,516,081	1,580,061

38. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

2025

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised costs	Total
	HK$'000	*HK$'000*	*HK$'000*
Financial liabilities included in trade payables, other payables and accrued liabilities	**–**	**263,368**	**263,368**
Derivative financial instruments	**1,435**	**–**	**1,435**
Customer deposits	**–**	**74,932**	**74,932**
Lease liabilities	**–**	**28,416**	**28,416**
Loan from a related company	**–**	**250,000**	**250,000**
Interest-bearing bank borrowings	**–**	**7,289,305**	**7,289,305**
	1,435	**7,906,021**	**7,907,456**

2024

Financial assets

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at amortised costs	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amount due from a joint venture	–	–	27,341	27,341
Trade receivables	–	–	16,907	16,907
Financial assets at fair value through profit or loss	–	32,381	–	32,381
Financial assets at fair value through other comprehensive income	99,624	–	–	99,624
Financial assets included in prepayments, deposits and other receivables	–	–	276,301	276,301
Cash and bank balances	–	–	1,319,972	1,319,972
Total	99,624	32,381	1,640,521	1,772,526

38. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

2024

Financial liabilities

	Financial liabilities at amortised cost *HK$'000*
Financial liabilities included in trade payables, other payables accrued liabilities and others	38,062
Customer deposits	74,891
Lease liabilities	46,587
Interest-bearing bank and other borrowings	7,596,401
Total	7,755,941

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		**Fair values**	
	2025 ***HK$'000***	2024 *HK$'000*	**2025** ***HK$'000***	2024 *HK$'000*
Financial assets				
Financial assets at fair value through other comprehensive income	**46,978**	99,624	**46,978**	99,624
Financial assets at fair value through profit or loss	**17,002**	32,381	**17,002**	32,381
	63,980	132,005	**63,980**	132,005
Financial liabilities				
Interest-bearing bank and other borrowings	**7,289,305**	7,596,401	**7,289,305**	7,596,401

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Management has assessed that the fair values of cash and bank balances, trade receivables, financial assets included in prepayments, deposits and other receivables, customer deposits, trade payables, other payables and accrued liabilities, contract liabilities, loan from a related company, the current portion of interest-bearing bank and other borrowings, and lease liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the financial director and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 March 2025 were assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The fair value of unlisted equity investments designated at fair value through other comprehensive income have been estimated on the basis of the investee's financial position and results as well as is determined by using going concern asset-based as valuation technique. The fair value of key management insurance contracts classified as financial assets at fair value through profit or loss is based on the account value less surrender charge, quoted by the vendor. The directors believe that the estimated fair values resulting from the valuation techniques, which are recorded in the consolidated statement of financial position, were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent convertible loans issued by a private company in BVI. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at

31 March 2025:

	Valuation techniques	**Significant Unobservable inputs**	**Value**	**Sensitivity of fair value to the input**
Key management insurance contracts classified as financial assets at fair value through profit or loss	**N/A**	**Account values**	**HK$7,241,000**	**5% increase (decrease) in account values would result in increase (decrease) in fair value by HK$362,000**
		Surrender charge	**HK$1,615,000**	**5% increase (decrease) in surrender charge would result in increase (decrease) in fair value by HK$81,000**

31 March 2024:

	Valuation techniques	Significant Unobservable inputs	Value	Sensitivity of fair value to the input
Key management insurance contracts classified as financial assets at fair value through profit or loss	N/A	Account values	HK$7,241,000	5% increase (decrease) in account values would result in increase (decrease) in fair value by HK$362,000
		Surrender charge	HK$1,615,000	5% increase (decrease) in surrender charge would result in increase (decrease) in fair value by HK$81,000

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 31 March 2025

	Fair value measurement using			
	Quoted prices In active Markets (Level 1)	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Financial assets at fair value through other comprehensive income	**–**	**–**	**46,978**	**46,978**
Financial assets at fair value through profit or loss	**3,512**	**7,864**	**5,626**	**17,002**
Total	**3,512**	**7,864**	**52,604**	**63,980**

As at 31 March 2024

	Fair value measurement using			
	Quoted prices In active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets at fair value through other comprehensive income	–	–	99,624	99,624
Financial assets at fair value through profit or loss	3,183	23,572	5,626	32,381
Total	3,183	23,572	105,250	132,005

