COASTAL 沿海

COASTAL GREENLAND LIMITED

(incorporated in Bermuda with limited liability)

Stock Code: 01124

Annual Report

2024/25

CONTENTS

Should there be any discrepancies or inconsistencies between the English version and the Chinese version, the English version shall prevail.

DEFINITIONS

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

"AGM"	the annual general meeting of the Company
"Board"	the board of Directors
"Bye-laws"	the bye-laws of the Company, as amended, modified or supplemented from time to time
"CG Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CIH"	Coastal International Holdings Limited, the controlling shareholder
"Companies Act"	Companies Act 1981 of Bermuda as amended from time to time
"Company"	Coastal Greenland Limited (沿海綠色家園有限公司*), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1124)
"Director(s)"	the director(s) of the Company
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"HK$" and "HK cent(s)"	Hong Kong dollar(s) and cent(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"PRC"	the People's Republic of China which, for the purpose of this annual report, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"sq.m"	square metre(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollars, the lawful currency of the United States of America
"Year" or "FY2025"	the year ended 31 March 2025
"%"	per cent.

* *For identification purpose only*

CORPORATE INFORMATION

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM EX
Bermuda

Principal Place of Business in the PRC

38/F, Noble Center
1006 Fuzhong Third Road
Futian District
Shenzhen
PRC

Principal Place of Business in Hong Kong

Suite 1712-16, 17/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan
Hong Kong

Principal Share Registrar and Transfer Office

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court
22 Victoria Street
PO Box HM 1179
Hamilton HM EX
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

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

Executive Directors

Mr. JIANG Ming *(Chairman and Managing Director)*
Mr. LIN Chen Hsin
Ms. TONG Xinhua
Dr. LI Ting *(resigned on 30 June 2025)*

Non-Executive Directors

Mr. QIU Guizhong
Mr. ZHOU Xiya

Independent Non-Executive Directors

Mr. WONG Kai Cheong
Mr. YANG Jiangang
Mr. HUANG Xihua

Company Secretary

Mr. CHENG Wing Bor FCCA, CPA

Auditor

Prism Hong Kong Limited (formerly known as Prism Hong Kong and Shanghai Limited)
Certified Public Accountants

Websites

www.coastal.com.cn
www.irasia.com/listco/hk/coastal

Investor Relations

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Fax:	(852) 2524 0931
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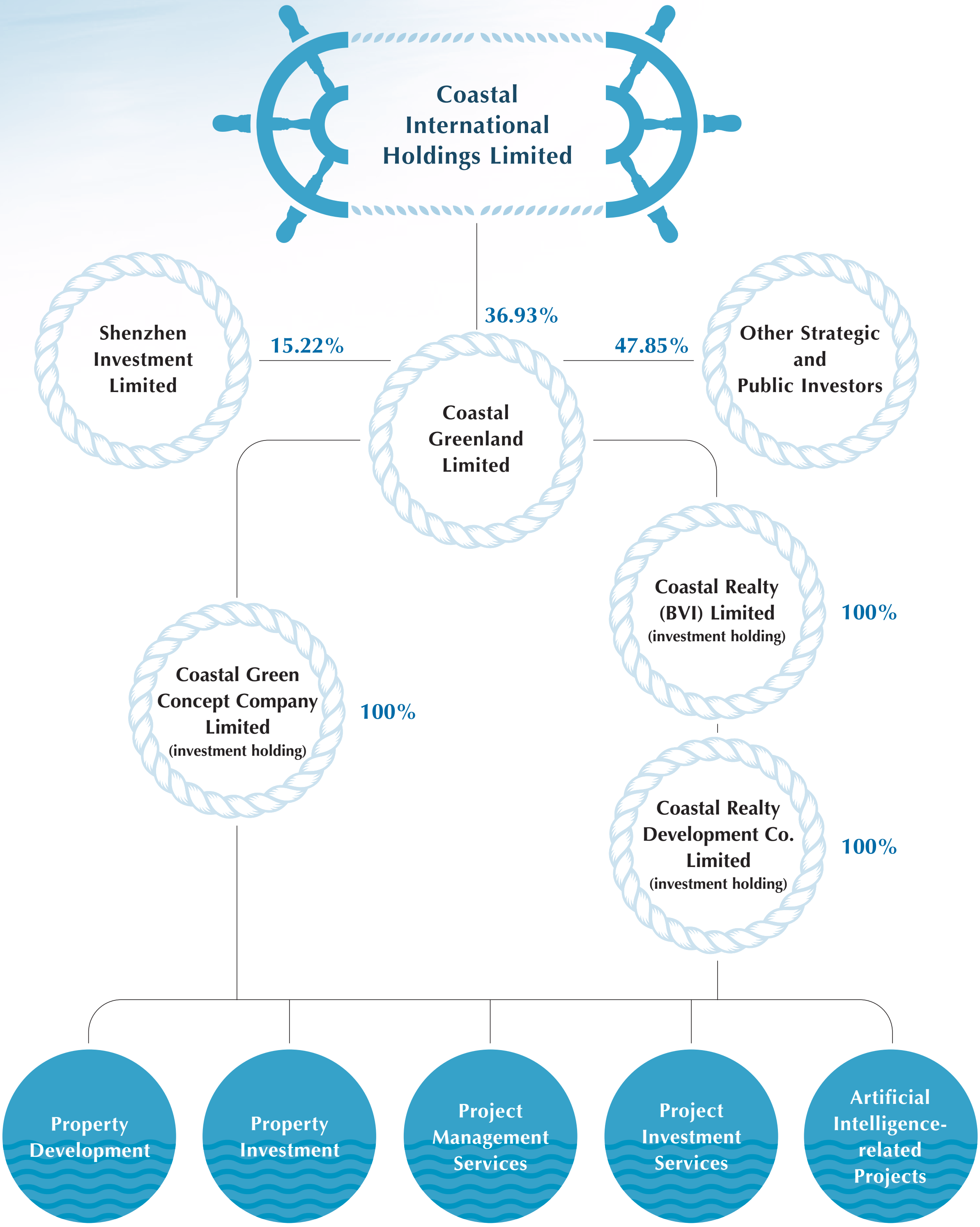
Stock Code

1124

SHAREHOLDING STRUCTURE AND MAJOR OPERATIONS



FINANCIAL HIGHLIGHTS

The following is a summary of the published consolidated results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements contained in the annual report.

Results

	Year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**115,838**	4,177	211,406	6,741	129,588
Loss before taxation	**(378,966)**	(1,475,075)	(479,227)	(1,085,618)	(286,497)
Tax (expense)/credit	**(2,895)**	75,555	60,281	4,131	1,340
Loss for the year	**(381,861)**	(1,399,520)	(418,946)	(1,081,487)	(285,157)
Attributable to:					
Owners of the Company	**(381,861)**	(1,399,453)	(426,485)	(942,595)	(281,028)
Non-controlling interests	**–**	(67)	7,539	(138,892)	(4,129)
	(381,861)	(1,399,520)	(418,946)	(1,081,487)	(285,157)

Assets and Liabilities

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**1,396,417**	1,790,633	6,770,554	7,971,673	9,969,161
Total liabilities	**(558,663)**	(502,022)	(3,967,848)	(4,445,382)	(5,533,147)
Net assets	**837,754**	1,288,611	2,802,706	3,526,291	4,436,014
Equity attributable to owners of the Company	**832,774**	1,350,629	2,856,065	3,588,949	4,363,243
Non-controlling interests	**4,980**	(62,018)	(53,359)	(62,658)	72,771
Total equity	**837,754**	1,288,611	2,802,706	3,526,291	4,436,014

CHAIRMAN'S STATEMENT

On behalf of the Board, I would like to present to the shareholders the Group's financial results and operation report for the year ended 31 March 2025 as follows:

Results and Dividend

During the Year, the Group generated revenue of HK$115.8 million as compared to HK$4.2 million for last year. The Group's net loss for the year was HK$381.9 million (2024: HK$1,399.5 million). The loss attributable to owners of the Company for the year was HK$381.9 million (2024: HK$1,399.5 million). The basic loss per share for the year was HK92.10 cents (2024: HK337.54 cents).

The Board does not recommend the payment of any dividend for the Year.

Business Overview

During the Year, the Group generated revenue of HK$115.8 million as compared to HK$4.2 million for last year. The Group's net loss for the year was HK$381.9 million (2024: HK$1,399.5 million). The loss attributable to owners of the Company for the year was HK$381.9 million (2024: HK$1,399.5 million).

During the Year, the recognised sales revenue from sales of properties was HK$113.7 million as compared to HK$0.4 million for last year. The property sales revenue for the FY2025 mainly came from the land resumption of a land situated in Dalian, which accounted for 95% of the total property sales revenue.

Prospects

While business activities in the PRC have been gradually resuming over the past year, the overall business environment remained challenging with the trade tensions initiated by the United State's trade tariff policy and ongoing geopolitical tensions. The central government continues to positively monitor the macro economy and has since launched various economic policies and measures to support the PRC property market and activate the capital market, as well as improve the business environment for different sectors. Following these positive factors, the PRC's economy has showed signs of improvement broadly, although the consumer confidence remains cautious and the real estate industry is still in an adjustment cycle in the near term. The Group will cautiously watch out for the outlook and the prospects of the real estate market and seize investment opportunities as appropriate.

Confronted with industry challenges, the Group will continue to formulate its business strategy along the direction of government policies, resolutely fulfill the Group's mission and corporate responsibility.

Going forward, the Group will cautiously continue to seek opportunities of participation in city redevelopment of old villages or old plants and factories to replenish its property portfolio as an ongoing business exercise and as a means of replenishing a lower cost land bank. For business development, the Group will also look for different thriving business opportunities that will benefit the Group in the years ahead.

CHAIRMAN'S STATEMENT

Appreciation

On behalf of the Board, I would like to express my gratitude to all business partners, customers, suppliers, bankers and shareholders for their continued support and trust over the years. I would also like to take this opportunity to extend my appreciation to my fellow Directors and our staff for their diligence and contributions to the Group in the past year.

Jiang Ming
Chairman and Managing Director

Hong Kong
30 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Operational Review

Property Development

The Group's business strategy for its property development business is to develop quality residential estates for the upper to middle class domestic market. During the Year, the Group recorded contracted sales in the amount of HK$113.7 million (2024: HK$0.4 million). Included in the amount was HK$108.4 million attributable the land resumption of a land situated in Dalian, which has a site area of 246,091 sq.m..

Property Investment

The Group holds some of its properties for investment purposes. The property investment portfolio of the Group includes commercial and residential properties located in the PRC. In managing the investment property portfolio, the Group takes into account the long-term growth potential and overall market conditions of the properties. The Group may sell some of its investment properties when it is in its interests to do so. Rental income for the Year mainly derived from properties in Shenzhen.

Project Management Services

During the Year, the Group ceased to engage as the project managers of development projects namely Beijing Bay Project Phase II and Chongqing Silo City, both of the project's constructions have been completed.

Project Investment Services

During the years ended 31 March 2025 and 2024, the Group did not generate any profit from the operations of this segment. The Group will continue to look for opportunities in relation to investment in and sale of property development/land development projects in the PRC.

Major Development Projects

A summary of the progress of the Group's major development projects is set out below:

Anshan Coastal Xintiandi Project

The project is located in Tiedong District, Anshan with a total GFA of approximately 28,943 sq.m. and had been developed into a commercial development. The Group owned 100% of the project. The construction of the project was completed and delivered in December 2020. As of 31 March 2024, a remaining GFA of 16,443 sq.m., mainly comprised of retail units and car parking area, is held for sale. The Anshan Coastal Xintiandi Project was disposed by the Company following the disposal of the entire equity of Asiafame Development Limited. For details, please refer the announcement of the Company dated 18 April 2024 and the circular of the Company dated 26 April 2024.

Beijing Bay Project

The project is located in Changping District, Beijing. The Group owned 40% of the equity interests in the project and was appointed as the project manager of this project for the provision of project management services. The project was planned to be developed into a residential estate by four phases. The total GFA of Phase I to Phase III is approximately 379,134 sq.m..

The construction of Phase I and Phase II had been completed and all units were sold. Phase III has a total GFA of approximately 266,934 sq.m. and the construction is expected to be completed in the third quarter of 2023. As of 31 March 2024, approximately 93% of the GFA was pre-sold. The Beijing Bay Project was disposed by the Company following the disposal of the entire equity of Asiafame Development Limited. For details, please refer the announcement of the Company dated 18 April 2024 and the circular of the Company dated 26 April 2024.

Chongqing Silo City

Chongqing Silo City is located in Beibei District, Chongqing. The Group owned 35% equity interests in the project and was appointed as the project manager of this project for the provision of project management services. The project had been developed into residential properties with a total GFA of 266,149 sq.m.. The construction of the project was completed and delivered in the forth quarter of 2016. As of 31 March 2025, a remaining GFA of 11,852 sq.m., mainly comprised of retail units and car parking area, is held for sale.

Dalian Coastal International Centre

Dalian Coastal International Centre is located in Shahekou District, Dalian, with a total GFA of approximately 379,800 sq.m. and had been developed into a residential/commercial complex. The development was carried out in two phases with GFA of approximately 217,200 sq.m. and 162,600 sq.m. for Phase I and Phase II respectively. The Group owned 100% of Phase I. The construction of Phase I was completed and delivered in the first quarter of 2012. As of 31 March 2025, a remaining GFA of 8,163 sq.m., comprised of car parking area only, was sold.

Dalian Jianzhu Project

The project is located in Ganjingzi District, Dalian which had been developed into a residential development with a total GFA of approximately 168,900 sq.m.. The Group owned 100% interests in the development. Phase I and II of the project was completed and delivered in October 2011 and March 2014 respectively. As of 31 March 2025, a remaining GFA of 4,697 sq.m., mainly comprised of car parking area, commercial and retail units, is held for sale.

Jianguomenwai Project

This project is located at Chaoyang District, Beijing which was intended to be developed into commercial properties. The Group owned 65% of the project. As of 31 March 2025, a remaining GFA of 44,900 sq.m. is held for further development.

MANAGEMENT DISCUSSION AND ANALYSIS

Sujiatun Project

This project is located at Sujiatun District, Shenyang, Liaoning Province which was intended to be developed into residential or commercial properties. The Group owned 100% of the project. As of 31 March 2025, a remaining GFA of 1,273,050 sq.m. is held for further development.

Schedule of Major Properties

Please refer to the section headed "Schedule of Major Properties" on pages 165 to 166 of this annual report for further information about the properties and development projects of the Group.

Financial Review

Overall performance

During the Year, the Group generated revenue of HK$115.8 million as compared to HK$4.2 million for last year. The Group's net loss for the year was HK$381.9 million (2024: HK$1,399.5 million). The loss attributable to owners of the Company for the year was HK$381.9 million (2024: HK$1,399.5 million). The basic loss per share for the year was HK92.10 cents (2024: HK337.54 cents).

Revenue

The revenue of the Group was primarily derived from sales of properties and property rental income. For the FY2025, approximately 98% (2024: 9%) of the Group's revenue was generated from the sales of properties and approximately 2% (2024: 91%) from property rental income.

Sales of Properties

During the Year, the recognised sales revenue from sales of properties was HK$113.7 million as compared to HK$0.4 million for last year. The property sales revenue for the FY2025 mainly came from the land resumption of a land situated in Dalian, which accounted for 95% of the total property sales revenue.

Rental Income

Revenue from property rental slightly decreased to HK$2.1 million from last year's HK$3.8 million. The decrease was primarily attributable to the decrease in rental income generated by Shenzhen Noble Center. The property investment segment for the Year recorded a loss of approximately HK$2.5 million, comparing to a loss of approximately HK$0.3 million for last year.

Project Management Services Income

During the years ended 31 March 2025 and 2024, the Group did not generate any revenue from project management services as the Group is phasing out from the business in this segment. The project management services segment recorded a loss of approximately HK$1.1 million for the Year comparing to a loss of approximately HK$1.2 million for last year.

Gross (Loss)/Profit

The negative gross profit margin for the Year was approximately 91% compared to the gross profit margin of 88% for last year. The negative gross profit margin of this year was primarily attributable to the recognition of sales revenue from land resumption during the year ended 31 March 2025 as the compensating amount from the land resumption by the government authority is lower than the carrying amount of the property. The gross margin of last year was primarily contributed by the revenue from property investment with higher gross margin.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income and Gains

Other income and gains for the Year was HK$20.7 million as compared to HK$290.2 million for last year. The decrease is mainly due to an indemnity against a legal case of approximately HK$141.8 million by Hengxiang Real Estate and write-back of trade and other payables amounted to approximately HK$80.5 million was recorded in FY2024, while none was recorded in FY2025.

Marketing, Selling and Administrative Expenses

Marketing and selling expenses for the Year was HK$0.1 million while no marketing and selling expenses was incurred for last year as no selling activities for promoting its sales was engaged. Administrative expenses decreased by approximately 10.1% to HK$54.4 million from last year's HK$60.6 million. The Group will continue to implement cost control measures so as to enhance its operational efficiency.

Impairment Loss on Trade Receivables, Impairment Loss on Prepayments, Deposits and Other Receivables, net, Impairment Loss on Due from Associates and a Joint Venture, Write-down of Land held for Property Development for Sale, Write-down of Properties Under Development and Write-down of Completed Properties for Sale

During the Year, the impairment loss on trade receivables was HK$0.6 million (2024: nil); the impairment loss on prepayments, deposits and other receivables, net was HK$95.1 million (2024: HK$491.0 million); the impairment loss on due from associates and a joint venture was HK$27.9 million (2024: HK$249.3 million); and the total of write-down of land held for property development for sale, write-down of properties under development and write-down of completed properties for sale was HK$42.0 million (2024: HK$797.6 million).

The impairment losses arose are mainly due to the significant downturn in the PRC property market resulting in substantial decrease in property value in general over recent years.

Finance Costs

During the Year, the Group incurred finance costs before capitalisation (mainly interest for bank and other borrowings) of HK$30.8 million, representing a decrease of approximately 48.3% as compared to HK$59.6 million incurred for last year. Interest expenses charged to profit or loss for the Year was HK$30.8 million as compared to last year's HK$27.9 million. The increase in finance costs was mainly attributable to no amount was capitalised in qualifying assets during the Year comparing to HK$31.7 million that was capitalised for last year.

Financial Resources and Liquidity

The Group's principal source of fund is the cash flow generated from property sales and leasing supplemented by bank and other borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 March 2025, the Group's cash and bank balances (including pledged bank deposits) amounted to approximately HK$2.2 million (2024: HK$9.1 million). An analysis by currency denomination of the cash and bank balances (including pledged bank deposits) are as follows:

	2025	2024
	HK$'000	HK$'000
RMB	**673**	6,564
HK$	**1,071**	1,931
US$	**448**	617
	2,192	9,112

As at 31 March 2025, the net borrowings of the Group, being interest-bearing bank and other borrowings, due to a substantial shareholder of the Company less cash and bank balances and pledged bank deposits, amounted to approximately HK$489.9 million (2024: HK$428.3 million). Net debt to total equity ratio, which is expressed as a percentage of net borrowings over equity increased by approximately 25% to 58% from last year's 33%, maintaining at a manageable level.

Borrowings and Charges

As at 31 March 2025, the Group's total bank and other borrowings amounted to HK$224.2 million (2024: HK$267.1 million), of which HK$73.8 million (2024: HK$95.0 million) were variable-rate borrowings and the remaining were fixed rate borrowings. Long-term borrowings amounted to HK$73.4 million (2024: HK$53.6 million), representing approximately 33% (2024: 20%) of the total borrowings, and short-term borrowings were HK$150.9 million (2024: HK$213.5 million) representing approximately 67% (2024: 80%) of the total borrowings.

As at 31 March 2025, the ranges of effective interest rate per annum of the Group in respect of its fixed and variable rate borrowings were 10.8% to 12% (2024: 12.00%) and 4% to 6.15% (2024: 4% to 6.15%) respectively.

As at 31 March 2025, total facilities granted to the Group amounting to HK$127.6 million (2024: HK$129.9 million) of which HK$127.4 million (2024: HK$129.7 million) were utilised. As at 31 March 2025, certain assets of the Group including land and buildings, investment properties, right-of-use assets, financial assets at FVTOCI and completed properties for sale with aggregate carrying value of HK$211.5 million (2024: HK$253.3 million), personal guarantee and assets given by a substantial shareholder of the Company and corporate guarantees given by the Company, certain subsidiaries and third parties were pledged to secure the bank and other borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

Material Acquisitions and Disposals

On 27 March 2024, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the entire equity interest in Asiafame Development Limited, a wholly-owned subsidiary of the Group, and its subsidiaries, for a consideration of HK$10,000. This transaction was completed on 16 August 2024. Details of which are set out in Company's announcement and circular dated 18 April 2024 and 26 July 2024, respectively.

On 23 December 2024, Dalian Jinrijunjian Paradise, an indirect wholly-owned subsidiary of the Company, entered into the land resumption agreement dated 23 December 2024 (as supplemented and amended by the supplemental agreement dated 10 January 2025) with the local authority (the "Land Resumption Agreement"), in respect of the resumption of the resumed land by the local authority pursuant to the terms and conditions of the Land Resumption Agreement. Pursuant to the Land Resumption Agreement, Dalian Jinrijunjian Paradise shall surrender the land located at Longwangmiao Village, Youyi Street, Jinzhou District, Dalian City, Liaoning Province, the PRC (parcel number: 210102) with an aggregate site area of approximately 246,091 sq. m., including all the fixture (such as constructions, structures and trees) on such land, to the local authority at a consideration by way of cash compensation of RMB109,000,000 (equivalent to approximately HK$118,115,000). Details of which are set out in the announcement and circular of the Company dated 13 January 2025 and 14 February 2025, respectively.

Save for the aforementioned, there was no plan authorised by the Board for any material investments or additions of capital assets as at the date of this report.

Contingent Liabilities

As at 31 March 2025, the Group had no contingent liabilities (2024: nil).

Exposure to Fluctuations in Exchange Rates

The Group's operations are principally in the PRC and accordingly a majority part of its income and expenditure is denominated in RMB. The exchange rates of RMB against HK$ and US$ have been quite stable over the past years despite a steady depreciation in RMB has occurred during the Year. Also the Group's operations will not be unduly exposed to exchange rates fluctuations as all the major assets, mainly property development projects of the Group are located in the PRC and will generate RMB revenue to the Group. Except certain bank and other borrowings which are denominated in HK$ which account for approximately 35.7% of the Group's total borrowings, all the other liabilities of the Group are denominated in RMB. Therefore, the Directors do not foresee that movement in the exchange rates of foreign currencies against RMB in the foreseeable future will cause a material adverse impact on the Group's operations.

The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration Policy

As at 31 March 2025, the Group had approximately 57 employees (2024: 46 employees) in the PRC and Hong Kong. The related employees' cost (including the Directors' remuneration and certain retrenchment costs) for the Year amounted to approximately HK$29.6 million (2024: HK$20.7 million). Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage and housing allowances.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Introduction

This environmental, social and governance ("ESG") report (the "ESG Report") demonstrates the Group's concept and practice for sustainable development and social responsibility to its stakeholders from both environmental and social aspects.

Reporting Scope

The scope of this report is consistent with that of the annual report, with a focus on disclosing the performance of the Group with respect to ESG concepts and practice during FY2025. There were no significant changes to the scope of reporting for the financial year ended 31 March 2025 ("FY2025").

Reporting Guidelines and Principles

This ESG Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix 27 to the Listing Rules and with the application of the following reporting principles.

Materiality: Assessment was conducted to diagnose materiality of the ESG issues during FY2025, thereby adopting the material issues as the focus of the ESG Report. The materiality of ESG issues was reviewed and confirmed by the Board. Please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment" of this ESG Report for further details;

Balance: Information is disclosed as objectively as possible to provide stakeholders with an unbiased picture of the Group's ESG performance;

Quantitative: The ESG Report is prepared in accordance with the ESG Reporting Guide and discloses key environmental performance indicators ("KPIs") in a quantitative manner. Information regarding the methodologies, assumptions and/or calculation references, and sources of key conversion factors used for KPIs are stated wherever appropriate; and

Consistency: The statistical methodologies applied to the ESG Report were substantially consistent with those applied in the previous year for meaningful comparison. If there are any changes that may affect the comparison with previous reports, the Group will make explanatory notes to the corresponding section hereof.

The ESG Governance Structure

The Group combines a top-down strategy with bottom-up processes of operations departments for the ESG issues. The Board wishes to state that it considers sustainability issues as part of its strategic formulation. The Board, in close interaction with the senior management, believes that those important ESG issues are relevant to organisational and management needs and oversees those important ESG issues. Apart from determining the important ESG issues set out in this ESG Report, the Board also determines the Group's response to the attendant risks and opportunities. The Board is responsible for overseeing the ESG policies of the Group while the senior management of the Group is responsible for the implementation of related policies and measures, to ensure the efficacy of risk management and corresponding internal control mechanisms is in place in respect of ESG, with an aim to promoting the sustainable development of the Group.

Managing Organisation	Responsibilities	Organisational Tasks
The Board	The highest decision-maker of ESG issues takes full responsibility for the ESG strategies and reporting.	• Developing ESG management approaches, strategies and goals; • Regularly reviewing the performance on ESG targets of the Group; • Evaluating, prioritising, and managing important ESG-related issues and their risks to the Group's business; and • Reviewing and approving the annual ESG Report.
Senior management	Arrange specific work for the ESG working group based on the ESG strategies established by the Board.	• Implementing ESG risk management and internal control systems, and reporting the main ESG trends, ESG-related risks and opportunities to the Board; • Regularly reporting the ESG work progress and performance and the achievement of ESG targets to the Board; and • Reporting the annual ESG Report to the Board.
ESG working group	The senior management takes the lead and works together with the operations departments to carry out specific ESG work.	• Carrying out specific ESG work according to the arrangements of the senior management; • Collecting information and data to complete the annual ESG Report; and • Reporting to the senior management on the progress of ESG work and annual ESG Report.

Stakeholder Engagement

We believe that building trusted relationships with stakeholders of the Group is a key to sustainable business growth. We have been committed to building a strong rapport with our stakeholders, including customers, investors, employees, business partners, shareholders, regulators, and government agencies. We believe that we should maintain consistent engagement with stakeholders who have an interest in our business and who can influence the Group's operations, business approaches and strategies. Through these approaches, we gain invaluable insights on their expectations and concerns, effectively supporting the development of the Group's management decisions, policies, and strategies, which in turn drive greater value for our stakeholders.

We communicate with internal and external stakeholders through a variety of communication channels to understand their opinions and suggestions on the Group's sustainability and strategies and take the expectations and concerns of stakeholders as an important reference for the Group's ESG work.

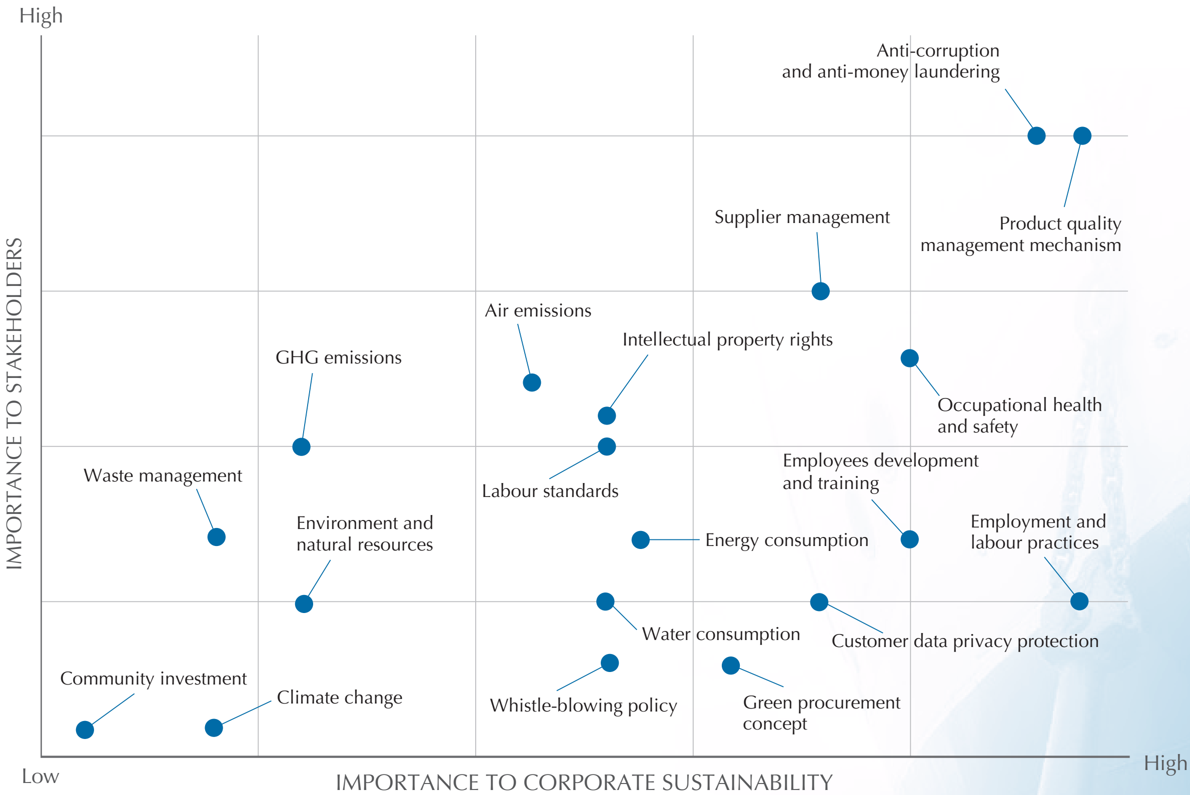
Stakeholders	Communication Channels	Expectations	Management Response
Government and other regulatory authorities	• Public consultation • Letter/email correspondences • Visits and inspections	• Ensure operational compliance • Fulfil tax obligation • Stability in business operations	• Uphold integrity and comply with local laws and regulations • Ensure on-time tax payment
Employees	• Formal and informal team meetings • Performance evaluation • Training activities, seminars and briefing	• Welfare package • Career development and promotion • Health and safety • Equal opportunities	• Provide competitive remuneration package • Diversified training pathways • Protection of labour rights • Open recruitment
Customers/tenants	• Customer satisfaction surveys • Face-to-face meeting • Email	• Integrity in performance of contracts • High quality of products and after-sales services • Protection of consumer privacy	• Regulate and standardise products and services • Ensure an effective complaint handling mechanism • Ensure protection of customer's privacy
Suppliers	• Site visit • Business meetings and discussion • Screening and assessments	• Integrity in performance of contracts • Open and transparent procurement procedures • On-time payment	• Sincere cooperation • Comply with contractual provisions • Conduct routine communication
Shareholders and investors	• Shareholders' meetings • Financial reports, announcements and circulars • The Company's website • Emails	• Investment returns • Corporate governance • Transparency of the Company's information	• Ensure transparency and efficient communications through different communication channels

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment

The Group regularly understands stakeholders' views and expectations on the Company's ESG issues through stakeholders' survey questionnaires and ensures that the information disclosed in the ESG Report fully covers the key issues or concerns of the Company and its stakeholders. In light of two dimensions, namely "importance to stakeholders" and "importance to corporate sustainability", the Group has identified major ESG issues, formulated a matrix of key topics, and guided future sustainability management based on data analysis results from the questionnaires combining various channels such as the macro background of corporate development, domestic and international social responsibility standards, corporate development strategies and operation priorities, and industry benchmarks. To better respond to the recommendations and expectations of stakeholders, we will, in this ESG Report, disclose management methods and results of our work related to the following topics.

Materiality Matrix



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The following sets forth the ESG issues that were important to the Group during FY2025 based on the materiality assessment conducted by the Board.

A. Environmental

A1 Emissions

The Group has proactively enhanced its establishment of environmental protection and organised all its employees to learn the laws and regulations regarding environmental protection, with an aim to promoting all employees' awareness of environment protection and emission reduction issues. To set up a harmonious and healthy working environment and protect the health of its employees, smoking is prohibited in all office area of the Group.

Moreover, the Group has actively responded to the global development of a low-carbon economy and fulfilled its corporate social responsibilities by formulating the "Environmental Management Work Plan". While improving operational efficiency, the Group also strives to reduce the impact of its business operations on the environment and actively promotes the sustainable development.

The Group adopts the principles of "Prevention First and Combination of Prevention and Control" and "Enhancement in Process Control" throughout its environmental protection practices. To strengthen the awareness of environmental protection among all employees, the Group also promptly organized relevant learning and training sessions regarding the laws and regulations of the "Environment Protection Law", "Water Pollution Prevention and Control Law", "Air Pollution Prevention and Control Law" and "Solid Waste Pollution Prevention and Control Law", thereby further increasing all employees' awareness on issues concerning environmental protection and carbon reduction.

Air Emissions

All the Group's real estate development projects are outsourced to third-party contractors. Therefore, the Group did not directly produce air, water and construction waste caused by construction projects. Air emissions were mostly generated from using the Company's vehicles. Summary of exhaust gas emissions performances are as follows:

Indicator	**2025**	2024	Unit
Diesel sulfur oxides	**–**	–	ton
Gasoline sulfur oxides	**0.16**	0.19	ton
Total sulfur oxides	**0.16**	0.19	ton

Greenhouse Gases ("GHG") Emissions

The Group advocates energy saving and consumption reduction. Committed to reducing the Group's GHG emissions, the Group has set a target to reduce its GHG emissions intensity by 10% by FY2025, using the financial year ended 31 March 2021 ("FY2021") as the baseline year 1. To achieve this target, the Group reduced the use of air-conditioners as far as possible, by monitoring and maintaining the indoor temperature at 26°C or above. Also, the office area has seen the adoption of as many as energy-saving light bulbs as possible, along with the optimisation of natural lighting use. Due to the developments and changes of the Company's business, electricity consumption levels and the frequency of the Company's vehicle use have decreased. To implement environmentally-friendly practices, we will continually optimise the energy consumption control measures of the Group to maintain optimal levels of electricity consumption and the frequency of the Company's vehicle use. Summary of GHG emissions performances is as follows:

Indicator	**2025**	2024	Unit
Direct GHG emissions (scope 1)	**3.3**	3.92	tCO_2e
Indirect GHG emissions (scope 2)	**17.84**	21.20	tCO_2e
Total GHG emissions	**21.14**	25.12	tCO_2e
Total GHG emissions intensity	**0.0033**	0.0039	tCO_2e/sq.m.

Sewage Discharges into Water and Land

Owing to the Group's business nature, discharges into land and water were insignificant.

Waste Management

To minimise the environmental impacts of wastes generated from the Group's business operations, the Group has set a target to reduce its non-hazardous waste intensity by 10% by FY2025, using FY2021 as the baseline year 1. To achieve this target, the Group continues to place great effort in raising the awareness of its employees on the importance of managing the disposals of consumables and used papers. The Group has promoted centralised management of recycling and reuse of used papers, and the separation of disposal of office waste and rubbish. Summary of major hazardous and non-hazardous wastes disposal performances is as follows:

Indicator	**2025**	2024	Unit
Fluorescent light tube	**0.015**	0.018	ton
Waste battery	**0.016**	0.019	ton
Waste liquid after facilities maintenance	**0.0084**	0.01	ton
Total hazardous waste	**0.039**	0.047	ton
Total hazardous waste density	**0.0000061**	0.0000073	ton/sq.m

Indicator	2025	2024	Unit
Waste paper	**0.007**	0.008	ton
Waste metal	**0.012**	0.017	ton
Waste plastic	**0.01**	0.01	ton
Waste glass	**0.008**	0.01	ton
Total non-hazardous waste	**0.037**	0.045	ton
Total non-hazardous waste density	**0.000006**	0.000007	ton/sq.m

A2 Use of Resources

The Group has formulated an array of relevant systems regarding optimisation of resources allocation and sustainable development strategies. Adhering to the principles of "Prevention First and Combination of Prevention and Control" and "Enhancement in Process Control" throughout its environmental protection practices, the Group thoroughly implemented the "Environmental Protection Law of the PRC". To strengthen the awareness of environmental protection among all employees, the Group also promptly organised relevant learning and training sessions regarding the laws and regulations including the "Environment Protection Law", "Water Pollution Prevention and Control Law", "Law on the Prevention and Control of Atmospheric Pollution" and "Law on the Prevention and Control of Environmental Pollution by Solid Waste", thereby further increasing all employees' attention on issues concerning environmental protection and carbon reduction.

Energy Consumption

The Group has committed to promoting the mechanism for electricity conservation and consumption reduction by setting an energy target to reduce its energy consumption intensity by 10% by FY2025, using FY2021 as the baseline year 1. To achieve this target and raise employees' awareness in respect of energy conservation, the Group has advocated the use of bus and subway and adopted a strict approval policy on the use of the Company's vehicle that the Company's vehicle would under normal circumstances only be arranged for the Directors and senior management of the Group. Summary of energy consumption performances is as follows:

Indicator	2025	2024	Unit
Diesel consumption	**–**	–	'000 kwh
Gasoline consumption	**383.25**	456.26	'000 kwh
Electricity consumption	**4.3**	4.3	'000 kwh
Total energy consumption	**387.55**	460.56	'000 kwh
Total energy consumption density	**0.063**	0.075	'000 kwh/sq.m

Water Consumption

The Group advocates economic use of water and strives to further reduce water consumption by setting an energy target to reduce its water consumption intensity by 10% by FY2025, using FY2021 as the baseline year 1. The Group has been vigorously advocating for water conservation, encouraging all employees to develop a habit of saving water, and guiding employees to use water reasonably. Apart from that, the Group has taken water saving measures by conducting systematic spot checks of use of water on a daily basis. Summary of water consumption performances is as follows:

Indicator	2025	2024	Unit
Total water consumption	**380**	495	ton
Total water consumption density	**0.059**	0.078	ton/sq.m

Owing to the Group's business nature, the Group did not encounter any problem in sourcing water that was fit for purpose.

Use of Packaging Materials

Owing to the Group's business nature, the use of packaging materials was not considered to be an important ESG issue to the Group.

A3 Environment and Natural Resources

Office supplies and equipment have been preferably restricted to purchasing from suppliers complying with environmental policy. The Group has adopted the policy of procuring requisite products made of natural resources as far as possible. The Group has assigned dedicated personnel to carry out regular checks on total energy consumption and conducted assessment of the consumption efficiency on an irregular basis with a view to improving energy consumption efficiency.

The Company was one of the first Hong Kong enterprises tapping into the PRC real estate market, and it has pioneered an innovative "healthy residence" concept which has been developed and fine-tuned to adapt with the changing environment. In 2004, the Group was a prime mover in the establishment of the first nationwide strategic alliance on "healthy residence" with the China National Engineering Research Center for Human Settlements. In 2013, the Group developed a detailed 10–year plan of green living concepts for its developments, in respect of which the Group published a manual of "Coastal Healthy Residence Evaluation Standards".

The "Coastal Healthy Residence Evaluation Standards" comprises ten categories of indicators. These are (1) community planning and spatial organisation, (2) green facilities and environmental protection, (3) outdoor ecological protection and landscape, (4) living quality and comfort, (5) architectural energy efficiency and low carbon, (6) water resources protection and energy conservation, (7) materials conservation and environmental protection, (8) green construction and management, (9) green interior design and health, and (10) property management and community culture.

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The "Coastal Healthy Residence Evaluation Standards" are used to determine the standards required for the Group's various products. To ensure these standards are met, the Group has also developed four core "Coastal Healthy Residence Technology Systems" designed to cover all its operations. The four core systems are the "Healthy Community Products System", the "Healthy Living Technologies System", the "Healthy Community Activities System", and the "Exquisite Amenities Application System". These four core systems are composed of 20 sub-systems, 10 core technologies and 60 application technologies. Supporting tools include "Coastal Healthy Residence Technology Database", and "Green Calculator for the Healthy Residences of Coastal Greenland Group".

The core elements of this ambitious set of "Coastal Healthy Residence Technology Systems", which are being built into the Group's current and future developments where viable, are set out in the table below.