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

The movement in fair value measurement within Level 3 during the year are as follows:

	2025	2024
	HK$'000	*HK$'000*
At begining of year	**105,250**	82,153
Purchases	**–**	22,042
Disposal	**(19,884)**	–
Total gain/(losses) recognised in the statement of profit or loss included in administrative expenses	**–**	1,055
Total losses recognised in the statement of comprehensive income included in other comprehensive income/(loss)	**(19,368)**	–
Exchange realignment	**(13,394)**	–
At end of year	**52,604**	105,250

The Group did not have any financial liabilities measured at fair value as at 31 March 2025 and 31 March 2024. As at 31 March 2025, the Group's financial liabilities not measured at fair value but for which fair values were disclosed included interest-bearing bank and other borrowings (non-current portion) of HK$6,551,148,000 (2024: HK$5,050,224,000) and lease liabilities (non-current portion) of HK$11,483,000 (2024: HK$18,193,000). The fair values of these financial liabilities disclosed were measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are unobservable (Level 3).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities of the Group (2024: Nil).

The Group's principal financial instruments include other receivables, cash and bank balances, other payables, customer deposits, interest-bearing bank and other borrowings and lease liabilities. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. Management reviews and agrees policies for managing each of these risks and they are summarised below.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Foreign currency risk

The Group has transactional currency exposures. These exposures arise from revenue or expenses by operating units in currencies other than the units' functional currencies. The Group's monetary assets, financing and transactions are principally denominated in RMB and HK$. The Group is exposed to foreign exchange risk arising from changes in the exchange rate of HK$ against RMB. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, the Group will constantly review the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures in future as may be necessary.

The following table demonstrates the sensitivity to a reasonably possible change in the RMB exchange rate at the end of the reporting period, with all other variables held constant, of the Group's loss after tax and the Group's equity (due to changes in the fair value of monetary assets and liabilities).

	Change in exchange rate *%*	**Increase/ (decrease) in loss after tax and decrease/ (increase) in equity** *HK$'000*
2025		
If Hong Kong dollar weakens against RMB	**5**	**164**
If Hong Kong dollar strengthens against RMB	**5**	**(164)**

	Change in exchange rate *%*	Increase/ (decrease) in loss after tax and equity *HK$'000*
2024		
If Hong Kong dollar weakens against RMB	5	(165)
If Hong Kong dollar strengthens against RMB	5	165

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The interest rates and terms of repayment of the Group's borrowings are disclosed in note 27 to the financial statements. The Group's policy is to obtain the most favourable interest rates available for its borrowings. Management monitors interest rate exposure and will consider hedging significant interest rate exposures should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates at the end of the reporting period, with all other variables held constant, of the Group's loss after tax and the Group's equity (through the impact on floating rate borrowings) and after the effect of interest being capitalised under property development projects of HK$92,108,000 (2024: HK$88,309,000).

	Increase/ (decrease) in basis points	**Increase/ (decrease) in loss after tax and equity** *HK$'000*
2025		
Hong Kong dollar	**100**	**40,981**
RMB	**50**	**6,314**
Hong Kong dollar	**(100)**	**(40,981)**
RMB	**(50)**	**(6,314)**

	Increase/ (decrease) in basis points	Increase/ (decrease) in loss after tax and equity *HK$'000*
2024		
Hong Kong dollar	100	37,223
RMB	50	4,264
Hong Kong dollar	(100)	(37,223)
RMB	(50)	(4,264)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March 2025 and 2024. The amounts presented are gross carrying amounts for financial assets.

As at 31 March 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables*	–	–	–	24,308	24,308
Financial assets at fair value through other comprehensive income	46,978	–	–	–	46,978
Financial assets at fair value through profit or loss	17,002	–	–	–	17,002
Amount due from a joint venture	56,616	–	–	–	56,616
Financial assets included in prepayments, deposits, other receivables – Normal**	329,516	–	–	–	329,516
Cash and bank balances	1,105,641	–	–	–	1,105,641
Total	1,555,753	–	–	24,308	1,580,061

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Maximum exposure and year-end staging (Continued)