Structure of Coastal Healthy Residence Technology Systems

Four core systems	**Healthy Community Products System**	**Healthy Community Activities System**	**Healthy Living Technologies System**	**Exquisite Amenities Application System**
20 sub-systems and 10 core technologies	1. Basement lighting control and intelligent management	1. Community healthcare service	1. Fresh air system	1. Non-return valve
	2. Sewage treatment and water reuse technology	2. Fitness environment control, etc.	2. Water supply technology	2. Intelligent home, etc.
	3. Environmental pollution prevention, control and warning technology, etc.		3. Floor and wall acoustic technology, etc.	
60 application technologies	Technology for the prevention and treatment of rats, bedbugs, flies and mosquitoes; three dimensional wall and roof greening, ecological water treatment, plant air purification technology, etc.	Residential health insurance, environmental health control, nurture environment building, community environmental art, communication space and community cultural activities, etc.	Solar hot water, same-floor drainage, external shading, household centralised air-conditioning (constant temperature, humidity and oxygen), etc.	Environmental friendly construction materials, centralised dust absorption, water conservation instruments, indoor pest prevention and treatment, air-quality monitoring, energy efficient lighting, overall kitchen, overall bathroom, etc.

"Healthy residence" is a self-developed concept of the Group. The Group is also committed to integrating its self-developed healthy residence standards with the national and international green standards, including the national green building system. Highlights of our efforts and accomplishments in this regard are as follows. In 2005, the Group was one of the first Chinese real estate enterprises to join the U.S. Green Building Council, while the Group's Beijing Silo City project was the first project in China to apply the Leadership in Energy and Environmental Design Certification. In 2013, the Group's Chongqing Silo City was awarded the "Chongqing Golden Green Building Design Label Certificate", and achieved the "National Two-star Green Building Design Label Certificate" issued by the Ministry of Housing and Urban-Rural Development, thus becoming Chongqing's first golden green healthy residence project and national two-star building label project. The Group has gained much positive media coverage for its efforts in healthy and environmentally friendly housing development. External certification and recognition is not the only indication of the Group's commitment to green living concept. According to the surveys conducted on the potential buyers of the Group, the Group's green and healthy residence concept is one of the prime factors in purchasers' decisions to purchase. The Group will constantly uphold its commitment in green and healthy residence concept.

A4 Climate Change

Climate change has gradually become an important threat to the global economy and society. Frequent extreme weather events, such as floods, rainstorms and droughts triggered by climate change has brought many challenges to the ecological environment and business operations. The Chinese government has always been attaching great importance to and actively participating in the climate change governance and promoting the construction of ecological civilization in compliance with the commitments of the Paris Agreement. In 2020, the PRC announced to strengthen its climate target and the Intended Nationally Determined Contributions regarding emission reduction, striving to reach the carbon peak by 2030, and aiming to achieve carbon neutrality by 2060. In addition, regulatory authorities and capital markets are also gradually imposing stricter requirements for information disclosure related to climate.

In this context, the Group is actively studying the strategies and policies of the government in response to climate change, and actively pays attention to and prevents the effect of environmental and climate changes on the Company's operational risks. For example, extreme weather may damage and destroy the Company's operational equipment, thus increasing the Company's operating costs. At the same time, the Group also strives to promote fine business and implement quality control measures, and is committed to enhancing its competitiveness in the industry. The Company studies and determines the risks of climate change in advance to enhance its risk resistance to resist force majeure. In the face of the risks and opportunities brought about by climate change, the Group has been adhering to a proactive attitude and actively taking response measures to promote sustainable ecological development by implementing energy-saving and emission reduction measures, improving green operation capabilities and exploring and setting goals emission reduction.

B. Social

B1 Employment

The Group built its solid human resources base with an effective talent building management system comprising comprehensive human resources policies, covering employment, promotion, skills and knowledge development, remuneration, leaves, equal opportunities and welfare of employees, which balance the needs of the dynamic development between the Group and the employees. The employees are encouraged to incorporate their individual personal goals into the Group's long term development. The management will review such policy and system regularly to keep abreast of the market situation.

Recruitment, Dismissal and Compensation

The Group seeks to employ and develop high-calibre talents, and has established a team of elite and talent reserve preparing for the corporate development. According to the overall requirements of the Group's "Talent Development Mechanism", the Group will select and employ outstanding graduates from domestic and overseas colleges to form project management teams to carry out the business operations. As of 31 March 2025, the Group had a total of 57 (2024: 46) full-time employees. The breakdown of employees according to gender, age distribution, employee category and geographical region were as follows:

Indicator	**2025**	2024	Unit
By gender			
Male	**33**	24	person
Female	**24**	22	person
By age distribution			
Under 30	**7**	2	person
30 to 50	**31**	28	person
Above 50	**19**	16	person
By employee category			
Senior management	**7**	7	person
Middle management	**22**	27	person
General staff	**28**	12	person
By geographical region			
Southern China region	**35**	27	person
Northeastern China region	**6**	6	person
Northern China region	**5**	3	person
Southwestern China region	**2**	2	person
Hong Kong	**9**	8	person

The Group upholds the principle of equality and dedication and fully understands the needs of the employees and supports their career development. The Group will look after the benefits of the employees such as the proper transfer of personnel files and the transfer of social insurance accounts and other related procedures for employees who terminated their labour contract on voluntary basis. The Group will employ good measures to comply with legal procedures such as dismissal and termination of labour contracts for employees who failed to fulfill obligation of their labour contracts or have not passed the assessment for renewal of their employment upon the expiry of their labour contracts. During FY2025, there were 13 (2024: 4) employees leaving the Group, with the overall turnover of approximately 15.3% (2024: 9.75%). The breakdown of employee turnover according to gender, age distribution and geographical region were as follows:

Indicator	**2025**	2024	Unit
By gender			
Male	**10.6**	7.3	%
Female	**4.7**	2.4	%
By age distribution			
Under 30	**5.9**	0	%
30 to 50	**9.4**	7.3	%
Above 50	**0**	2.4	%
By geographical region			
Southern China region	**15.3**	9.75	%
Northern China region	**0**	0	%
Northeastern China region	**0**	0	%

Promotion and Performance Appraisal

The Group has developed a comprehensive performance assessment mechanism, whereby annual plans and goals for staff's annual performance assessments are set, which provide guidance to each of its operation bodies in organising its work details and basis for its performance assessment. Such assessment mechanism will identify the under performance of the organisation and the staff whereby remedial actions can be taken as appropriate in due course. On the other hand, the performance assessment mechanism has played an important role in effectively identifying well-performed organisation and talents, which form a basis for implementing motivating and reward measures. As such, the Group has further strengthened its talent assessment mechanism. Through various tools such as “Core Quality and Ability Model”, “Position Characteristics and Quality Model”, the Group has a comprehensive mechanism for examining and selecting its staff to fit into different positions and levels, creating and forming a equal and fair competition environment.

Working hours and Leaves

To ensure the reasonable working periods and hours of employees, the Group has established "Ordinary Management System for Staff" according to the related laws and regulations whereby a five-day work system and 8-hour standard working hour system are implemented in the office. Any overtime work of employees are provided with overtime pay or compensatory leave according to the system. In addition, permanent staff of the Group are entitled to paid holidays such as statutory holidays, annual leave, marital leave and maternity leave, family planning leave, breastfeeding leave and bereavement leave, etc.

Other Benefits

By complying with the legal requirements and general welfare systems of different cities, the Group has made contributions to basic social welfare insurances such as basic endowment, basic medical, unemployment, work injury, childbirth and others, housing fund and other benefits, with an aim to improving the endowment and medical insurance for its staff.

Health and other benefits offered to employees as incentives include traffic accident insurance, annual medical check-ups, meal allowances and holiday benefits. The Group has been accoladed with the "China's Best Employer 2007-08" award as a recognition in this respect.

The Group values and cares for its staff. Through providing various recreational activities such as organising irregular leisure tours and birthday parties for the staff and offering sports equipment and facilities (e.g. treadmill, cycle machines, etc.) to enhance the loyalty and sense of faithfulness, and foster the sense of belonging and team spirit of the staff.

Diversity, Equal Opportunities and Anti-Discrimination

The Group has offered fair and reasonable job opportunities and strictly complied with the relevant legal procedures. With the principles of equality, openness and fairness, the Group has based on the calibre of the candidates and the requirements of the positions, disregarding the conditions of race, social status, nationality, religion, physical disabilities, sexual orientation, membership of labour unions and relationship with government departments, when making decisions of labour issues such as employment, remuneration, training opportunities, promotion, demotion or retirement. No discrimination is allowed in the daily operation.

To maintain amicable working relationship and to ensure that efficient and effective resolutions being applied to employee related issues that may arise, the Group has developed and adopted a set of "Employee Relations Management Measures" which provides an effective two-way communication guideline between the management and the staff and lays out clear procedures for handling staff grievances. In addition, a special mailbox has been set up for employees to express their opinions or concerns about the Group's operations directly to the management, with issues covering immediate reports, complaints, reasonable advice etc., as a part of bridging the communication between the staff and the management.

B2 Health and Safety

Occupational Health and Safety

The Group attaches great importance to the health and safety of its employees. It strictly manages the occupational health of its employees in accordance with the "Labour Law of the PRC", the "Regulation on Work Injury Insurance" and other national laws and regulations. The Group provides comprehensive protection plans for its employees, including free annual medical examinations and accidental injury insurance. It also offers reasonable attendance and leave measures to its employees, to ensure that employees could focus on health rehabilitation.

To reduce occupational hazard, prevent occupational diseases and protect the health and relevant rights and interests of employees, the Group strictly abides by the "Law of Occupational Disease Prevention and Treatment of the PRC", and provides its employees with a working environment and condition that meets the requirements of occupational health. The principle of safety first and people-oriented has been rooted in the entire operation and management activities of the Group's entire business in line with the strict requirements of the "Safety Culture Management Practice Guidelines". Safety education training policies and operation manual were established to clearly define the posts, staff and content in respect of safety education. Staff engaged in special operations are required to operate according to the standard operating procedures, to wear and use safety protective equipment correctly and carry out maintenance and pre-job checks on work tools and equipment. During the year, no work-related fatalities regarding occupational health and safety were reported and there were no lost days due to injury.

B3 Development and Training

Employee Development and Training

As the Group attaches great importance to talents, it integrates the concept of employee cultivation into talent development, which offers training opportunities to employees, actively creates favorable circumstance for the growth and development of employees, and thus liberalise talents' potential to an optimal extent. The Group implements the "Training Management System of the Group" continuously, aiming to strengthen the development for all its employees on an ongoing basis. Each business unit regularly conducts training activities according to a pre-scheduled training program and the human resources department will do the assessment based on the training activities conducted such as frequency of the training classes scheduled, training attendances, results of tests and employee training duration etc.

During FY2025, the Group's employees had received an average of approximately 38.3 (2024: 35.28) hours of training and development. The breakdown of the percentage of employees trained by gender and employee category were shown as follows:

Indicator	**2025**	2024	Unit
By gender			
Male	**100.00**	100.00	%
Female	**100.00**	100.00	%
By employee category			
Senior management	**100.00**	100.00	%
Middle management	**100.00**	100.00	%
General staff	**100.00**	100.00	%

The breakdown of average training hours completed by employee according to gender and employee category were shown as follows:

Indicator	**2025**	2024	Unit
By gender			
Male	**39**	36.68	hours
Female	**37.3**	33.76	hours
By employee category			
Senior management	**20.8**	19.11	hours
Middle management	**43**	39.33	hours
General staff	**39**	35.6	hours

To comply with the development characteristics of the internet era, the Group's human resources department builds an online learning system through the WeChat public platform, providing various audio-visual information and learning courses to help employees understand cutting-edge information such as business development and management innovation, enabling employees to make full use of the spare time to choose their own learning content to the further improvement of capabilities.

B4 Labour Standards

Prevention of Child and Forced Labour

All employment of the Group abides by the national laws and regulations related to employment and labour, such as the "Labour Law of the PRC" and the "Labour Contract Law of the PRC". The Group has also formulated the internal regulations and relevant implementation rules of the "Employee Change Management System". During the recruiting process, the Group shall avoid child and forced labour, safeguard the legitimate rights of employees, and ensure that the recruitment process to be fair, just, and open. At the same time, all job applicants are required to submit their credentials, like academic qualifications, professional skill certificates, references and identity card for verification and record purpose during recruitment. Any case of child labour or forced labour, when discovered, shall be investigated and acted upon and reported to the government authorities promptly in accordance with applicable laws. Further, the Group shall immediately terminate the employment contract and impose due punishment on the erring employee. During the year, the Group was not aware of any child labour employment, forced labour or other occurrences violating human rights of employees.

B5 Supply Chain Management

Supplier Management

In order to ensure the group companies' operation of construction projects and services are carried out in an environmental friendly manner, other than the above environmental protection measures, the Group also formulates policies to encourage outsourced supplier to promote fulfilment of environmental responsibility in construction and services.

The qualified suppliers in the Group's supplier management information database are mainly located in the cities where business has been deployed. The number of qualified suppliers of the Group by geographical region are as follows:

Indicator	**2025**	2024	Unit
Southern China region	**9**	11	supplier(s)
Eastern China region	**1**	2	supplier(s)
Northern China region	**1**	1	supplier(s)
Northeastern China region	**0**	3	supplier(s)
Southwestern China region	**2**	3	supplier(s)
Total	**13**	20	supplier(s)

When formulating policies in relation to outsourced supplier selection and evaluation, the Group adopts an evaluation mechanism which takes into account their contribution to social responsibilities and environmental protection in addition to common commercial factors such as product and service quality. As such, the Group has established the "Measures for Management of Suppliers and Procurement of the Group" and a strict management process on bidding evaluation process of outsourced supplier. Before selecting suppliers, the Group will conduct on-site inspections on suppliers and make a detailed assessment on the performance regarding their main raw material inspection, three wastes treatment and quality control mechanism in a standardized template, being the Supplier Appraisal Report, the rating scale of which includes A, B, C, D and Blacklist. Pursuant to such assessment, suppliers being rated as Blacklist will be eliminated and suppliers being rated as Class D will be suspended and undergo a reassessment after one year. At present, all of the Group's outsourcing contractors under project construction and services are managed in the above manner.

Besides, after the construction materials are delivered to the project site by suppliers, the Group will check the specifications of the materials, verify the relevant licenses and certificates according to the Guidance on Operation of Materials and Equipment Inspection of the Group to ensure that the material compositions meet the quality and environmental protection standards. The Group conducts review and assessment on suppliers who fail to meet environmental and safety standards, such as excessive emission of formaldehyde, semi-annually. The Group will terminate cooperation with suppliers who for several times do not pass the quality control assessments as well as suppliers who causes significant quality issues in the Group's projects.

Green Procurement Concept

The Group has always adhered to the concept of green procurement and is committed to creating a green and environmental-friendly business environment with supply chain partners. It clearly proposes sustainable development standards and requirements in the selection of materials. At the same time, it also fully considers related issues in construction activities, such as material waste, environmental pollution and waste recycling.

In the process of cooperating with various suppliers, the Group actively promotes a green and low-carbon work model, and requires the use of "paperless office" and "online operation" methods for communication with suppliers as much as possible, which not only can improve work efficiency, but also can reduce the energy consumption of communication and operation. The green procurement concept and maximising paperless operation model of the Group have been widely recognised by suppliers. The Group is willing to work with all partners to contribute to the construction of a green and sustainable social and economic environment that promotes energy conservation and emission reduction.

B6 Product Responsibility

To ensure a close awareness of customers' needs and an effective and efficient management system of customer service, the Group has established a set of strict management and controlling standards for improving the experiences of customers of real estate industry, covering product planning, design management, construction management as well as sales and after sales services. These standards are established, adhering to the core philosophy of "creating excellence together with customers", to provide customers with quality products and services. For customer service management, the Group integrates customer requests with information reception, task assignment, task tracking and monitoring, customer satisfaction analysis and other customer service management by virtue of professional service system. After years of operation, the system has achieved an ideal combination of online and offline services. During the year, the Group was not aware of any non-compliance with laws and regulations relating to products and services provided by the Group that would have a significant impact on the Group.

Advertising and Labelling

During FY2025, the Group did not have business dealings that had significant advertising and labelling issues.

Intellectual Property Rights

The Group strictly complies with laws and regulations such as the Advertising Law of the PRC, the Interim Measures for the Administration of Internet Advertising, the Trademark Law of the PRC and the Copyright Law of the PRC and has established internal regulations and implementation requirements on the use of brand logos to regulate the advertising of the Group's head office and its subsidiaries.

The Group cooperates with external professional trademark agents in trademark registration to prepare for the renewal of and handle renewal procedures in advance for trademarks which are due for renewal.

To safeguard the Group's intellectual property rights from infringement, contracts signed between the Company and third parties will provide for detailed agreements on intellectual property issues such as copyright of software development and solution design. For material contracts, the Company will add confidentiality clauses, and require suppliers to complete the signing of confidentiality agreements at the early stage of project commencement. In respect of counterfeiting of trademarks, the Company will have its legal department conduct proactive investigations, and set up relevant channels to obtain reports from others in order to prevent counterfeiting as much as possible. During FY2025, there were no cases of infringement of trademarks or intellectual property rights by the Group.

Product Quality Management Mechanism

The Group strictly complies with relevant laws and regulations, including but not limited to the Law of the PRC on Protection of the Rights and Interests of Consumers, the Law of the PRC on Urban Real Estate Administration, the Regulations on Urban Real Estate Development and Management Control, the Regulation on the Quality Management of Construction Projects, the Standard for Construction Safety Inspection, the Technical Code for Fire Safety of Construction Site, etc., and formulates a series of policy systems and operating guidelines to standardise project construction management and ensure the quality and safety of all projects.

During the construction process, each project company regularly reports the construction status in accordance with the project management system of the Group, strictly monitors project progress and clarifies the implementation of various guidelines and management measures, so as to ensure construction quality of the projects. Items were graded regularly in accordance with the inspection list and requirements prescribed by the Group, and counted toward a final inspection score. The supervision unit issued suspension notices to sites whose scores were unsatisfactory. Their construction could not resume until rectification by the construction unit was completed and passed inspection.

Upon project completion, a “completion acceptance team” comprising the design unit, the general contractor, subcontractors and the supervision unit reported to government authorities for completion acceptance after finishing the pre-acceptance. We set stringent acceptance standards for completion inspection. In addition to following completion acceptance regulations issued by local governmental construction authorities, we have also established a complete set of customer acceptance and inspection procedures, covering public space, entrance space, decoration, doors and windows, kitchen space, living room parts, sanitation, and meter readings. A “pre-delivery inspection and acceptance team” comprising a project company, marketing department and engineering department examined houses prior to project delivery in accordance with local administration requirements and the agreement with the property management company. During the FY2025, the Group has not received any reported recalls nor any form of complaints from its customers in respect of the Group’s products provided.

Customer Data Privacy Protection

The information of customers accumulated over the years is stored in the Group’s marketing management system. For the management of the marketing system, the Group has established a set of secure and enforceable management systems, which include daily data security checks, monitoring and prevention of internal and external network attacks, approval of data access and dynamic update of system passwords and other security management systems to ensure that customer information is stored securely and that there is no information leakage. During FY2025, the Group did not experience any leakage of customer information.

B7 Anti-corruption

Anti-corruption and Anti-money Laundering

The Group unswervingly complies with the Criminal Law of the PRC, the Anti-Money Laundering Law of the PRC and other national regulations in relation to anti-corruption and anti-money laundering, and formulates a series of management policies, such as the Disciplinary Management System of the Group and the Punishment Rules for Typical Acts of "Omission of Leaders" of the Group, with an aim to prohibiting giving or soliciting inappropriate commercial interests, improper use and appropriation of corporate properties as well as disregard of conflict of interests. The Group also opened public email for the purpose of reporting such potential violations. It also welcomes all sectors of the community to report any irregularities. All employees of the Group's headquarters and subordinate companies shall comply with the conflict of interest handling principles formulated by the management and report to the Company and solve potential conflict of interests in a timely manner in the process of work.