As at 31 March 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables*	–	–	–	16,907	16,907
Financial assets at fair value through other comprehensive income	99,624	–	–	–	99,624
Financial assets at fair value through profit or loss	32,381	–	–	–	32,381
Amount due from a joint venture	27,341	–	–	–	27,341
Financial assets included in prepayments, deposits, other receivables – Normal**	276,301	–	–	–	276,301
Cash and bank balances	1,319,972	–	–	–	1,319,972
Total	1,755,619	–	–	16,907	1,772,526

* *For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the financial statements.*

** *The credit quality of the financial assets included in prepayments, deposits and other receivables and other assets is considered as "normal" when they are not past due and there is no information indicating that the financial assets have significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered as "doubtful".*

Guarantee given to a bank in connection with a facility granted to a joint venture with amount utilised of HK$237,500,000 (2024: HK$237,500,000) as disclosed in note 33(a) to the financial statements which is not yet past due and there is no information indicating of default and, hence, is classified under stage 1 for measurement of ECLs.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings, lease liabilities and other fund raising exercises. The Group will consistently maintain a prudent financing policy and ensure that it maintains sufficient cash and credit lines to meet its liquidity requirements. 13% (2024: 34%) of the Group's debts, which comprise interest-bearing bank borrowings, would mature in less than one year as at 31 March 2025 based on the carrying values of the borrowings reflected in the financial statements. Based on the maturity dates as set out in the loan agreements, 10% (2024: 33%) of the Group's debts would mature in less than one year.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025				
	On demand	Less than 12 months	1 to 2 years	Over 2 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Financial liabilities included in trade payables, other payables, accrued liabilities and others	–	263,368	–	–	263,368
Customer deposits	74,932	–	–	–	74,932
Lease liabilities	–	18,330	9,631	2,363	30,324
Interest-bearing bank and other borrowings	43,002	1,045,322	2,826,811	4,292,413	8,207,548
Guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's properties	24,730	–	–	–	24,730
Guarantees given to a bank in connection with the facility granted to a joint venture	237,500	–	–	–	237,500
Total	380,164	1,327,020	2,836,442	4,294,776	8,838,402

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk *(Continued)*

			2024		
	On demand	Less than 12 months	1 to 2 years	Over 2 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Financial liabilities included in trade payables, other payables, accrued liabilities and others	4,158	33,904	–	–	38,062
Customer deposits	74,891	–	–	–	74,891
Lease liabilities	–	30,774	13,479	5,865	50,118
Interest-bearing bank and other borrowings	45,826	2,903,267	797,897	4,922,560	8,669,550
Guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's properties	24,730	–	–	–	24,730
Guarantees given to a bank in connection with the facility granted to a joint venture	237,500	–	–	–	237,500
Total	387,105	2,967,945	811,376	4,928,425	9,094,851

In respect of interest-bearing bank and other borrowings of HK$43,002,000 (2024: HK$45,286,000), the loan agreements contain a repayment on demand clause giving the bank and other lender the unconditional right to call in the loans at any time and therefore, for the purpose of the above maturity profile, the total amount is classified as "on demand".

Notwithstanding the above clause, the directors do not believe that the loans will be called in their entirety within 12 months, and they consider that the loans will be repaid in accordance with the maturity dates as set out in the loan agreements. This evaluation was made considering: the financial position of the Group at the date of approval of the financial statements; the Group's compliance with the loan covenants; the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time.

In accordance with the terms of the loans, the contractual undiscounted payments at 31 March 2025 for the interest-bearing bank and other borrowings in respect of the Group were HK$1,047,729,000 (2024: HK$2,905,691,000) payable within one year, HK$2,860,351,000 (2024: HK$802,679,000) payable in the second year and HK$4,304,712,000 (2024: HK$4,968,870,000) payable beyond two years.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital 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 and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net interest-bearing debt divided by the equity attributable to owners of the Company plus non-controlling interests. Net interest-bearing debt includes interest-bearing bank and other borrowings and lease liabilities less cash and bank balances. The gearing ratios as at the end of the reporting periods were as follows:

	31 March 2025 *HK$'000*	31 March 2024 *HK$'000*
Interest-bearing bank and other borrowings	**7,539,305**	7,596,401
Lease liabilities	**28,416**	46,587
Less: Cash and bank balances	**(1,105,641)**	(1,319,972)
Net interest-bearing debt	**6,462,080**	6,323,016
Equity attributable to owners of the Company	**7,117,522**	7,538,827
Non-controlling interests	**3,688,097**	3,802,718
Total equity	**10,805,619**	11,341,545
Gearing ratio	**60%**	56%

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025	2024
	HK$'000	*HK$'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**–**	–
Financial asset measured at fair value through other comprehensive income	**17,051**	18,362
Financial assets at fair value through profit or loss	**–**	1,891
Investments in subsidiaries	**1,491,658**	1,508,039
Total non-current assets	**1,508,709**	1,528,292
CURRENT ASSETS		
Prepayments, deposits and other receivables	**4,137**	24,081
Financial assets at fair value through profit or loss	**1,891**	–
Due from subsidiaries	**253,562**	186,425
Cash and bank balances	**42,578**	11,521
Total current assets	**302,168**	222,027
CURRENT LIABILITIES		
Trade payables and accrued liabilities	**6,227**	3,491
Interest-bearing bank borrowings	**106,800**	100,000
Loan from a related company	**250,000**	–
Due to subsidiaries	**13,128**	–
Total current liabilities	**376,155**	103,491
NET CURRENT ASSETS	**(73,987)**	118,536
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,434,722**	1,646,828
NON-CURRENT LIABILITY		
Due to a subsidiary	**447,930**	590,480
Net assets	**986,792**	1,056,348

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

	2025	2024
	HK$'000	*HK$'000*
EQUITY		
Share capital	**405,411**	405,411
Retained profits *(note)*	**581,381**	650,937
Total equity	**986,792**	1,056,348

James Sing-Wai Wong
Director

Yuen-Keung Chan
Director

Note:

A summary of the Company's retained profits is as follows:

	Retained profits
	HK$'000
Balance at 1 April 2023	694,549
Total comprehensive loss for the year	(16,044)
Final 2023 dividend paid	(27,568)
At 31 March 2024 and 1 April 2024	**650,937**
Total comprehensive loss for the year	**(55,772)**
Final 2024 dividend paid	**(13,784)**
At 31 March 2025	**581,381**

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 26 June 2025.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

	Year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
RESULTS					
REVENUE	**1,027,235**	1,102,627	1,066,412	1,112,501	1,277,982
Profit/(loss) before tax	**(627,012)**	1,382	230,437	228,756	334,049
Tax credit/(charge)	**(86,202)**	(45,237)	(145,529)	(133,215)	(216,108)
PROFIT/(LOSS) FOR THE YEAR	**(713,214)**	(43,855)	84,908	95,541	117,941
Attributable to:					
Owners of the Company	**(563,971)**	(66,667)	32,975	55,704	77,876
Non-controlling interests	**(149,243)**	22,812	51,933	39,837	40,065
	(713,214)	(43,855)	84,908	95,541	117,941

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS					
TOTAL ASSETS	**20,109,066**	20,574,126	21,412,006	21,845,130	21,293,903
TOTAL LIABILITIES	**(9,303,447)**	(9,232,581)	(9,482,777)	(9,235,354)	(8,999,234)
NET ASSETS	**10,805,619**	11,341,545	11,929,229	12,609,776	12,294,669
NON-CONTROLLING INTERESTS	**(3,688,097)**	(3,802,718)	(3,935,659)	(4,161,410)	(4,060,400)
SHAREHOLDERS' FUNDS	**7,117,522**	7,538,827	7,993,570	8,448,366	8,234,269

GROUP I – PROPERTIES HELD FOR DEVELOPMENT

Location	Use	Site area (sq.m./sq.ft.)	Gross floor area (sq.m./sq.ft.)	Development progress (up to 26 June 2025)	Estimated completion date	Attributable interest of the Group (%)
HONG KONG						
1. Rural Building Lot No. 1203 South Bay Road, Repulse Bay	Residential	21,173 sq.ft.	19,055 sq.ft.	Foundation works in progress	2028	34.05
2. Lot 716 & Others in DD111, Yuen Long New Territories	–	35,386 sq.ft.	–	Temporary open storage	–	68.09

For illustration purposes, sq.m. has been translated into sq.ft. at the rate of 1 sq.m. ≈ 10.76 sq.ft