On the other hand, the Group advocates the maintenance and compliance of business ethics and regularly carries out training and communication in order to promote the awareness of staff at all levels on anti-corruption and anti-money laundering. During FY2025, the Group conducted one (2024: one) staff training on anti-corruption and anti-money laundering, with a total of 18 (2024: 20) participants, covering the topics including contractual anti-bribery, internet security, critical compliance obligations, inside information control, and other common issues.

During the FY2025, the Group was not aware of any material non-compliance with the relevant laws and regulations in relation to bribery, extortion, fraud and anti-money-laundering that would have a significant impact on the Group.

Whistle-blowing Policy

Whistle-blowing system was introduced for reporting violations of the Company's code of conduct manual and/or making complaints on business partners. A special mailbox has been set up for employees to enable such complaints to reach the management. Such written communications are supplemented by quarterly internal round-table management/staff conferences, in which the concerns and recommendations of the staff are carefully listened and considered by the management. The Group endeavours to protect the whistle-blower from common concerns such as victimisation and potential retaliation. The employee reporting in good faith under this procedure shall therefore be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

B8 Community Investment

One of the Group's core initiatives is to create a harmonious, sustainable and healthy community. Therefore, the primary focus of the Group is on the health and welfare of the local communities. The Group believes that a healthy and supportive local community is of vital importance for maintaining a stable and prosperous society.

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By fully utilising the capabilities of the Group's customer services provided to each development project, the Group has established a smooth and efficient communication mechanism to communicate with residents in communities, through which the Group is able to gain a thorough understanding of their daily needs and expectations. On that basis, the Group proactively devises community public services and maintains a good community partnership with them.

The Group responds positively to the national strategy on addressing the housing needs of low-income group and contributes to the development of harmonious society. Over the past years, the Group has participated in the establishment of local housing security system in cities such as Beijing and Anshan. For example, to resolve the housing problems faced by the families in Haidian District, Beijing, the Group undertook the construction of Beijing Bay Project, a commodity housing project with price preset ceiling which is in Changping District, Beijing. The Group has proactively responded to the government's call for protecting livelihoods and supported the government in shared housing, aiding the public with rigid demand in housing.

The Group has built-in social responsibility into the core value of its operations since its inception. Over the past 30 years, the Group has contributed funds to many social welfare programmes, and donated tens of million dollars to charity organisations. Furthermore, the Group has made significant donations and sponsorships to different bodies and programme organisers such as the China Youth Development Foundation, Beijing's Peace and Development Foundation, the teachers' training programme of the "Coastal Mental Health Seed Fund for Schools in Western China", the "Tsinghua University Scholarship" project, and the "Water Cellar for Mothers" project of China Women's Development Foundation.

In September 2014, the Group donated certain audio-visual equipments, children's books, household products, sports equipments and other materials to the Qiliping Town Center School in Hong'an County in Hubei Province. In May 2014, the Group made a sponsorship donation of HK$3 million to the 2014 Hong Kong Youth Music Festival, aiming at promoting cross-strait and Asian youth cultural exchanges. In 2013, through the "Emergency Student Relief Action of Hope Project" of the China Youth Development Foundation, the Group donated RMB500,000 to 500 needy students in the Ya'an disaster area to help them resume their studies. In 2010, the Group sponsored Beijing's Peace and Development Foundation in its initiatives for peace and development in China, which included teachers' trainings in Sichuan and Xinjiang, and contributions to local work on children's mental health. In 2009, the Group set up the "Coastal Mental Health Seed Fund for Schools in Western China" to assist the associated teachers' training programme. In 2008, the Group donated RMB2.5 million to the "Tsinghua University Scholarship" project to establish the "Coastal-Tsinghua University Scholarship Fund", for poor students. For the May 12 Earthquake in 2008, the Group donated RMB1.5 million to the Dujiangyan Red Cross for the repairing of the Dujiangyan Center for Disease Control, marking a start of the Group's participation in the post-disaster reconstruction work. In 2007, the Group donated RMB3 million to the "Water Cellar for Mothers" project of the China Women's Development Foundation, under which water cellars were built in regions suffering from water shortages. This donation was made on the basis of "a home sold, a cellar donated".

BIOGRAPHY OF DIRECTORS

Executive Directors

Mr. Jiang Ming, aged 67, is one of the founders of the Group. He has been an Executive Director, Vice Chairman and Managing Director of the Company since its inception in 1997. On 31 December 2012, he was re-designated from the Vice Chairman to Chairman of the Company. He is also an authorised representative of the Company. He has over forty years' experience in investment and corporate management. He is primarily responsible for corporate direction, development of the Group's business, strategy planning and the overall management of the Group. Mr. Jiang holds a Master's degree in business administration from the National University of Singapore. He is also a vice-chairman of the Fujian Province Foreign Enterprises Association and an honorary professor at the Wuhan University. Prior to the establishment of the Group, he was a general manager of a joint venture enterprise in the PRC for over 7 years.

Dr. Li Ting, aged 49, has been an Executive Director of the Company since 20 March 2017 and resigned on 30 June 2025. Dr. Li was primarily responsible for the Group's strategic planning, business management systems and innovative business development. Dr. Li graduated from Xi'an Jiaotong University in 1997 with a Bachelor's degree in computer application and further obtained a Master's degree and a Doctorate degree in management science and engineering from Xi'an Jiaotong University in 2000 and 2005 respectively. He also obtained a Master's degree in business administration (EMBA) from China Europe International Business School in 2013. Dr. Li joined the Group in 2005 and has since then served as the general manager of the strategic management department of Coastal Realty Investment (China) Limited from 2005 to 2011, the chairman of the southern China region of Coastal Realty Investment (China) Limited from 2012 to 2013 and the vice president and chief knowledge officer of the Company from 2012 to 30 June 2025. The aforementioned companies are subsidiaries of the Group.

Mr. Lin Chen Hsin, aged 82, has been an Executive Director of the Company and a member of the Investment Committee of the Board (the "Investment Committee") since 14 December 2018. He is primary responsible for administration of the Group's Hong Kong office and the public relations of the Group. Mr. Lin graduated from the Shanghai Education Institute. He has over 20 years' experience in import and export trading and manufacturing. He joined the Group in 1990 and served as an executive Director from 5 March 1997 to 31 December 2012 before. He was also an independent non-executive director of Reenova Investment Holding Limited, a company listed on the Singapore Exchange, from 8 March 2017 to 2023.

Ms. Tong Xinhua, aged 54, has been an Executive Director of the Company since 23 May 2022. She is also a member of the Remuneration Committee of the Board (the "Remuneration Committee"). She is appointed as the Chairlady of the Investment Committee and a member of the Nomination Committee of the Board (the "Nomination Committee") since 30 June 2025. Ms. Tong is primarily responsible for the customer relationship management, administration management and risk management of the Group. Ms. Tong graduated from Huazhong University of Science and Technology, China with a Bachelor's degree in engineering in 1992. She also obtained a Master's degree in Business Administration from the National University of Singapore in 1999. Ms. Tong joined the strategic management department of Coastal Realty Investment (China) Limited, a subsidiary of the Group, in June 1996, where she was responsible for strategic planning, customer and brand management, risk management and process management until December 2017. Ms. Tong served as the general manager of the intellectual capital department of the Group since January 2018 and the vice president of the Group since January 2020. Prior to joining the Group, Ms. Tong was engaged in planning and design management in a residential properties development company in Wuhan City, the PRC.

BIOGRAPHY OF DIRECTORS

Non-Executive Directors

Mr. Qiu Guizhong, aged 51, has been a Non-executive Director of the Company since 17 June 2019. Mr. Qiu holds a Master of Business Administration degree from Tongji University in Shanghai. He has extensive experience in human resource management, investment management, property and asset management and compliance control. He is currently the general manager of the office of the board of directors and general counsel of Shenzhen Investment Limited ("Shenzhen Investment"), a company listed on the Main Board of the Stock Exchange (stock code: 604). Mr. Qiu joined Shenzhen Investment in 1997 and has since served in various roles, including the general manager of each of the office of the secretary of the board of directors, the human resources department, the information technology management department and the general management department.

Mr. Zhou Xiya, aged 48, has been a Non-executive Director of the Company since 3 January 2022. Mr. Zhou obtained a Master's Degree in Business Administration from Shanghai Jiaotong University. He has extensive experience in corporate strategy management, investment management and the real estate industry. He is currently the general manager of the strategy management department of Shenzhen Investment. Mr. Zhou joined Shenzhen Investment in 2007 and has since held positions as assistant general manager of the investment department and deputy general manager of the strategy management department. Prior to joining Shenzhen Investment, Mr. Zhou was a development manager at Nan Hai Corporation Limited (stock code: 680), the shares of which are listed on the Main Board of the Stock Exchange.

Independent Non-Executive Directors

Mr. Wong Kai Cheong, aged 63, has been an Independent Non-executive Director of the Company since 6 September 2004. He is also a member of the Audit Committee of the Board (the "Audit Committee") and the Remuneration Committee. He was redesignated as the Chairman of the Nomination Committee since 30 June 2025. Mr. Wong is an associate member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England & Wales. He is currently practising as a Certified Public Accountant in Hong Kong.

Mr. Yang Jiangang, aged 59, has been an Independent Non-executive Director of the Company since 31 December 2012. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee. Mr. Yang graduated from Peking University with a Bachelor's degree in Law in 1987. He is currently the senior partner of AllBright Law Offices in Shenzhen. Prior to joining AllBright Law Offices in Shenzhen, Mr. Yang was a partner of Hills & Co. from 2004 to 2011. He had also practiced as a lawyer in the PRC with various law firms including Jiangxi Provincial Law Firm, Jiangxi Wenlan Law Firm and Guangdong Jindi Law Firm from 1987 to 2003.

Mr. Huang Xihua, aged 67, has been an Independent Non-executive Director of the Company since 1 June 2016. He is also the Chairman of the Audit Committee and a member of the Nomination Committee. Mr. Huang graduated from Lanzhou Jiaotong University and Party School of the Central Committee of C.P.C. with a Bachelor's degree in Engineering and a Postgraduate's degree in Economics respectively. Mr. Huang is currently the chairman of Zuhui (Tianjin) Investment Ltd. Prior to joining Zuhui (Tianjin) Investment Ltd., Mr. Huang was an independent director of Bridge Trust Co. Ltd. from 2007 to 2010. He had also served in China Railway No.5 Engineering (Group) Co., Ltd. and had held the positions as the head, general manager and chairman from 1999 to 2002 and chairman of China Railway No. 2 Engineering Group Co., Ltd. (a company listed on the Shanghai Stock Exchange) from 2002 to 2007, a designated director of China Railway Group Limited in 2007 and the executive president of Hainan Boao Investment Holding Ltd. of CITIC Group Corporation in 2008. Mr. Huang is one of the first group of senior professional managers and senior engineers accredited in the PRC. He had been awarded with the honours of model labour and outstanding entrepreneur of Guizhou Province, outstanding entrepreneur of Sichuan Province and outstanding entrepreneur of the construction enterprises in the PRC.

CORPORATE GOVERNANCE REPORT

This corporate governance report (the "CG Report") presents the corporate governance matters of the Group during the period covering the FY2025 and up to the date of this annual report in which the CG Report is included (the "CG Period").

Corporate Strategy and Culture

The Group business strategy for its property development business is to develop quality residential estates for the upper to middle class domestic market. The Group lives up to this purpose by demonstrating a strong commitment to ethics and integrity and the Board endeavors to instill integrity into every aspect of the Group's business. The Board believes a healthy corporate culture is vital in attaining the Group's vision, values and strategy which will in turn maximise the long-term interests and those of its stakeholders. All employees adhere to various Group policies that reflect the core values and corporate culture of the Group. The Code of Conduct manual is the primary tool in which the Company sets the conduct expectations for employees stressing the strong commitment of the Group to upholding high standards of business integrity, honesty and transparency in all its business dealings. The Company has also established anti-corruption and whistleblowing policies, which are conducive to setting a healthy corporate culture. In respect of the Group's healthy corporate governance framework and effective risk management and internal control systems, the desired culture is developed and reflected consistently in the operating practices of the Group.

Taking into account the corporate culture in a range of contexts, the Board considers that the culture and the purpose, values and strategy of the Group are aligned.

Corporate Governance Practice

The Group is committed to maintaining a high standard of corporate governance. The Board considers that sound and well-established corporate governance practices are not only essential to the Group's healthy growth under all business environments, but also essential for the interest sake of shareholders and other stakeholders including, but not limited to, customers, suppliers, employees and the general public. The Group abides strictly by the governing laws and regulations of the jurisdictions where it operates and observes the applicable guidelines and rules issued by regulatory authorities. It regularly undertakes review of its corporate governance system to ensure it is in line with regulatory requirements. During the CG Period, the Company has complied with all applicable code provisions of the CG Code with the exception that the roles of the chairman of the Board and the chief executive of the Company have not been segregated.

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual for a balance of power and authority. Mr. Jiang Ming is the Chairman and Managing Director of the Company. He is also one of the founders and a substantial shareholder of the Company and has considerable industry experience. The Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise and more promptly response to the fast changing business environment and a more efficient management and implementation of business process.

CORPORATE GOVERNANCE REPORT

The Board

Board Composition

Chaired by Mr. Jiang Ming, the Board currently consists of four executive Directors, two non-executive Directors and three independent non-executive Directors. Names and other biographical details of the members of the Board are set out in the section headed "Biography of Directors" on pages 35 to 36. The current structure and composition of the Board possess a balance of skill and experience that are appropriate for the business needs of the Group. The Board reviews the structure and composition regularly to ensure that appropriate and necessary expertise, skills, experience and independence are maintained. To the best knowledge of the Board members, none of the Directors has or maintained any relationships (including financial, business, family or other material relationships) with any of the Directors.

Appointment, Re-election and Removal of Directors

The procedures of appointment, re-election and removal of Directors are set out in the Bye-laws. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of independent non-executive Directors.

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract or letter of appointment with the Company for a specific term and the details of which, as well as the details of the appointment, re-election and resignation of the Directors are described in the sections headed "Report of the Directors – Directors" and "Report of the Directors – Directors' Service Contracts" set out on pages 55 and 56 respectively.

Board Independence

All independent non-executive Directors have the appropriate professional qualification and accounting and related financial management expertise as required under the Listing Rules. They provide a strong support towards the effective discharge of the duties and responsibilities of the Board by virtue of their independent judgment and advice on the Company's strategies, performance and control. They are also members of various committees of the Board and devote sufficient amount of time and attention to the affairs of the Company.

During the CG Period, the Board at all times complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company appointed three independent non-executive Directors, representing one-third of the Board, of which Mr. Wong Kai Cheong, an independent non-executive Director, possessed appropriate professional qualifications, accounting and related financial management expertise.

The Company has also received an annual confirmation of independence from each of the independent non-executive Director in accordance with the requirement under Rule 3.13 of the Listing Rules and considers all independent non-executive Directors to be independent.

Mechanisms for ensuring independent views and input

Apart from the aforementioned independence assessment, the following measures have also been taken to ensure all decisions and actions are in the best interests of the Company and its shareholders as a whole:

- The independence of independent non-executive Directors is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration.

- Independent non-executive Directors shall receive fixed fee(s) for their roles as members of the Board and committee(s) of the Board as appropriate.

- The Bye-laws and internal policies of the Company set out the requirements for Directors to declare their interests and to abstain from voting in case of conflict of interests.

- Voluntary abstention by Directors from discussions and voting on matters related to them after due declaration of interest.

- All Directors have access to the services of the Company Secretary and his team, and may take independent professional advice upon request, at the Company's expense for proper discharge of their responsibilities.

- Evaluation of the above mechanisms forms part of the Board's ongoing evaluation of its performance to ensure their effectiveness.

Having reviewed the implementation and effectiveness and taking into account the above channels, it was considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board during the CG Period.

Board Responsibilities and Delegation

The Group is controlled through the Board who is responsible for overseeing the overall strategy and directing and supervising its affairs in a responsible and effective manner. The Board also sets the Group's core values and adopts proper standards to ensure that the Company operates with integrity and complies with the relevant rules and regulations.

The Company has a formal schedule of matters specifically reserved to the Board and those delegated to management. The daily operations and administration of the Group is delegated by the Board to the management under the leadership of the Managing Director. The Managing Director assumes full accountability for the daily management of the Group. The Board has given clear directions to management as to the matters that must be approved by the Board before decisions are made on behalf of the Company or entering into any commitments on behalf of the Group. The types of decisions to be delegated by the Board to management include implementation of strategies and direction determined by the Board, operation of the Group's businesses, preparation of financial statements and operating budgets, and compliance with applicable laws and regulations. These arrangements are reviewed periodically to ensure that they remain appropriate to the Company's needs.

Chairman and Chief Executive

The Chairman takes the primary responsibility for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group. He is also responsible for ensuring that board meetings are planned and conducted effectively, including setting the agenda for each board meeting, taking into account matters proposed by the Directors and the Company Secretary are given their due weight. With the support of other executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues to be deliberated at board meetings and are provided with adequate and accurate information in a timely manner.

The Chairman promotes a culture of openness and active engagement of the Board members by drawing on directors' skills, experience and knowledge and be fully engaged in the Board's affairs so as to contribute to the Board's effective functioning. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to promote effective communication and ongoing engagement with shareholders and other stakeholders, as outlined later in this CG Report.

Corporate governance function

The Board does not have a Corporate Governance Committee. The functions that would be carried out by a Corporate Governance Committee are performed by the Board as a whole. To ensures the good corporate governance policies and practices are implemented within the Group, the Board is responsible for performing the corporate governance duties including the following:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of the Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct manual applicable to employees and the Directors; and
- to review the Company's compliance with the CG Code and disclosure in the CG Report.

Board Meetings

Regular board meetings are held at least four times a year at approximately quarterly intervals and additional meetings are held when necessary. Directors may participate either in person or through video/telephone conferences. During the CG Period, the Board held four board meetings to review and approve annual and interim results, to review quarterly management accounts and to approve major investments and corporate transactions.

At least 14 days' notice of each board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. For other board and committee meetings, reasonable notice is generally given. The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are compiled with. The agendas and accompanying board papers are sent not less than 3 days where possible before the date of board meetings. All the minutes of the board meetings are kept by the Company Secretary and are freely accessible to by any Director.

Other than regular meetings, the Chairman also meets with non-executive Directors and independent non-executive Directors without the presence of executive Directors, to facilitate an open discussion among the non-executive Directors on issues relating to the Group.

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by way of a physical meeting, instead of a written resolution. Such Director who is considered to be materially interested in the matter shall abstain from voting and not be counted in the quorum.

Attendance of directors

During the CG Period, the overall attendance rate of the Directors at the Company's board meetings, committee meetings and general meeting was approximately 85%. Set out below are details of the attendance of each Director at the meetings during the CG Period:

	No. of meetings attended/No. of meetings eligible to attend			
Name of Directors	**Board**	**Remuneration committee**	**Audit committee**	**General Meeting**
Executive Directors				
Mr. Jiang Ming *(Chairman)*	2/4	–	–	1/3
Dr. Li Ting *(resigned on 30 June 2025)*	3/4	–	–	1/3
Mr. Lin Chen Hsin	4/4	–	–	3/3
Ms. Tong Xinhua	4/4	0/1	–	2/3
Non-executive Directors				
Mr. Qiu Guizhong	4/4	–	–	3/3
Mr. Zhou Xiya	4/4	–	–	2/3
Independent non-executive Directors				
Mr. Wong Kai Cheong	4/4	1/1	2/2	2/3
Mr. Yang Jiangang	4/4	1/1	2/2	3/3
Mr. Huang Xihua	4/4	–	2/2	3/3

CORPORATE GOVERNANCE REPORT

Access to Information

The Directors at all times have full access to information of the Company. The Board is provided with monthly operating information and news update from time to time which contain up-to-date performance and information of the Company. Directors can have independent access to the management for information whenever they consider necessary.

Directors and Officers Liability Insurance

The Company has arranged appropriate Directors' and Officers' Liability Insurance for the Directors and officers covering the costs, losses, expenses and liabilities that may arise from the performance of their duties. The insurance policy covers legal action against the Directors and officers to comply with the requirement of the CG Code. During the CG Period, no claim was made against the Directors and officers.