GROUP II – COMPLETED PROPERTIES

Location	Use	Remaining unsold units	Gross floor area *(sq.m./sq.ft.)*	Car parking spaces	Attributable interest of the Group *(%)*
MAINLAND CHINA					
3. The Riverside (港匯臺) 45-65 Beijing Road Yue Xiu District Guangzhou Guangdong Province	Commercial/ Residential	4-storey of commercial podium and 92 apartment units	15,770 sq.m. (169,685 sq.ft.)	228	68.09
4. Ganghui Huating (港滙華庭) 5 Beijing Road Yue Xiu District Guangzhou Guangdong Province	Commercial	4-storey of commercial podium	4,157 sq.m. (44,729 sq.ft.)	71	68.09
5. Botanica Phases 1, 2, 3 & 4 (寶翠園一、二、三及四期) Tian He District Guangzhou Guangdong Province	Commercial	6 ground floor shops	338 sq.m. (3,637 sq.ft.)	1,341	40.85
6. Metropolitan Oasis Phases 1, 2 & 3 (雅瑤綠洲第一、二及三期) Da Li District Nanhai Guangdong Province	Low density residential	–	–	243	68.09
7. Enterprise Square (僑城坊) Qiaoxiang Road North Nanshan District Shenzhen Guangdong Province	Composite	303 apartment units	35,180 sq.m. (378,537 sq.ft.)	–	13.62

For illustration purposes, sq.m. has been translated into sq.ft. at the rate of 1 sq.m. ≈ 10.76 sq.ft

GROUP III – PROPERTIES HELD FOR INVESTMENT

Location	Use	Gross floor area *(sq.m./sq.ft.)*	No. of apartments/ hotel rooms	Ownership status	Attributable interest of the Group *(%)*
MAINLAND CHINA					
8. City Square (城市天地廣場)/ The Bauhinia Hotel (Shenzhen) (寶軒酒店(深圳)) Jia Bin Road Luo Hu District Shenzhen Guangdong Province	5-storey of commercial podium comprising hotel and commercial	20,308 sq.m. (218,514 sq.ft.)	162 hotel rooms	Medium term lease	68.09
9. City Suites (寶軒公寓) Jia Bin Road Luo Hu District Shenzhen Guangdong Province	Serviced apartments	3,692 sq.m. (39,725 sq.ft.)	64 apartment units	Medium term lease	68.09
10. Hon Kwok City Commercial Centre (漢國城市商業中心) Junction of Shen Nan Zhong Road and Fu Ming Road Fu Tian District Shenzhen Guangdong Province	Commercial/Office	128,356 sq.m. (1,381,110 sq.ft.)	–	Medium term lease	68.09
11. Chongqing Hon Kwok Centre (重慶漢國中心) Lot no. B-01-03 Jin Shan Pian Qu Jin Kai Yuan Bei Bu Xin Qu Chongqing	Commercial/ Office	107,802 sq.m. (1,159,949 sq.ft.)	–	Medium term lease	68.09

For illustration purposes, sq.m. has been translated into sq.ft. at the rate of 1 sq.m. ≈ 10.76 sq.ft

GROUP III – PROPERTIES HELD FOR INVESTMENT *(Continued)*

Location	Use	Gross floor area *(sq.m./sq.ft.)*	No. of apartments/ hotel rooms	Ownership status	Attributable interest of the Group *(%)*
MAINLAND CHINA					
12. Chongqing Jinshan Shangye Zhongxin (重慶金山商業中心) Lot no. B-01-02 Jin Shan Pian Qu Jin Kai Yuan Bei Bu Xin Qu Chongqing	Commercial/ Office/Hotel	173,291 sq.m. (1,864,611 sq.ft.)	~300 hotel rooms	Medium term lease	68.09
13. Hon Kwok Building (漢國大廈) 67-107 Beijing Road Yue Xiu District Guangzhou Guangdong Province	Commercial/ Office	41,056 sq.m. (441,763 sq.ft.)	–	Medium term lease	68.09
14. Ganghui Dasha (港滙大廈) 3 Beijing Road Yue Xiu District Guangzhou Guangdong Province	Commercial/ Office	13,053 sq.m. (140,450 sq.ft.)	–	Medium term lease	68.09
15. HF 608 No. 608 Xikang Road Jing'an District Shanghai	4-storey of commercial podium/ commercial	6,661.67 sq.m. (71,680 sq.ft.)	–	Medium term lease	100
16. Enterprise Square (僑城坊) Qiaoxiang Road North Nanshan District Shenzhen Guangdong Province	Commercial/Office	74,478 sq.m. (801,383 sq.ft.)	–	Medium term lease	13.62