Directors' Induction and Continuous Professional Development

The Company will provide a comprehensive, formal and tailored induction to each newly appointed director on the first occasion of his appointment to enable him has proper understanding of the business and operations of the Company and full aware of his responsibilities and obligations under statute and common law, the Listing Rules and other relevant regulatory requirements and especially the Company's business and governance policies.

All of the Directors are encouraged to undertake continuous professional development to keep abreast of the latest industry trends, knowledge and skills concerning their respective areas of expertise and professions. During the CG Period, all of the Directors, namely Mr. Jiang Ming, Dr. Li Ting, Mr. Lin Chen Hsin, Ms. Tong Xinhua, Mr. Qiu Guizhong, Mr. Zhou Xiya, Mr. Wong Kai Cheong, Mr. Yang Jiangang and Mr. Huang Xihua, had participated in continuous professional development programmes such as external seminars organised by qualified professionals and/or reading materials relevant to the Group's business or to directors' duties and responsibilities, to develop and refresh their knowledge and skills to facilitate the discharge of their responsibilities as listed company directors. They have provided the Company with their records of the training they received during the year.

Directors' Securities Transactions

The Company has adopted the Model Code as the Company's code of conduct regarding Directors' securities transactions. Having made specific enquiry, all Directors confirmed that they have complied with the requirements as set out in the Model Code during the CG Period or (where appropriate) during his/her tenure as a Director in FY2025. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

Board Committees

The Board has established four committees, namely, the Nomination Committee, the Remuneration Committee, the Audit Committee and the Investment Committee, for overseeing particular aspects of the Board and the Group's affairs. All board committees are established with defined written terms of reference which are available on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

Nomination Committee

The Nomination Committee was established in March 2012. As at the date of this CG Report, the Nomination Committee is chaired by Mr. Wong Kai Cheong with Mr. Huang Xihua and Ms. Tong Xinhua as members. A majority of the Nomination Committee are independent non-executive Directors.

The Nomination Committee is delegated by the Board with responsibilities to (i) review the structure, size, composition and diversity of the Board on a regular basis and as required; (ii) recommend to the Board suitably qualified persons to become members of the Board; (iii) assess the independence of each Directors; (iv) recommend to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and (v) review the Board diversity policy and makes recommendation on any proposed revisions to the Board.

During the CG Period, the Nomination Committee convened one meeting to consider the change of Directors, review the size and composition of the Board, assess the independence of each independent non-executive Director, make recommendations to the Board on the reappointment of Directors, review the Board diversity policy (the "Board Diversity Policy) and nomination policy (the "Nomination Policy") of the Company.

Board Diversity Policy

In 2013, the Board has adopted the Board Diversity Policy and revised the terms of reference for the Nomination Committee accordingly. The policy aims to set out the approach to achieve diversity on the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience and expertise, skills, knowledge and/or length of working history. The ultimate decision will be based on the merits and contributions that the selected candidates will likely be able to bring to the Board.

During the CG Period, the Company maintained an effective board composition comprising members of different genders, professional background and industry experience. The Board Diversity Policy has been consistently implemented. As at the date of the CG Report, the Board consists of one female Director and seven male Directors. The Board considered gender diversity in respect of the Board is satisfactory.

The Group has taken, and will continue to take, steps to promote diversity at all levels of workforce (including senior management). Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination so as to develop a pipeline of potential successors to the Board and the workforce. As at 31 March 2025, the male to female ratio in the workforce (including senior management) is approximately 1:0.8. The Board considered gender diversity in respect of workforce is achieved.

Nomination Policy

The Board recognises the need to ensure the Board and senior management are always well resourced, with the suitable people in terms of skills and experience to deliver the Group's strategy. The Nomination Policy guides the Nomination Committee and the Board on nomination of candidates for the Board.

The Nomination Committee will evaluate the Board composition and establish desired criteria for prospective Directors. The committee will identify potential candidates from any source as it may consider appropriate including without limitation its own contacts, referrals and recommendations including from other Directors, members of management, the Company's advisors, and intermediary agencies retained at the Company's expense. To be eligible for consideration, a potential candidate must submit such information as may be required by the Nomination Committee for consideration. The Nomination Committee, together with the Directors the Nomination Committee considers appropriate, may interview the potential candidate identified. Upon final deliberation by the Nomination Committee, the Nomination Committee shall make recommendations to the Board on the selection of the most appropriate candidates for election or appointment, including the proposed terms and conditions of appointment.

To identify and evaluate candidate for filling casual vacancy or as an addition to the existing Board, the Nomination Committee's assessment of the candidates includes, but not limited to (i) qualifications, experience, skills and knowledge relevant to the businesses of the Group; (ii) commitment in respect of available time and relevant interest; (iii) diversity perspectives set out in the Board Diversity Policy; (iv) in case of independent non-executive Directors, regulatory requirement for appointment of independent non-executive Directors and the independence criteria set out in the Listing Rules; and (v) any other factors that the Board considers appropriate.

Remuneration Committee

The Remuneration Committee was established in December 2005. As at the date of this CG Report, the Remuneration Committee is chaired by Mr. Yang Jiangang and with Mr. Wong Kai Cheong and Ms. Tong Xinhua as members. A majority of the Remuneration Committee are independent non-executive Directors.

The Remuneration Committee is delegated by the Board with responsibilities to (i) make recommendations to the Board on the Group's policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives and ensuring that it is consistent with contractual terms and are reasonable and appropriate; (iii) determine the terms of the remuneration package of the Directors and senior management with reference to their time commitment and responsibilities, employment condition in the Group, and comparable companies and (iv) review and/or approve matters related to the share scheme under Chapter 17 of the Listing Rules.

The overriding objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate high-caliber which is essential to the success of the Group. The remuneration package for the executive Directors will normally comprise basic salary and allowances, mandatory provident fund, medical insurance coverage benefits and performance related discretionary bonus. The Remuneration Committee makes regular reviews of the Group's remuneration policy to ensure they reflect its objectives. Particulars of the Directors' emoluments are set out in note 12 to the consolidated financial statement.

During the CG Period, the Remuneration Committee convened one meeting to discuss the appointment of Director and the reasonableness matters related to the remuneration of the Directors and senior management.

Audit Committee

The Audit Committee was established in August 1999. As at the date of the CG Report, the Audit Committee is chaired by Mr. Huang Xihua, with Mr. Yang Jiangang and Mr. Wong Kai Cheong as members. All members of the Committee are independent non-executive Directors.

The Audit Committee is delegated by the Board with responsibilities to provide an independent review of the Group's financial reporting, the effectiveness of risk management and internal control system and corporate governance issues and to make relevant recommendations to the Board. It also reviews the adequacy of the Company's internal audit function and manages the Company's relationship with the external auditor.

During the CG Period, the Audit Committee convened three meetings and has performed the major tasks summarised as below:

- reviewed the draft interim and annual consolidated financial statements of the Group for the six months ended 30 September 2024 and for the year ended 31 March 2025 and the related draft results announcements;
- reviewed the application of the new accounting standards promulgated by the Hong Kong Institute of Certified Public Accountants in the Group's consolidated financial statements;
- reviewed the Group's risk management and internal control system with management including review of the work done by the Group's risk management and internal audit department;

- reviewed the Company's policies and practices on corporate governance, compliance with legal and regulatory requirements and the Code of Conduct, and made recommendations to the Board;
- reviewed and monitored the training and continuous professional development of the Directors;
- reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report;
- discussed and reviewed with the external auditor the statutory audit plan and matters relating to significant accounting and auditing issues; and
- reviewed and considered the audit fee of external auditor.

Investment Committee

The Investment Committee was established in April 2007. As at the date of the CG Report, the Investment Committee is chaired by Ms. Tong Xinhua with Mr. Lin Chen Hsin as member. All members of the Investment Committee are executive Directors.

The Investment Committee is delegated by the Board with primary responsibilities to review, pursue and evaluate investment opportunities in property development and investment projects and to approve and execute such investments within the limit as delegated and authorised by the Board from time to time.

During the CG Period, the Investment Committee convened one meeting to review, evaluate and approve the identified investment opportunities in property development and investment projects.

Accountability and Audit

Directors' Responsibilities for Financial Statements

The Board acknowledges its responsibilities for the timely presentation of a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. The Board is also responsible for preparing the consolidated financial statements. In preparing the consolidated financial statements for the FY2025, the Directors have adopted suitable accounting policies which are pertinent to the Group's operations and relevant to the consolidated financial statements, made judgements and estimates that are prudent and reasonable, and have prepared the consolidated financial statements on a going concern basis. The respective responsibilities of the Directors and the Company's external auditor on the financial statements of the Group are set out in the section headed "Independent Auditor's Report" on pages 60 to 65 of this annual report.

Risk Management and Internal Control

The Board recognises the importance of a sound and effective risk management and internal control system to the Group's business operations and acknowledge its responsibility to establish, maintain and review the effectiveness of such systems at least annually. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and as such, provides reasonable (rather than absolute) assurance against material misstatement or loss. It serves to improve communication of identified risks with management, measure the impact of the identified risk and facilitate the implementation of coordinated mitigating measures.

Essential to this internal control system is well defined policies and procedures that are properly documented and communicated to employees. The corporate policies form the basis of all the Group's major guidelines and procedures and set forth the control standards required for the functioning of the Group's business entities.

Risk governance structure

The Board is responsible for the overall governance of the risk management and internal control system. The Audit Committee is delegated by the Board with responsibility to oversee and monitor the effectiveness of the system. To assist the Audit Committee in its oversight and monitoring activities, the Group maintains a risk management and internal audit department to support the Audit Committee to accomplish its objectives by employing a systematic and disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes.

Risk management oversight

Risk assessments are conducted semi-annually by the risk management and internal audit department whereby risk-based internal audit plans based on interviews, discussion with the senior management and staff, analysis of prior audit issues and other data, are formulated and executed, covering the subsidiaries, joint venture, and associates. The risk management and internal audit department develops an audit plan that prioritises areas with significant risks or deemed to be strategic in nature to the business. The audit plan is reviewed by the Audit Committee, which is also provided with annual updates on the performance of the plan and key findings. As necessary throughout the year, the audit plan will be modified to reflect emerging risks or changes to business plans. Ad hoc reviews of areas of concern identified by management or the Audit Committee may also be performed.

The risk management and internal audit department regularly monitors the status of management action plans to ensure completion and reports progress to the Audit Committee. During the CG Period, the risk management and internal audit department issued regular reports to the Audit Committee, Chairman and relevant management personnel covering various operational, financial processes and compliance controls issues. The reports also include identified key control issues and status of the implementation of their recommendations in each Audit Committee meeting.

CORPORATE GOVERNANCE REPORT

The Board, supported by the Audit Committee, regularly reviews the effectiveness of the Group's risk management. The review covers all material risks, including financial, operational, compliance and ESG risks. The Board has also considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function as well as those relating to the issuer's ESG performance and reporting. The Board is not aware of any significant areas of concern which may affect the shareholders and considers the existing internal control and risk management systems effective and adequate during the CG Period. The Board is satisfied that the Company has fully complied with the code provisions on internal controls as set forth in the CG Code.

Whistle-blowing Policy

Whistle-blowing system was introduced for reporting violations of the Company's code of conduct manual and/or making complaints on business partners. A special mailbox has been set up for employees to enable such complaints to reach the management. Such written communications are supplemented by quarterly internal round-table management/staff conferences, in which the concerns and recommendations of the staff are carefully listened and considered by the management. The Group endeavours to protect the whistle-blower from common concerns such as victimisation and potential retaliation. The employee reporting in good faith under this procedure shall be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

Inside information policy

Proper procedures and measures have been taken by the Group to ensure compliance with the SFO. Such measures include arousing the awareness to preserve confidentiality of inside information within the Group, notification of regular blackout period and securities dealing restrictions to the relevant Directors and employees, disseminating information to specified persons on a need-to-know basis and strictly complying with the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012.

Anti-corruption Policy

The Group has zero tolerance for bribery and corruption. The Group unswervingly complies with the anti-corruption and anti-money laundering laws of the country, and formulates a series of management policies, such as the Disciplinary Management System of the Group and the "Punishment Rules for Typical Acts of Omission of Leaders of the Group", with an aim to prohibiting soliciting or accepting inappropriate commercial interests, improper use and appropriation of corporate properties as well as disregard of conflict of interests.

The Group advocates the maintenance and compliance of business ethics and regularly carries out training and communication in order to promote the awareness of staff at all levels on anti-corruption and anti-money laundering. The Group also opened public email for the purpose of reporting such potential violations. It also welcomes all sectors of the community to report any irregularities. All employees of the Group's headquarters and subordinate companies shall comply with the conflict of interest handling principles formulated by the management and report to the company and solve potential conflict of interests in the process of work.

Principal Risks and Uncertainties

The Group's performance is affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not currently known to the Group or which may not be material now but could turn out to be material in the future.

Business concentration

The Group's operation and major assets are concentrated in the PRC. Accordingly, the Group's business performance, financial position and future prospects are largely dependent on the performance of the property market in the PRC which may be adversely affected by unfavourable changes in the political, social, economic and legal environment. Control measures taken of to mitigate such risks are as follows:

- continual monitoring of the operating and political environment in the PRC that any forthcoming anticipate issues that may affect the business activities of the Group could be addressed to promptly;

- ongoing focus to strengthen the Group's brand values and, within the fast-changing business environment in the PRC, make prompt adjustment to the Group's business strategies when necessary; and

- maintaining a comfortable level of gearing.

Risks pertaining to the property development market and operation

Property development and investment usually entail heavy capital investment with a long investment period and market cycle which are challenges to be faced with in land/project acquisitions. Mistakes made in evaluation and decision would jeopardise the interest of the Group. Control measures taken of to mitigate such risk are as follows:

- Investment Committee is required to perform feasibility studies in a more scientific, accurate and practicable manner;

- respective investment criteria and risk appetite are set prior to land/project acquisition; and

- critical resources availability are adequately assessed in the acquisition plan.

Financial Risk

The Group is exposed to financial risks relating to currency risk, interest rate risk, credit risk and liquidity risk in its ordinary course of business. Further details of such risks and relevant management policies are set out in notes 5 and 40 to the consolidated financial statements.

Auditor's Remuneration

During the FY2025, Prism Hong Kong Limited, the external auditor of the Company, provided the following services to the Group and the respective fees charged are set out below:

Services rendered for the Group	Fee paid/payable HK$'000
Audit services	600,000
Non-audit service – other services	108,000
Total	708,000

Company Secretary

Mr. Cheng Wing Bor, the Company Secretary of the Company, is an employee of the Company and is appointed by the Board. The Company Secretary is responsible directly to the Board and is responsible for providing advice to the Board for ensuring the Board procedures are followed. During the CG Period, Mr. Cheng has complied with all the qualification, experience and training requirements under the Listing Rules.

Shareholders Engagement

Communications with Shareholders

The Group is committed to safeguard shareholders' interests and believes that effective communication with shareholders and other stakeholders is essential for enhancing investor relations and investor understanding of the business performance and strategies of the Group. To achieve this, the Company has established a Shareholders Communication Policy (the "Shareholders Communication Policy") setting out various formal channels of communication with shareholders and other stakeholders for ensuring that they are kept abreast of key business imperatives.

The Group has established a range of communication channels between itself and the shareholders, investors and other stakeholders. These include (i) contacting the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, regarding questions on shareholdings; (ii) publishing corporate communications such as announcements, circulars and the annual and interim reports; (iii) maintaining a corporate website at www.coastal.com.cn and www.irasia.com/listco/hk/coastal; and (iv) holding shareholders' meetings. The Board has the overall responsibility to maintain an ongoing dialogue with the shareholders and the investment community, and will review the Shareholders Communication Policy on an annual basis to ensure its effectiveness.

During the CG Period, the Board has reviewed the Shareholders Communication Policy including steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place and considers that the Shareholders Communication Policy was properly implemented during the CG Period and is satisfied that it has been effective for the Board to understand the views and opinion of the shareholders through the available channels.

Constructive use of the general meetings

The AGM and other general meetings of the Company are the principal occasion at which the Board may interface directly with the shareholders. Shareholders are encouraged to participate in general meetings as it provides opportunities for the Directors and designated senior management to discuss the Company, its corporate governance, and other important matters. External auditors will also attend the AGM to answer any question if necessary. Notice of the AGM and related papers shall be sent to the shareholders in accordance with the requirements of the Bye-laws and the Listing Rules and such documents shall be also made available on the Company's website and the Stock Exchange's website.

Shareholders' Rights

The rights of the shareholders are set out in, amongst other things, the Bye-laws and the Companies Act.

Procedures for convening a general meeting

Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the Company Secretary to require a special general meeting to be convened pursuant to article 58 of the Bye-laws. The written requisition must state the purposes of the meeting, be signed by the relevant shareholder(s) and deposited at the Company's principal place of business in Hong Kong as set out in the section headed "Corporate Information" of this annual report for the attention of the Company Secretary.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a special general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a special general meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedures for putting forward proposal at general meetings

Shareholders may by written requisition request, deposit at the registered office of the Company, inclusion of a resolution relating to matters in a general meeting by following the requirements and procedures as set out in Sections 79 and 80 of the Companies Act.

The above request can be sent to the Company's principal place of business in Hong Kong as set out in the section headed "Corporate Information" of this annual report for the attention of the Company Secretary.

Pursuant to the above-mentioned sections of the Companies Act, either any number of the registered shareholders holding not less than one-twentieth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 of such registered shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Shareholders' enquiries

Shareholders may at any time send their enquiries and concerns in writing to the Company's principal place of business in Hong Kong as set out in the section headed "Corporate Information" of this annual report for the attention of the Company Secretary.

Constitutional Document

The constitutional documents of the Company are available on the websites of the Company and the Stock Exchange. There were no changes in the constitutional documents of the Company during the CG Period.

Dividend Policy

According to the dividend policy adopted by the Company, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account among other things, the following factors: (i) the actual and expected financial performance of the Group, (ii) the retained earnings and distributable reserves of the Group, (iii) the expected working capital requirements and future expansion plans, (iv) liquidity position; and (v) any other factors that the Board deem appropriate. The declaration and payment of dividends by the Company shall be determined at the sole and absolute discretion of the Board and is also subject to compliance with all applicable laws and regulations including the laws of Bermuda and the Bye-laws.

REPORT OF THE DIRECTORS

The Board is pleased to present its report and the audited consolidated financial statements of the Group for the year ended 31 March 2025.

Principal Activities

The Company is an investment holding company and its subsidiaries are principally engaged in property development, property investment, provision of project management and project investment services. An analysis of the Group's revenue and operating results by principal activities are set out in note 6 to the consolidated financial statements.

Business Review

Further discussion and analysis of the Group's activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a fair review of the Group's business, a description of the principal risks and uncertainties faced by the Group, particulars of important events affecting the Group that have occurred since the end of the Year and an indication of likely future development in the Group's business (including, in each case to the extent necessary for an understanding of the development, performance or position of the Group's business, key performance indicators) are set out in the section headed "Chairman's Statement" and "Management Discussion and Analysis" sections on pages 6 to 13 of this annual report and the section headed "Corporate Governance Report" set out on pages 37 to 52 of this annual report. The preceding sections form part of the report.

To the extent necessary for an understanding of the development, performance or position of the Group's business, a discussion on the Group's environmental policies and performance, an account of the Group's key relationships with its employees, customers and suppliers and others that have a significant impact on the Group and on which the Group's success depends and a discussion on the Group's compliance with the relevant laws and regulations that have a significant impact on the Group are set out in the section headed "Environmental, Social and Governance Report" on pages 14 to 34 of this annual report.

Financial Positions and Results

The results of the Group for the year ended 31 March 2025 and the state of affairs of the Group as at that date are set out in the consolidated financial statements on pages 66 to 73 of this annual report.

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out in the section headed "Financial Highlights" on page 5 of this annual report. This summary does not form part of the audited financial statements.

Reserves and Distributable Reserves

As at 31 March 2025, the Company's reserves available for cash distribution and/or distribution in specie, calculated in accordance with the Companies Act, amounted to HK$2,315,240,000. In addition, the Company's share premium account, in the amount of HK$1,330,168,000 as at 31 March 2025, may be distributed in the form of fully paid bonus shares.