For illustration purposes, sq.m. has been translated into sq.ft. at the rate of 1 sq.m. ≈ 10.76 sq.ft

GROUP III – PROPERTIES HELD FOR INVESTMENT *(Continued)*

Location	Use	Gross floor area *(sq.m./sq.ft.)*	No. of apartments/ hotel rooms	Ownership status	Attributable interest of the Group *(%)*
HONG KONG					
17. Hon Kwok Jordan Centre (漢國佐敦中心) 5, 7 & 7A Hillwood Road Tsim Sha Tsui Kowloon	Commercial/ Office	62,127 sq.ft.	–	Medium term lease	68.09
18. The Bauhinia (寶軒)/ The Bauhinia Hotel (Central) (寶軒酒店(中環)) 119-121 Connaught Road Central & 237-241 Des Voeux Road Central Hong Kong	Serviced apartments/ Hotel/Commercial	123,283 sq.ft.	112 apartment units and 42 hotel rooms with a total of 213 rooms	Long term lease	68.09
19. The Bauhinia Hotel (TST) (寶軒酒店(尖沙咀)) 5-9 Observatory Court Tsim Sha Tsui Kowloon	Hotel/Commercial	60,893 sq.ft.	98 hotel rooms	Medium term lease	68.09
20. Digital Realty Kin Chuen (HKG11), 11 Kin Chuen Street Kwai Chung New Territories	Data centre	228,033 sq.ft.	–	Medium term lease	68.09
21. Hilder Centre (富德中心) Whole floor of 8th Floor 2 Sung Ping Street Hunghom Kowloon	Commercial	18,600 sq.ft.	–	Medium term lease	100
JAPAN					
22. R Hotel Namba South Osaka 1 Chome-4-2 Asahi, Nishinari Ward Osaka Japan	Hotel	1,808 sq.m. (19,454 sq.ft.)	80 hotel rooms	Freehold	40.85

For illustration purposes, sq.m. has been translated into sq.ft. at the rate of 1 sq.m. ≈ 10.76 sq.ft

GROUP III – PROPERTIES HELD FOR INVESTMENT (Continued)

Location	Use	Gross floor area (sq.m./sq.ft.)	No. of apartments/ hotel rooms	Ownership status	Attributable interest of the Group (%)
JAPAN					
23. R Hotel Honmachi Osaka 1 Chome-7-15 Bakuromachi, Chuo Ward Osaka Japan	Hotel	1,017 sq.m. (10,943 sq.ft.)	55 hotel rooms	Freehold	40.85
24. R Hotel Kansai Airport Osaka 5-3 Wakamiyacho Izumisano Osaka Japan	Hotel	872 sq.m. (9,383 sq.ft.)	48 hotel rooms	Freehold	40.85
25. Lightning Hotel Asakusa Tokyo 1 Chome-8-6 Kaminarimon Taito City Tokyo Japan	Hotel	1,316 sq.m. (14,160 sq.ft.)	147 capsules and 5 hotel rooms	Freehold	40.85
26. R Hotel Namba Daikokucho Osaka 2 Chome-5-18 Shikitsuhigashi Naniwa Ward Osaka Japan	Hotel	1,042 sq.m. (11,212 sq.ft.)	48 hotel rooms	Freehold	40.85
27. R Hotel Ave Tennoji Osaka 119-6 Hidenincho, Tennoji Ward Osaka Japan	Hotel	1,569 sq.m. (16,882 sq.ft.)	59 hotel rooms and 42 capsules	Freehold	34.73
28. 1417 and 1420 Yamazato, Motobu, Kunigami District Okinawa Japan	Hotel	1,759 sq.m. (18,926 sq.ft.)	15 villas and an adjacent land	Freehold	40.85

For illustration purposes, sq.m. has been translated into sq.ft. at the rate of 1 sq.m. ≈ 10.76 sq.ft