REPORT OF THE DIRECTORS

Details of movements in the reserves of the Company and the Group during the Year are set out in note 44 to the consolidated financial statement and in the consolidated statement of changes in equity respectively.

Dividends

The Board does not recommend the payment of any dividend for the year ended 31 March 2025.

Property, Plant and Equipment and Investment Properties

Details of movements in property, plant and equipment and investment properties of the Group during the Year are set out in notes 16 and 17 to the consolidated financial statements respectively. Further details of the Group's properties held for sale and investment are set out in the section headed "Schedule of Major Properties" on page 165 of this annual report.

Properties under Development

Details of movements in properties under development of the Group during the Year are set out in note 24 to the consolidated financial statements. The Group had no properties under development as at 31 March 2025.

Bank and Other Borrowings

Details of bank and other borrowings during the Year are set out in note 31 to the consolidated financial statements.

Share Capital and Share Options

Details of shares issued of the Company during the Year are set out in note 32 to the consolidated financial statements. As at 31 March 2025, the Company and the subsidiaries had no share option scheme.

Equity-Linked Agreements

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the year.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Bye-laws or the applicable laws of Bermuda, the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Purchase, Sale or Redemption of Listed Securities

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

REPORT OF THE DIRECTORS

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares at the date of this report.

Directors

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

Executive Directors:

Mr. Jiang Ming *(Chairman and Managing Director)*
Dr. Li Ting *(resigned on 30 June 2025)*
Mr. Lin Chen Hsin
Ms. Tong Xinhua

Non-executive Directors:

Mr. Qiu Guizhong
Mr. Zhou Xiya

Independent non-executive Directors:

Mr. Wong Kai Cheong
Mr. Yang Jiangang
Mr. Huang Xihua

The biographical details of the existing Directors are set out in the section headed "Biography of Directors" on pages 35 to 36 of this annual report.

In accordance with article 84(1) of the Bye-laws, At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at an annual general meeting at least once every three years. As such, no directors have a term of appointment longer than three years. Mr. Lin Chen Hsin, Mr. Wong Kai Cheong and Mr. Huang Xihua shall retire by rotation and, being eligible, shall offer themselves for re-election at the forthcoming AGM.

The Company has received annual confirmations of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. As at the date of this report, the Company still considers all independent non-executive Directors to be independent.

Permitted Indemnity Provision

The Bye-laws provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their offices, provided that this indemnity shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to any Directors. Such permitted indemnity provision for the benefit of the Directors was in force during the Year and remained in force as of the date of this report.

A Directors' liability insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

Directors' Service Contracts

Each of the executive Directors and non-executive Directors have entered into service contract with the Company for a term of three years and one year respectively, which shall be automatically extended for another one year upon expiration of the term of the service contract unless terminated by either party thereto giving to the other party not less than three months' and one month's prior notice in writing respectively and are subject to retirement by rotation and re-election at the AGM, in accordance with the Bye-laws.

Each of the independent non-executive Directors have entered into a letter of appointment with the Company and is appointed for a period of one year commencing on the date of appointment, which shall be automatically extended for another one year upon expiration of the letter of appointment unless terminated by either party to the letter of appointment which requires not less than one month's length of notice and are subject to retirement by rotation and re-election at the AGM in accordance with the Bye-law.

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

Directors' Remuneration

The Directors' fees and remuneration are subject to review by the Remuneration Committee and approval by the Board which are determined with reference to Directors' duties, responsibilities, performance and the results of the Group.

Details of the remuneration of the Directors, together with those of the five highest paid individuals of the Group for the year are set out in notes 12 and 13 to the consolidated financial statements respectively.

Management Contracts

No contract other than the employment contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

Directors' Material Interests in Transactions, Arrangements or Contracts of Significance

Save as disclosed in note 41 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its holding company or any of its respective subsidiaries was a party, and in which a Director or his connected entity was materially interested, whether directly or indirectly, subsisted at any time during or at the end of the Year.

Related Party Transactions

Details of the significant related party transactions undertaken in the usual course of business are set out in note 41 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction under the Listing Rules.

Directors' Interests in Securities

As at 31 March 2025, the interests and short positions of the Directors and their associates in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long positions in the shares and underlying shares of the Company

Name of Director	Beneficially owner	Interest in controlled corporation	Total number of shares and underlying shares held	% of the Company's issued share capital
Mr. Jiang Ming	–	153,126,197*	153,126,197	36.93%
Mr. Lin Chen Hsin	372,000	153,126,197*	153,126,197	37.02%
Ms. Tong Xinhua	504,000	–	504,000	0.12%

* 153,126,197 shares are beneficially owned by CIH, of which the issued voting share capital is held as to 59.14% by Mr. Jiang Ming, 3.30% by Mr. Lin Chen Hsin and 21.42% by Great Scope Investments Limited (the entire issued voting share capital of which is held by Mr. Jiang Ming). These 153,126,197 shares represent an aggregate of approximately 36.93% of the issued share capital of the Company. Mr. Jiang Ming and Mr. Lin Chen Hsin are directors of CIH.

(ii) Long positions in the shares and underlying shares of CIH

Name of Director	Number of shares held	Capacity and nature of interest	% of the associated corporation's issued share capital
Mr. Jiang Ming	5,914	Beneficial owner	59.14%
	2,142	Interest in controlled corporation	21.42%
Mr. Lin Chen Hsin	330	Beneficial owner	3.30%

Save as disclosed above, as at 31 March 2025, none of the Directors had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or required to notify the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares or Debentures

At no time during the Year was the Company, its holding company, its subsidiaries or other associated corporations, a party to any arrangements to enable the Directors or their respective spouse or minor children to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders' and Other Persons' Interests in Securities

Apart from the interests of CIH as disclosed under the heading "Directors' interests in securities" above, the register of substantial shareholders maintained by the Company pursuant to Section 336 of Part XV of the SFO shows that, as at 31 March 2025, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital.

Name	Nature of Interest	Number of shares held or short positions	% of the Company's issued share capital
Ms. Yang Sun Xin	Family[2]	153,126,197	36.93%
Shenzhen Investment Limited	Corporate	63,109,285	15.22%

Notes:

1. All the interests stated above represent long positions.

2. Ms. Yang Sun Xin is the spouse of Mr. Jiang Ming (Chairman and Managing Director of the Company) and is deemed to be interested in the 153,126,197 shares of the Company, which is the number of shares that CIH is interested in the issued share capital of the Company.

Save as disclosed above, as at 31 March 2025, the Company has not been notified of any other interests or short positions notifiable to the Company held by any other person in the shares or underlying shares required to be recorded pursuant to Section 336 of the SFO.

Major Customers and Suppliers

During the Year, the percentage of purchases attributable to the Group's five largest suppliers combined was less than 30% of the Group's total purchases. The percentage of turnover attributable to the Group's five largest customers combined was 98% of the Group's total turnover.

At no time during the Year have the Directors, their associates or any shareholder (which to the knowledge of the Directors, owns more than 5% of the Company's share capital) had any interest in the Group's five largest customers and suppliers.

Corporate Governance

Details of the corporate governance practices of the Company are set out in the section headed "Corporate Governance Report" on pages 37 to 52 of this annual report.

Audit Committee

The audited consolidated financial statements for the year ended 31 March 2025 have been reviewed by the Audit Committee and duly approved by the Board under the recommendation of the Audit Committee.

Auditor

BDO Limited ("BDO") resigned as the auditor of the Company with effect from 27 March 2024 and Prism Hong Kong Limited was appointed as the auditor of the Company following the resignation of BDO.

The audited financial statements of the Group for the year ended 31 March 2025 have been audited by Prism Hong Kong Limited, who retires and a resolution for its reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board
Jiang Ming
Chairman and Managing Director

Hong Kong, 30 June 2025

INDEPENDENT AUDITOR'S REPORT

Prism

TO THE SHAREHOLDERS OF COASTAL GREENLAND LIMITED
沿海綠色家園有限公司
(Incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Coastal Greenland Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 66 to 164, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory 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 (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements that the Group incurred a loss attributable to owners of the Company of approximately HK$381.9 million for the year ended 31 March 2025 and, as of that date, the Group had interest-bearing bank and other borrowings, and due to a substantial shareholder of the Company in total of approximately HK$492.1 million, out of which approximately HK$150.9 million will be due for repayment within the next twelve months and approximately HK$267.9 million will be repayable on a substantial shareholder's demand, while its available cash and bank balances amounted to approximately HK$2.1 million.

During the year ended 31 March 2025, the Group did not repay the principal amount of other borrowings of HK$80,000,000, which matured on 19 December 2024. These borrowings are secured by the Group's leasehold land and buildings, with a carrying amount of approximately HK$86,000,000. As at 31 March 2025 and up to the date of approval of the consolidated financial statements, the principal of these borrowings remained outstanding. The Group has continued to pay accumulated interest totalling HK$13,316,000 in respect of these borrowings and the Group has been in ongoing negotiations with the lender regarding the renewal or extension of the borrowing facilities.

The non-repayment of the overdue principal constitutes an event of default under the terms of the borrowing agreement. In the event of default, the lender is entitled to sell, transfer, or otherwise dispose of any of the pledged assets. Up to the date of approval of the consolidated financial statements, the lender had neither demanded immediate repayment of the outstanding principal nor exercised its rights to take possession of the pledged assets.

These events and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The directors of the Company, having considered the plans and measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of land held for property development for sale ("LHFD") and completed properties for sale ("CPFS") The Group had LHFD and CPFS of approximately HK$606.8 million and HK$145.9 million, respectively as at 31 March 2025. For impairment assessment purposes, the management of the Group determined the net realisable value ("NRV") of LHFD and CPFS based on the valuation performed by the independent and qualified professional valuer (the "Valuer"). The valuation is dependent on certain significant inputs, including the recent market prices of similar properties, and the prevailing real estate market condition in the People's Republic of China (the "PRC"). We identified this as a key audit matter because the carrying amounts of the LHFD and CPFS are significant and significant judgments and estimation is required to determine their NRV. The Group's accounting policies and disclosures on LHFD and CPFS are set out in notes 4, 5, 23 and 25 to the consolidated financial statements.	Our procedures in relation to the carrying amounts of LHFD and CPFS included: • Assessing management's process on the determination of the NRV of LHFD and CPFS. • Obtaining understanding of the work of the Valuer engaged by management, and assessed the objectivity, independence and competency of the Valuer. • Involving an independent valuation specialist to evaluate the valuation techniques used and tested the underlying key estimations and assumptions for selected samples through enquiry with management and the Valuer, and by reference to the open market information. • Comparing the valuation performed by the Valuer to the range provided by the independent valuation specialist. We further assessed the correctness of the properties related data used as inputs for the valuation. • Assessing the appropriateness of the NRV of the properties, on a sample basis, estimated by the management by comparing the actual selling price subsequent to year end or estimated market price that derive the NRV to the market prices achieved in the same projects or comparable properties, based on our knowledge of the Group's business and the PRC real estate industry. • Challenging the land selling prices as estimated by the Valuer with reference to transacted prices for similar land or the comparable land located in the vicinity of each development site.

Other information

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 issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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 solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act and our agreed terms of the engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yip Chi Chiu.

Prism Hong Kong Limited
Certified Public Accountants
Yip Chi Chiu
Practising Certificate Number: P06934
Hong Kong

30 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	7	**115,838**	4,177
Cost of sales		**(220,737)**	(512)
Gross (loss)/profit		**(104,899)**	3,665
Other income and gains	8	**20,692**	290,174
Marketing and selling expenses		**(109)**	–
Administrative expenses		**(54,412)**	(60,555)
Impairment loss on trade receivables		**(615)**	–
Impairment loss on prepayments, deposits and other receivables, net		**(95,107)**	(491,038)
Impairment loss on due from associates and a joint venture		**(27,888)**	(249,289)
Impairment loss on interest in a joint venture		**–**	(134,256)
Other expenses		**(44,314)**	(25,692)
Write-down of land held for property development for sale		**(41,475)**	(779,358)
Finance costs	9	**(30,839)**	(27,859)
Share of loss of a joint venture		**–**	(867)
Loss before taxation	11	**(378,966)**	(1,475,075)
Income tax (expense)/credit	10	**(2,895)**	75,555
Loss for the year		**(381,861)**	(1,399,520)
Other comprehensive (expense)/income for the year			
Items that will not be reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency, net		**(44,456)**	(106,558)
Deficit on revaluation of leasehold properties		**(46,372)**	(1,290)
Deferred tax credited to revaluation of leasehold properties		**–**	322
Change in fair value of equity investments at fair value through other comprehensive income, net of tax		**(20,072)**	(104)
Other comprehensive expense for the year		**(110,900)**	(107,630)
Total comprehensive expense for the year		**(492,761)**	(1,507,150)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(381,861)**	(1,399,453)
Non-controlling interests		**–**	(67)
		(381,861)	(1,399,520)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(493,134)**	(1,505,436)
Non-controlling interests		**373**	(1,714)
		(492,761)	(1,507,150)
		HK cents	HK cents
Loss per share			
Basic and diluted	15	**(92.10)**	(337.54)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	16	**92,614**	186,183
Investment properties	17	**2,059**	62,655
Right-of-use assets	18	**–**	9,833
Interest in a joint venture	19	**–**	–
Interest in associates	20	**–**	–
Due from associates and a joint venture	19, 20	**–**	28,340
Financial assets at fair value through other comprehensive income ("FVTOCI")	21	**41,986**	61,426
Trade receivables	26	**67,011**	–
		203,670	348,437
Current assets			
Land held for property development for sale	23	**606,829**	659,644
Properties under development	24	**–**	189,730
Completed properties for sale	25	**145,858**	80,576
Trade receivables	26	**33,834**	–
Prepayments, deposits and other receivables	27	**404,034**	503,134
Pledged bank deposits	22	**101**	102
Cash and bank balances	37	**2,091**	9,010
		1,192,747	1,442,196

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Current liabilities			
Trade payables	28	**–**	7,277
Contract liabilities	29	**–**	2,224
Other payables and accruals	30	**33,968**	22,916
Due to a substantial shareholder of the Company	41(a)	**267,895**	170,325
Due to a director	41(a)	**2,166**	–
Interest-bearing bank and other borrowings	31	**150,854**	213,504
		454,883	416,246
Net current assets		**737,864**	1,025,950
Total assets less current liabilities		**941,534**	1,374,387
Non-current liabilities			
Interest-bearing bank and other borrowings	31	**73,361**	53,615
Deferred tax liabilities	33	**30,419**	32,161
		103,780	85,776
NET ASSETS		**837,754**	1,288,611

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	**2025** **HK$'000**	2024 HK$'000
CAPITAL AND RESERVES			
Share capital	32	**414,602**	414,602
Reserves	43	**418,172**	936,027
Equity attributable to owners of the Company		**832,774**	1,350,629
Non-controlling interests	38	**4,980**	(62,018)
TOTAL EQUITY		**837,754**	1,288,611

Approved and authorised for issue by the Board of Directors on 30 June 2025.

Jiang Ming
Director

Lin Chen Hsin
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company											
	Share capital HK$'000 (note 32)	Share premium HK$'000	Contributed surplus HK$'000 (note 43(i))	Capital reserve HK$'000	Leasehold property revaluation reserves HK$'000 (note 43(ii))	Exchange fluctuation reserve HK$'000 (note 43(iii))	People's Republic of China ("PRC") reserve funds HK$'000 (note 43(iv))	Fair value reserve of financial asset measured at FVTOCI HK$'000 (note 43(v))	Retained profits/ (accumulated losses) HK$'000	Total HK$'000	Non-controlling interests HK$'000 (note 38)	Total equity HK$'000
At 1 April 2023	414,602	1,330,168	37,560	22,114	118,596	325,388	9,697	–	597,940	2,856,065	(53,359)	2,802,706
Exchange differences arising on translation to presentation currency, net	–	–	–	–	–	(104,911)	–	–	–	(104,911)	(1,647)	(106,558)
Deficit on revaluation of leasehold properties	–	–	–	–	(1,290)	–	–	–	–	(1,290)	–	(1,290)
Deferred tax credited to revaluation of leasehold properties	–	–	–	–	322	–	–	–	–	322	–	322
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	–	–	(104)	–	(104)	–	(104)
Other comprehensive expense for the year	–	–	–	–	(968)	(104,911)	–	(104)	–	(105,983)	(1,647)	(107,630)
Loss for the year	–	–	–	–	–	–	–	–	(1,399,453)	(1,399,453)	(67)	(1,399,520)
Total comprehensive expense for the year	–	–	–	–	(968)	(104,911)	–	(104)	(1,399,453)	(1,505,436)	(1,714)	(1,507,150)
Acquisition of subsidiaries *(note 34)*	–	–	–	–	–	–	–	–	–	–	3,861	3,861
Disposal of a subsidiary *(note 35)*	–	–	–	–	–	5,734	–	–	(5,734)	–	(10,806)	(10,806)
At 31 March 2024 and 1 April 2025	**414,602**	**1,330,168***	**37,560***	**22,114***	**117,628***	**226,211***	**9,697***	**(104)***	**(807,247)***	**1,350,629**	**(62,018)**	**1,288,611**
Exchange differences arising on translation to presentation currency, net	**-**	**-**	**-**	**-**	**-**	**(44,829)**	**-**	**-**	**-**	**(44,829)**	**373**	**(44,456)**
Deficit on revaluation of leasehold properties	**-**	**-**	**-**	**-**	**(46,372)**	**-**	**-**	**-**	**-**	**(46,372)**	**-**	**(46,372)**
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(20,072)**	**-**	**(20,072)**	**-**	**(20,072)**
Other comprehensive (expense)/income for the year	**-**	**-**	**-**	**-**	**(46,372)**	**(44,829)**	**-**	**(20,072)**	**-**	**(111,273)**	**373**	**(110,900)**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(381,861)**	**(381,861)**	**-**	**(381,861)**
Total comprehensive (expense)/income for the year	**-**	**-**	**-**	**-**	**(46,372)**	**(44,829)**	**-**	**(20,072)**	**(381,861)**	**(493,134)**	**373**	**(492,761)**
Disposal of a subsidiary *(note 35)*	**-**	**-**	**-**	**-**	**-**	**(24,721)**	**-**	**-**	**-**	**(24,721)**	**66,625**	**41,904**
Transfer of revaluation reserves	**-**	**-**	**-**	**-**	**(480)**	**-**	**-**	**-**	**480**	**-**	**-**	**-**
At 31 March 2025	**414,602**	**1,330,168***	**37,560***	**22,114***	**70,776***	**156,661***	**9,697***	**(20,176)***	**(1,188,628)***	**832,774**	**4,980**	**837,754**

* These reserve accounts comprise the consolidated reserves of HK$418,172,000 (2024:HK$936,027,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Loss before taxation		**(378,966)**	(1,475,075)
Adjustments for:			
Finance costs	9	**30,839**	27,859
Share of loss of a joint venture		**–**	867
Bank interest income	8	**(10)**	(204)
Other interest income	8	**(2,680)**	(752)
Dividend income from equity investment at FVTOCI	8	**(7,114)**	–
Depreciation of property, plant and equipment	11	**400**	400
Depreciation of right-of-use assets	11	**750**	758
Write-down of land held for property development for sale	11	**41,475**	779,358
Write-down of completed properties for sale	11	**481**	18,281
Impairment loss on trade receivables	11	**615**	–
Impairment loss on prepayment, deposits and other receivables, net	11	**95,107**	491,038
Impairment loss on due from associates and a joint venture	11	**27,888**	249,289
Impairment loss on interest in a joint venture	11	**–**	134,256
Impairment loss on right-of-use assets	11	**1,376**	–
Loss on disposal of a subsidiary	11	**30,926**	–
Loss on disposal of property, plant and equipment	11	**–**	1,802
Loss on write-off of assets and liabilities upon deregistration of subsidiaries, net	11	**206**	291
Fair value changes in investment properties	11	**9,859**	2,972
Remeasurement of a financial guarantee contract	11	**574**	–
Gain on settlement of indemnity	8	**–**	(141,793)
Overprovision of sales and other taxes	8	**–**	(27,896)
Overprovision of construction cost and operating expenses	8	**(208)**	(38,433)
Write-back of trade and other payables	8	**–**	(80,460)
		(148,482)	(57,442)
Decrease in properties under development		**186,947**	–
Decrease in completed properties for sale		**33,737**	180
Increase in trade receivables		**(84,795)**	–
Decrease/(increase) in prepayments, deposits and other receivables		**30,431**	(408,979)
Decrease in trade payables		**–**	(2,939)
Decrease in contract liabilities		**(2,184)**	–
(Decrease)/increase in other payables and accruals		**(66,575)**	323,675
Increase in due to a director		**2,166**	–
Cash used in operations		**(48,755)**	(145,505)
Tax paid		**(2,881)**	(15,443)
Net cash flows used in operating activities		**(51,636)**	(160,948)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from investing activities			
Advances to associates and a joint venture		**–**	(41)
Repayments from associates and a joint venture		**–**	2,981
Purchases of property, plant and equipment		**–**	(31)
Acquisition of subsidiaries	34	**–**	(88,678)
Disposal of a subsidiary	35	**(331)**	191,042
Withdrawal of pledged bank deposits		**–**	802
Interest received		**1,605**	956
Dividend received		**5,367**	–
Net cash flows generated from investing activities		**6,641**	107,031
Cash flows from financing activities			
New bank and other borrowings		**75,778**	224,667
Repayment of bank and other borrowings		**(115,646)**	(232,575)
Interest paid		**(30,839)**	(59,599)
Advance from a substantial shareholder of the Company		**109,789**	3,362
Net cash flows generated from/(used in) financing activities		**39,082**	(64,145)
Net decrease in cash and cash equivalents		**(5,913)**	(118,062)
Cash and cash equivalents at beginning of year	37	**9,010**	156,669
Effect of foreign exchange rate changes		**(1,006)**	(29,597)
Cash and cash equivalents at end of year	37	**2,091**	9,010

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. General Information

The Coastal Greenland Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Canon's Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda, and the principal place of business of the Company is located at Suite 1712-16, 17/F, China Merchants Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the following activities:

- property development
- property investment
- project management services
- project investment services

In the opinion of the directors of the Company (the "Directors"), the holding company and the ultimate holding company of the Company is Coastal International Holdings Limited, which is incorporated in the British Virgin Islands.

The particulars of the Company's principal subsidiaries are set out in note 44 to the consolidated financial statements.

2. Basis of Preparation and Presentation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). They have been prepared under the historical cost convention, except for leasehold land and buildings, investment properties and financial assets at FVTOCI which have been measured at revalued amount or fair values, as appropriate.

The consolidated financial statements are presented in Hong Kong dollars ("HK$") which is different from functional currency of the Company, Renminbi ("RMB"). The Directors consider that HK$ is the appropriate presentation currency in view of its place of listing, and all values are rounded to the nearest thousand except when otherwise indicated.

2. Basis of Preparation and Presentation *(continued)*

In preparing the consolidated financial statements, the Directors have considered the future liquidity of the Group in view of its recurring losses incurred. The Group incurred a loss attributable to owners of the Company of approximately HK$381.9 million for the year ended 31 March 2025 and, as of that date, the Group had interest-bearing bank and other borrowings, and due to a substantial shareholder of the Company in total of approximately HK$492.1 million, out of which approximately HK$150.9 million will be due for repayment within the next twelve months and approximately HK$267.9 million will be repayable on a substantial shareholder's demand, while its available cash and bank balances amounted to approximately HK$2.1 million.

In addition, during the year ended 31 March 2025, the Group did not repay the principal amount of other borrowings of HK$80,000,000, which matured on 19 December 2024. These borrowings are secured by the Group's leasehold land and buildings, with a carrying amount of approximately HK$86,000,000. As at 31 March 2025 and up to the date of approval of the consolidated financial statements, the principal of these borrowings remained outstanding. The Group has continued to pay accumulated interest totalling HK$13,316,000 in respect of these borrowings and the Group has been in ongoing negotiations with the lender regarding the renewal or extension of the borrowing facilities.

The non-repayment of the overdue principal constitutes an event of default under the terms of the borrowing agreement. In the event of default, the lender is entitled to sell, transfer, or otherwise dispose of any of the pledged assets. Up to the date of approval of the consolidated financial statements, the lender had neither demanded immediate repayment of the outstanding principal nor exercised its rights to take possession of the pledged assets.

These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the above circumstances, the consolidated financial statements have been prepared on a going concern basis, the validity of the going concern basis is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

Also, the Directors are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- the Directors have carried out a detail review of the working capital forecast of the Group for not less than fifteen months from 31 March 2025, which took into account the projected future working capital of the Group;

- to obtain additional funds by equity financing and long-term debt financing to finance the Group's working capital and the repayment of existing debts when they fall due;

2. Basis of Preparation and Presentation *(continued)*

- the Group has been negotiating with the lenders of the borrowings and creditors for the renewal, replacement or extension of repayments of borrowings and other payables to a date when the Group has adequate working capital to serve the repayments;

- the Group has been implementing measures to accelerate the sale of its completed properties held for sale, and speeding up the collection of sales proceeds and other receivables;

- to dispose of its non-core assets when suitable;

- the Group has been taking active measures to control administrative costs;

- the substantial shareholder of the Company has undertaken not to demand repayment of debts due from the Group amounting approximately HK$267.9 million until the Group is in a financial position to do so. In addition, the substantial shareholder further advanced HK$3.5 million in May 2025 to the Group with the same terms as with the HK$267.9 million as stated above to strength the Group's liquidity position, and agreed to provide continual financial support and adequate funds to the Group to meet its liabilities as and when they fall due.

In view of the above, the Directors are of the opinion that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Directors will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. Application of Amendments to HKFRS Accounting Standards

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning on 1 April 2024:

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*
Amendments to HKAS 1	*Non-current Liabilities with Covenants*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

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

3. Application of Amendments to HKFRS Accounting Standards *(continued)*

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards – Volume 11*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]

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 periods beginning on or after 1 January 2027.
4 Effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that except for the new HKFRS Accounting Standards mentioned below, the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

4. Material Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. 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 rights results in control. When the Company has 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:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- 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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the 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.

4. Material Accounting Policies *(continued)*

(b) Investments in associates and a joint venture

An associate is an entity over which the Group has 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 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. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and a 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 associates or a joint venture are eliminated to the extent of the Group's investments in the associates or a joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or a joint venture.

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.

4. Material Accounting Policies *(continued)*

(c) 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 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.

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.

4. Material Accounting Policies *(continued)*

(c) Business combinations and goodwill *(continued)*

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.

(d) Fair value measurement

The Group measures its leasehold land and building, investment properties, and financial assets at FVTOCI 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.

4. Material Accounting Policies *(continued)*

(d) Fair value measurement *(continued)*

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.

(e) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, leasehold land and buildings and investment properties), 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.

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 the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

4. Material Accounting Policies *(continued)*

(e) Impairment of non-financial assets *(continued)*

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 the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

(f) 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;

4. Material Accounting Policies *(continued)*

(f) Related parties *(continued)*

(b) the party is an entity where any of the following conditions applies: *(continued)*

(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.

(g) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or fair value less subsequent accumulated depreciation and any impairment losses. 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 the statement of 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.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

4. Material Accounting Policies *(continued)*

(g) Property, plant and equipment and depreciation *(continued)*

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:

Leasehold improvements	10%-20% or the shorter of the lease
Furniture, fixtures and equipment	10%-20%
Motor vehicles	20%

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 the statement of 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.

(h) Leasehold land and building

When the Group makes payments for ownership interests of properties which includes both land and building elements, the entire consideration is allocated between the land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" as stated in note 4(m) except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying land, the entire properties are classified as property, plant and equipment.

4. Material Accounting Policies *(continued)*

(i) 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.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of 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 the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above.

(j) Land held for property development for sale

The land held for property development for sale represents parcels of land owned by the Group for the purpose of development of properties for sale. The land is initially stated at cost less any impairment losses and is not depreciated. It is transferred to properties under development upon commencement of the related construction work in the property development project.

(k) Properties under development

Properties under development are stated at the lower of cost and Net Realisable Value ("NRV"). Cost includes the cost of land, development expenditures, borrowing costs capitalised, and other attributable expenses. NRV represents estimated selling price for the properties determined by management based on prevailing market conditions less estimated cost to completion and costs necessary to make the sales.

4. Material Accounting Policies *(continued)*

(l) Completed properties for sale

Completed properties for sale are stated at the lower of cost and NRV. Cost is determined by an apportionment of the total cost of land, development expenditure, borrowing cost capitalised and other direct costs attributable to unsold properties. NRV represents estimated selling price for the properties determined by management based on prevailing market prices, on an individual property basis less costs necessary to make sales.

(m) Leasing

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 and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying 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 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.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and NRV in accordance with the Group's policy for "completed properties for sale". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

4. Material Accounting Policies *(continued)*

(m) Leasing *(continued)*

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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

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

Accounting as 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.

The Group has leased out its investment property to a number of tenants. 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. Contingent rents are recognised as revenue in the period in which they are earned.

4. Material Accounting Policies *(continued)*

(n) Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTOCI, and fair value through profit or loss ("FVTPL").

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 FVTPL, 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 FVTOCI, 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 FVTPL, 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 FVTOCI 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 FVTPL.

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.

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 the statement of profit or loss when the asset is derecognised, modified or impaired.

4. Material Accounting Policies *(continued)*

(n) Investments and other financial assets *(continued)*

Subsequent measurement ***(continued)***

Financial assets at FVTOCI (debt instruments)

For debt investments at FVTOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at FVTOCI (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVTOCI 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 FVTOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets at FVTPL 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 derivative instruments and equity investments which the Group had not irrevocably elected to classify at FVTOCI. 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.

4. Material Accounting Policies *(continued)*

(n) Investments and other financial assets *(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.

(o) 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.

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).

4. Material Accounting Policies *(continued)*

(o) Impairment of financial assets *(continued)*

General approach *(continued)*

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 that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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 and contract assets 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.

4. Material Accounting Policies *(continued)*

(o) Impairment of financial assets *(continued)*

Simplified approach

For trade receivables and contract assets 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.

(p) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables 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 and other payables, due to a substantial shareholder of the Company, due to a director and interest-bearing bank and other borrowings.

Subsequent measurement

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

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

After initial recognition, trade and other payables, 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 the statement of 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 in the statement of profit or loss.

4. Material Accounting Policies *(continued)*

(p) Financial liabilities *(continued)*

Subsequent measurement ***(continued)***

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 the statement of profit or loss.

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.

(q) Provisions and contingent liabilities

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

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

4. Material Accounting Policies *(continued)*

(r) 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.

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 does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, 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 joint ventures, 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.

4. Material Accounting Policies *(continued)*

(r) Income tax *(continued)*

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.

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.

(s) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, 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.

(t) Revenue recognition

Revenue from contracts with customer

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, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

4. Material Accounting Policies *(continued)*

(t) Revenue recognition *(continued)*

When the contract contains a financing component which provides the customer 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 amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where 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.

(i) Sale of properties

Revenue from sales of properties is recognised when the respective properties have been completed and delivered to the customers which is a point in time when customers have the ability to direct the use of the properties and obtain substantially all benefits of the properties. Deposits received from customers prior to meeting the aforementioned revenue recognition criteria are regarded as the contract liabilities and included in current liabilities in the consolidated statement of financial position.

The Group considers that the pre-sale proceeds received on sales of properties do not contain significant financing component as the contracts where the period between payment and transfer of the associated properties is less than one year, the Group applied the practical expedient of not adjusting the transaction price for any significant financing component.

For the contracts that contain the performance obligation of providing financial guarantee to banks with respect to mortgage loans procured by the purchasers of the Group's properties in the contracts on sales of properties, the Group should allocate the transaction price to the performance obligations between the sales of properties and provision of financial guarantee on a relative stand-alone selling price basis. The Group considers that the impact in the allocation of provision of financial guarantee on a relative stand-alone selling price basis is insignificant and thus all the revenue recognised from the contracts with customers on sales of properties is then allocated to the revenue from sales of completed properties for sale.

4. Material Accounting Policies *(continued)*

(t) Revenue recognition *(continued)*

(ii) Provision of project management service

Revenue arising from provision of project management service is recognised in the accounting period in which the services are rendered. The Group bills for each month of service provided and recognises as revenue in the amount to which the Group has a right to invoice and corresponds directly with the value of performance completed.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

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 instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholder's right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract asset is recognised when (i) the Group completes the property development under such services contracts but yet certified by architects, surveyors or other representatives appointed by customers, or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the output method then the Group recognises a contract liability for the difference.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

4. Material Accounting Policies *(continued)*

(t) Revenue recognition *(continued)*

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, 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; and

(c) the costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of 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.

(u) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. Material Accounting Policies *(continued)*

(u) Employee benefits *(continued)*

(iii) Retirement scheme obligations

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 the statement of 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 an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

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. This subsidiary is required to contribute 16%-17% of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

(v) 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. 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.

(w) Foreign currencies

These financial statements are presented in Hong Kong dollars. 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 the statement of profit or loss.

4. Material Accounting Policies *(continued)*

(w) Foreign currencies *(continued)*

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).

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, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of 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.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. Hong Kong dollar) using the exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributable to non-controlling interests as appropriate).

5. Significant Accounting Judgments 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.

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.

(a) Estimated write-downs of land held for property development for sale and completed properties for sale

The Group writes-down land held for property development for sale and completed properties for sale to NRV based on assessment of the realisability of land held for property development for sale and completed properties for sale. The Group engages an independent and qualified professional valuer to perform the valuation of land held for property development for sale and completed properties for sale for determining the NRV. In addition, in determining the NRV, the Group has taken into account the costs necessary to make the sale, estimated costs to completion of properties under development based on current cost data and past experience and the net sales value based on past experience and prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the NRV will decrease and this might result in write-downs of land held for property development for sale and completed properties for sale to NRV. Write-downs are recorded when events or changes in circumstances indicate that the carrying balances of the pertinent assets may not be realised at the amount as stated. The identification of write-downs requires the use of judgements and estimates. If there is a change in the events on circumstances resulting in changes to the original estimations used in determining NRV, it will impact the carrying value and write-downs of land held for property development for sale and completed properties for sale in the period in which such a change has occurred. The carrying amounts of land held for property development for sale and completed properties for sale as at 31 March 2025 were HK$606,829,000 (2024: HK$659,644,000) and HK$145,858,000 (2024: HK$80,576,000) respectively.

5. Significant Accounting Judgments and Estimates *(continued)*

Estimation Uncertainty *(continued)*

(b) Estimated impairment of receivables

The measurement of impairment loss under HKFRS 9 across all categories of financial assets that requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment loss and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

At the end of each reporting period, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

As at 31 March 2025, the amounts due from associates and a joint venture amounted to nil (2024: HK$28,340,000) and other receivables amounted to HK$383,221,000 (2024: HK$468,418,000).

(c) Land appreciation taxes ("LAT")

PRC LAT is levied on the appreciation of land value, being the proceeds from the sales of properties less deductible expenditure including land cost, borrowing costs and all property development expenditure.

The subsidiaries of the Company engaging in property development business in the PRC are subject to LAT charges, which will be included in the tax expenses. However, the implementation of LAT varies amongst various PRC cities and the Group has yet to finalise certain of its LAT returns with various tax authorities. Accordingly, a significant judgement is required in determining the amount of land appreciation and its related chargeable taxes. The ultimate LAT determination is uncertain which is a common circumstance which exists in the ordinary course of property development business in the PRC. The Group recognises the LAT liabilities based on management's best estimates. Where the final outcome of these LAT matters is different from the amounts that were estimated and recorded, such differences will impact on the tax expense and provision for LAT included in the tax payable in the period in which such determination is made.

(d) Carrying amount on a financial guarantee contract

The management estimates the expected credit losses for the financial guarantee issued. Should the actual outcome differ with the estimation, a material loss may arise.

6. Segment Information

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the board (the "Board") of directors, being the chief operating decision maker (the "CODM") in order to allocate resources to segments and to assess their performance. No operating segment identified by the CODM has been aggregated in arriving at the reportable segments of the Group. Summary details of the Group's reportable and operating segments are as follows:

- the property development segment engages in the development of properties for sale in the PRC;

- the property investment segment invests in commercial and residential properties located in the PRC for their rental income potential and/or for capital appreciation; and

- the project management services segment engages in the provision of project management services in the PRC.

6. Segment Information *(continued)*

Segment revenue and results

The Group's revenue and results are substantially derived from operations in the PRC. The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Property development		Property investment		Project management services		Consolidated	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
Segment revenue:								
Sales to external customers	113,712	363	2,126	3,814	–	–	115,838	4,177
Disaggregation of revenue:								
Primary geographical markets								
Dalian	113,712	363	–	–	–	–	113,712	363
Dongguan	–	–	207	222	–	–	207	222
Shanghai	–	–	70	106	–	–	70	106
Shenzhen	–	–	1,849	3,486	–	–	1,849	3,486
Total	113,712	363	2,126	3,814	–	–	115,838	4,177
Time of revenue recognition:								
At a point in time	113,712	363	–	–	–	–	113,712	363
Transferred over time	–	–	2,126	3,814	–	–	2,126	3,814
Total	113,712	363	2,126	3,814	–	–	115,838	4,177
Segment results:								
Segment loss	(282,753)	(1,057,911)	(2,537)	(329)	(1,071)	(1,155)	(286,361)	(1,059,395)
Finance costs							(30,839)	(27,859)
Interest income							2,690	956
Foreign exchange gains, net							22	201
Impairment loss on due from associates and a joint venture, net							(27,888)	(249,289)
Impairment loss on interest in a joint venture							–	(134,256)
Share of loss of a joint venture							–	(867)
Other unallocated expenses, net							(36,590)	(4,566)
Loss before taxation							(378,966)	(1,475,075)

Segment results represent the loss before tax made by each reportable segment without allocation of income and expenses of the Group's head office, finance costs, interest income, net foreign exchange difference, net impairment loss on due from associates and a joint venture, impairment loss on interest in a joint venture and share of loss of a joint venture. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The CODM evaluates segment performance based primarily on revenue and segment profit/loss, and the CODM does not review the segment assets and liabilities for the purposes of allocating resources to segments and assessing their performance. Therefore, no segment assets and liabilities are presented.

6. Segment Information *(continued)*

Other segment information

Amounts included in the measure of segment loss:

	Property development		Property investment		Management services		Unallocate		Consolidated	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Depreciation of property, plant and equipment	**99**	61	**-**	–	**8**	4	**293**	335	**400**	400
Depreciation of right-of-use assets	**-**	–	**-**	–	**-**	–	**750**	758	**750**	758
Write-down of land held for property development for sale	**41,475**	779,358	**-**	–	**-**	–	**-**	–	**41,475**	779,358
Write-down of completed properties for sale	**481**	18,281	**-**	–	**-**	–	**-**	–	**481**	18,281
Impairment loss on trade receivables	**615**	–	**-**	–	**-**	–	**-**	–	**615**	–
Impairment loss on prepayments, deposits and other receivables, net	**95,107**	491,038	**-**	–	**-**	–	**-**	–	**95,107**	491,038
Impairment loss on due from associates and a joint venture	**-**	–	**-**	–	**-**	–	**27,888**	249,289	**27,888**	249,289
Impairment loss on interest in a joint venture	**-**	–	**-**	–	**-**	–	**-**	134,256	**-**	134,256
Impairment loss on right-of-use assets	**-**	–	**-**	–	**-**	–	**1,376**	–	**1,376**	–
Loss on disposal of property, plant and equipment	**-**	1,802	**-**	–	**-**	–	**-**	–	**-**	1,802
Remeasurement of a financial guarantee contract	**-**	–	**-**	–	**-**	–	**574**	–	**574**	–
Loss on write-off of assets and liabilities upon deregistration of subsidiaries, net	**206**	291	**-**	–	**-**	–	**-**	–	**206**	291
Gain on settlement of indemnity	**-**	(141,793)	**-**	–	**-**	–	**-**	–	**-**	(141,793)
Write-back of trade and other payables	**-**	(80,460)	**-**	–	**-**	–	**-**	–	**-**	(80,460)
Overprovision of sales and other taxes	**-**	(27,896)	**-**	–	**-**	–	**-**	–	**-**	(27,896)
Overprovision of construction cost and operating expenses	**(208)**	(38,433)	**-**	–	**-**	–	**-**	–	**(208)**	(38,433)
Loss on disposal of a subsidiary	**-**	–	**-**	–	**-**	–	**30,926**	–	**30,926**	–

Information about major customers

During the year ended 31 March 2025, HK$111,528,000 was derived from transaction with a single external customer contributed 10% or more of the Group's total revenue (2024: HK$3,429,000).

Information about geographical areas

Information about the Group's non-current assets, excluding due from associates and a joint venture, financial assets at FVTOCI and trade receivables, determined based on the geographical location of the assets, is as follows:

	2025 HK$'000	2024 HK$'000
The PRC	**8,560**	146,209
Hong Kong	**86,113**	112,462
	94,673	258,671

7. Revenue

	2025 HK$'000	2024 HK$'000
Revenue from contracts with customers		
Sale of properties	**113,712**	363
Revenue from other sources		
Rental income – fixed payment	**2,126**	3,814
	115,838	4,177

As at 31 March 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is nil (2024: HK$2,224,000).

8. Other Income and Gains

	2025 HK$'000	2024 HK$'000
Dividend income from equity investment at FVTOCI	**7,114**	–
Service fee income	**10,532**	–
Gain on settlement of indemnity	**–**	141,793
Overprovision of sales and other taxes	**–**	27,896
Overprovision of construction cost and operating expenses	**208**	38,433
Write-back of trade and other payables	**–**	80,460
Bank interest income	**10**	204
Other interest income	**2,680**	752
Others	**148**	636
	20,692	290,174

9. Finance Costs

	2025 HK$'000	2024 HK$'000
Interest on bank borrowings	**5,339**	41,303
Interest on other borrowings	**25,500**	18,296
	30,839	59,599
Less: Amounts capitalised in qualifying assets	**–**	(31,740)
	30,839	27,859

10. Income Tax

	2025 HK$'000	2024 HK$'000
Enterprise Income Tax ("EIT")		
Current year	**–**	–
Underprovision/(overprovision) in prior years	**2,881**	(133,402)
Deferred tax (note 33)	**14**	57,847
Total tax charge/(credit) for the year	**2,895**	(75,555)

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits sourced in Hong Kong for both years.

10. Income Tax *(continued)*

The Group's income tax expense represents tax charges on the assessable profits of subsidiaries operating in the PRC calculated at the rates of tax prevailing in the locations in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the Company's PRC subsidiaries is 25%.

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

The reconciliation of the tax charge/(credit) applicable to loss before taxation per the consolidated statement of profit or loss and other comprehensive income is as follows:

	2025 HK$'000	2024 HK$'000
Loss before taxation	**(378,966)**	(1,475,075)
Tax at the statutory tax rate of 25%	**(94,742)**	(368,769)
Income not subject to tax	**(27,108)**	(69,403)
Expenses not deductible for tax	**58,768**	449,528
Tax losses not recognised	**63,096**	46,407
Tax effect of share of loss of a joint venture	**–**	217
Underprovision/(overprovision) in prior years	**2,881**	(133,402)
Others	**–**	(133)
Tax charge/(credit) for the year	**2,895**	(75,555)

11. Loss Before Taxation

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

	Notes	2025 HK$'000	2024 HK$'000
Depreciation of property, plant and equipment	16	**400**	400
Staff costs:			
Salaries and other benefits (including directors' remuneration – note 12)		**28,979**	20,021
Pension scheme contributions		**608**	709
		29,587	20,730
Gross rental income		**(2,126)**	(3,814)
Less: Direct operating expenses arising from rental-earning investment properties		**52**	332
Net rental income		**(2,074)**	(3,482)

11. Loss Before Taxation *(continued)*

	Notes	**2025 HK$'000**	2024 HK$'000
Auditor's remuneration		**600**	1,000
Cost of completed properties sold		**220,685**	180
Depreciation of right-of-use assets	18	**750**	758
Write-down of land held for property development for sale *(note a)*	23	**41,475**	779,358
Write-down of completed properties for sale*		**481**	18,281
Impairment loss on trade receivables		**615**	–
Impairment loss on prepayments, deposits and other receivables, net		**95,107**	491,038
Impairment loss on due from associates and a joint venture		**27,888**	249,289
Impairment loss on interest in a joint venture		**–**	134,256
Impairment loss on right-of-use assets*	18	**1,376**	–
Loss on disposal of a subsidiary*	35	**30,926**	–
Loss on disposal of property, plant and equipment*		**–**	1,802
Loss on write-off of assets and liabilities upon deregistration of subsidiaries, net*		**206**	291
Foreign exchange gains, net		**(22)**	(201)
Rental expenses on short-term leases		**318**	503
Fair value changes on investment properties*	17	**9,859**	2,972
Remeasurement of a financial guarantee contract*		**574**	–

* These items are included in "other expenses" of the consolidated statement of profit or loss and other comprehensive income.

Notes:

(a) The amount represented the write-down of land held for property development for sale located in Shenyang to its NRV for the year ended 31 March 2025 and 2024, based on the valuation performed by an independent and qualified professional valuer.

12. Directors' and Managing Directors' Remunerations

Directors' and managing director's remunerations for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Fee HK$'000	Salaries and allowances HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2025				
Executive directors				
Mr. Jiang Ming	–	1,278	–	1,278
Dr. Li Ting (note a)	–	864	36	900
Mr. Lin Chen Hsin	–	722	–	722
Ms. Tong Xinhua	–	721	72	793
	–	3,585	108	3,693
Non-executive directors				
Mr. Qiu Guizhong	50	–	–	50
Mr. Zhou Xiya	50	–	–	50
	100	–	–	100
Independent non-executive directors				
Mr. Huang Xihua	130	–	–	130
Mr. Wong Kai Cheong	130	–	–	130
Mr. Yang Jiangang	130	–	–	130
	390	–	–	390
	490	3,585	108	4,183

12. Directors' and Managing Directors' Remunerations *(continued)*

Directors' and managing director's remunerations for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows: *(continued)*

	Fee HK$'000	Salaries and allowances HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2024				
Executive directors				
Mr. Jiang Ming	–	1,297	–	1,297
Dr. Li Ting (note a)	–	964	53	1,017
Mr. Lin Chen Hsin	–	814	–	814
Ms. Tong Xinhua	–	664	87	751
	–	3,739	140	3,879
Non-executive directors				
Mr. Qiu Guizhong	50	–	–	50
Mr. Zhou Xiya	50	–	–	50
	100	–	–	100
Independent non-executive directors				
Mr. Huang Xihua	130	–	–	130
Mr. Wong Kai Cheong	130	–	–	130
Mr. Yang Jiangang	130	–	–	130
	390	–	–	390
	490	3,739	140	4,369

Note:

(a) Dr. Li Ting tendered his resignation as an executive Director and has ceased to act as the chairman of the Investment Committee with effect from 30 June 2025.

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

Mr. Jiang Ming is the Managing Director who also acts as the role of the Chief Executive of the Company for both years and his emoluments disclosed above included those for service rendered by him as the Managing Director.

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

13. The Five Highest Paid Individuals

The five highest paid individuals during the year included three (2024: three) directors, details of whose remuneration are set out in note 12 above. Details of the remuneration for the year of the remaining two (2024: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries and other benefits	**1,988**	2,391

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

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

No emoluments were paid for the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

14. Dividends

The Board does not recommend the payment of a dividend for the years ended 31 March 2025 and 2024.

15. Loss Per Share

	2025 HK$'000	2024 HK$'000
Earnings		
Loss attributable to owners of the Company	**(381,861)**	(1,399,453)

	2025	2024
Number of shares		
Weighted average number of ordinary shares in issue during the years, used in basic and diluted loss per share calculation *(note)*	**414,602,028**	414,602,028

The diluted loss per share is equal to basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2025 and 2024.

16. Property, Plant and Equipment

	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST OR VALUATION					
1 April 2023	187,921	36,257	10,899	6,299	241,376
Exchange realignment	(62)	(1,013)	(290)	(146)	(1,511)
Additions	–	–	31	–	31
Disposals	(689)	(20,771)	(4,260)	(4,348)	(30,068)
Disposal of a subsidiary (note 35)	–	(2,698)	(589)	(355)	(3,642)
Adjustment on revaluation	(1,412)	–	–	–	(1,412)
At 31 March 2024 and 1 April 2024	185,758	11,775	5,791	1,450	204,774
Exchange realignment	(606)	(133)	(54)	13	(780)
Additions	–	–	455	–	455
Disposal of subsidiaries (note 35)	–	–	(173)	(135)	(308)
Adjustment on revaluation	(46,559)	–	–	–	(46,559)
Transfer to completed properties for sale	(46,633)	–	–	–	(46,633)
At 31 March 2025	91,960	11,642	6,019	1,328	110,949
Comprising					
At cost	–	11,642	6,019	1,328	18,989
At valuation	91,960	–	–	–	91,960
	91,960	11,642	6,019	1,328	110,949

16. Property, Plant and Equipment *(continued)*

	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
ACCUMULATED DEPRECIATION					
1 April 2023	–	33,140	10,108	5,057	48,305
Exchange realignment	–	(919)	(258)	(114)	(1,291)
Provided for the year (note 11)	122	105	5	168	400
Disposals	–	(20,771)	(3,791)	(3,704)	(28,266)
Disposal of a subsidiary (note 35)	–	–	(333)	(102)	(435)
Adjustment on revaluation	(122)	–	–	–	(122)
At 31 March 2024 and 1 April 2024	–	11,555	5,731	1,305	18,591
Exchange realignment	–	(135)	(52)	13	(174)
Provided for the year (note 11)	187	105	59	49	400
Disposal of subsidiaries (note 35)	–	–	(171)	(124)	(295)
Adjustment on revaluation	(187)	–	–	–	(187)
At 31 March 2025	–	11,525	5,567	1,243	18,335
CARRYING VALUES					
At 31 March 2025	91,960	117	452	85	92,614
At 31 March 2024	185,758	220	60	145	186,183

During the year ended 31 March 2025, the Group transferred certain owner-occupied leasehold land and buildings located in the PRC, with a carrying amount of HK$46,633,000, to completed properties held for sale. This transfer was made following a change in use of these properties from owner-occupation to being held for sale in the ordinary course of business.

The Group's leasehold land and buildings were revalued individually at 31 March 2025 and 2024 by Cushman & Wakefield Limited, independent professional valuer not connected with the Group, by reference to market evidence of recent transaction prices for similar properties. In estimating the fair values of the leasehold land and buildings, the highest and best use of the leasehold land and buildings is their current use.

16. Property, Plant and Equipment *(continued)*

The fair values of the leasehold land and buildings were determined by the valuer on direct comparison approach assuming sale of each of these properties on an immediate vacant possession basis by reference to comparable sales evidence as available in the relevant market. Comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size. The most significant input into this valuation approach is price per square meter. There were no changes to the valuation techniques during the year.

The following table illustrates the fair value measurement hierarchy of the Group's leasehold land and buildings:

	Fair value measurement as at 31 March 2025 using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Recurring fair value measurement for:				
Leasehold land and building in Hong Kong	–	–	86,000	86,000
Leasehold land and building in the PRC	–	–	5,960	5,960
	–	–	91,960	91,960

16. Property, Plant and Equipment *(continued)*

The following table illustrates the fair value measurement hierarchy of the Group's leasehold land and buildings: *(continued)*

	Fair value measurement as at 31 March 2024 using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Recurring fair value measurement for:				
Leasehold land and building in Hong Kong	–	–	122,000	122,000
Leasehold land and building in the PRC	–	–	63,758	63,758
	–	–	185,758	185,758

16. Property, Plant and Equipment *(continued)*

Below is a summary of the valuation techniques used and the key inputs to the valuation of leasehold land and buildings:

Leasehold land and buildings	Valuation technique	Significant/ unobservable input	Range of significant/ unobservable input	Relationship of unobservable input to fair value
Leasehold land and buildings in Hong Kong	Direct comparison method	Price per square meter	HK$147,693 – HK$170,847 (2024: HK$193,874 – HK$242,342)	The higher the price per square meter, the higher the fair value.
Leasehold land and buildings in the PRC	Direct comparison method	Price per square meter	HK$12,464 – HK$32,568 (2024: HK$14,078 – HK$50,949)	The higher the price per square meter, the higher the fair value.

There were no transfers into or out of Level 3 during the year ended 31 March 2025 and 2024.

In the opinion of the Directors, the allocation of leasehold land and buildings elements of certain properties located in the PRC cannot be made reliably, thus the entire amount is classified as a finance lease and accounted for as property, plant and equipment.

Had the Group's land and buildings been carried at historical cost less accumulated depreciation, their carrying amounts as at 31 March 2025 would have been HK$84,538,000 (2024: HK$94,470,000).

At 31 March 2025, certain of the Group's land and buildings with an aggregate carrying value of approximately HK$86,000,000 (2024: HK$149,368,000) were pledged to secure bank borrowings and facilities granted to the Group (note 31).

17. Investment Properties

	2025 HK$'000	2024 HK$'000
At beginning of year	**62,655**	72,989
Fair value change (note 11)	**(9,859)**	(2,972)
Exchange realignment	**(1,034)**	(7,362)
Transfer to completed properties for sale	**(49,703)**	–
At end of year	**2,059**	62,655

During the year ended 31 March 2025, the Group transferred certain investment properties located in the PRC, with a carrying amount of HK$49,703,000, to completed properties held for sale. This transfer was made following a change in use of these properties from rental income or capital appreciation to being held for sale in the ordinary course of business.

The fair values of the Group's investment properties as at 31 March 2025 and 2024 have been arrived at on the basis of valuations carried out on the respective dates by Cushman & Wakefield Limited, independent professional valuer not connected with the Group, who has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations respectively.

The valuations have been arrived at by considering the capitalised net rental income or where appropriate, by reference to market evidence of recent transaction prices for similar properties in similar location and condition. In arriving at the capitalised net rental income, the market rentals of all lettable units of the property are assessed and capitalised at market yield expected by investors for this type of property. The market rentals are also assessed by reference to the rentals achieved in other similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yields achieved in analysed market sales transactions and the valuer's knowledge of the market expectation from property investors.

All of the Group's property interests held under operating leases to earn rentals and being held to be leased out or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

17. Investment Properties *(continued)*

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 March 2025 using			
	Quoted prices in active markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Recurring fair value measurement for:				
Investment properties at fair values in the PRC	**–**	**–**	**2,059**	**2,059**

	Fair value measurement as at 31 March 2024 using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Recurring fair value measurement for:				
Investment properties at fair values in the PRC	–	–	62,655	62,655

There were no transfers of fair value measurements into or out of Level 3 for the years ended 31 March 2025 and 2024.

17. Investment Properties *(continued)*

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Investment properties	Valuation technique	Range or weighted average of unobservable input	Relationship of unobservable input to fair value
Investment properties at fair value in the PRC HK$2,059,000 (2024: HK$62,655,000)	Income approach	Reversionary yield 5% (2024: 4% – 4.25%)	The higher the reversionary yield, the lower the fair value

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use. The fair value of investment properties is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided in the table above.

At 31 March 2025, the Group's investment properties ceased to be pledged to secure bank borrowings and facilities granted to the Group. At 31 March 2024, the Group's investment properties with an aggregate carrying value of approximately HK$62,655,000 were pledged to secure bank borrowings and facilities granted to the Group (note 31).

18. Right-of-use Assets

	Land use rights HK$'000
At 1 April 2023	10,970
Depreciation	(758)
Exchange realignment	(379)
At 31 March 2024 and 1 April 2024	9,833
Depreciation	(750)
Impairment	(1,376)
Exchange realignment	(158)
Transfer to completed properties for sale	(7,549)
At 31 March 2025	–

Notes:

(a) Land use rights comprise cost of acquiring rights to use certain lands, which are all located in the PRC and was occupied by the Group as its office as at 31 March 2024.

(b) At 31 March 2024, the Group's right-of-use assets with an aggregate carrying value of HK$9,833,000 were pledged to secure bank borrowings and facilities granted to the Group (note 31).

(c) As disclosed in note 16, the Group transferred certain owner-occupied leasehold land and buildings located in the PRC to completed properties held for sale. Accordingly, the relevant land use right of the leasehold land and buildings being transferred were also transferred to completed properties held for sale.

19. Interest in a Joint Venture

	2025 HK$'000	2024 HK$'000
Share of net assets	**–**	134,256
Impairment allowance	**–**	(134,256)
	–	–
Due from a joint venture	**–**	245,645
Impairment allowance	**–**	(245,645)
	–	–

19. Interest in a Joint Venture *(continued)*

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

Name of joint venture	Form of business structure	Place of registration and operation	Proportion of registered capital held by the Group (note a) 2025	(note a) 2024	Group's percentage of Voting power 2025	Voting power 2024	Profit sharing (note b) 2025	(note b) 2024	Principal activities
Unlisted									
Beijing Huichao Real Estate Development Company Limited ("Beijing Huichao")	Incorporated	PRC	-	40%	-	50%	-	40%	Property development

Notes:

(a) Beijing Huichao was held indirectly by the Asiafame Development Limited ("Asiafame"), a wholly-owned subsidiary of the Company. The Group has joint control of Beijing Huichao with other joint venture partners in accordance with the relevant contractual agreements which decisions about the relevant activities require the unanimous consent of the parties sharing control and accordingly, Beijing Huichao has been accounted for as a joint venture as at 31 March 2024. Upon the disposal of Asiafame, the Gourp ceased to hold its 40% equity interest in Beijing Huichao and accordingly derecognise its interest in the joint venture thereon. Details are set out in note 35.

(b) The Group is entitled to share the operating results of the joint venture based on the Group's profit sharing ratio.

(c) As at 31 March 2024, the Directors consider that the amount due from a joint venture forms a part of the Group's net investment in a joint venture and unlikely to be repaid in the foreseeable future. Accordingly, the due from a joint venture is non-trade, interest-free and of which an amount of HK$110,308,000 is secured by 11% equity interests in Beijing Huichao beneficially owned by a third party partner in the joint venture, is presented as non-current asset as at 31 March 2024. The Group recognised the amount as other receivables upon the disposal of Asiafame (note 35). Details of which are set out in note 27.

(d) Details of impairment assessment of amount due from a joint venture are set out in note 40.

(e) Summarised financial information of Beijing Huichao is amounted for using equity method:

	2024 HK$'000
Current assets	2,843,570
Non-current assets	316
Current liabilities	(2,355,700)
Non-current liabilities	(152,546)
Included in the above amounts are:	
– Cash and cash equivalents	25
– Current financial liabilities (excluding trade payables)	216,623
– Non-current financial liabilities (excluding trade payables)	152,546
Revenue	–
Loss and total comprehensive expense for the year	2,162

(f) The Group did not receive any dividend from Beijing Huichao for the year ended 31 March 2025 and 2024.

20. Interest in Associates

	2025 HK$'000	2024 HK$'000
Share of net assets	**–**	–
Due from associates	**190,709**	195,650
Impairment allowance	**(190,709)**	(167,310)
	–	28,340

Particulars of the Group's associates are as follows:

Name of associate	Form of business structure	Place of registration and operation	Proportion of registered capital: Group's effective interest 2025	Group's effective interest 2024	Held by a subsidiary 2025	Held by a subsidiary 2024	Proportion of voting power held (note b) 2025	Proportion of voting power held (note b) 2024	Principal activities
Unlisted									
Chongqing Yanke Enterprises Co., Ltd.	Incorporated	PRC	**35%**	35%	**35%**	35%	**40%**	40%	Property development
Xinggonchang (Shenzhen) Cultural Development Company Limited	Incorporated	PRC	**20%**	20%	**26%**	26%	**33%**	33%	E-commerce

Note:

(a) As at 31 March 2025, the Directors consider that the due from associates forms part of the Group's net investment in associates and unlikely to be repaid in the foreseeable future. The amounts due from associates are non-trade, unsecured, interest-free and not repayable on demand. Accordingly, it is presented as non-current assets at the years ended 31 March 2025 and 2024.

(b) The Group is entitled to share the operating results of the associates based on the Group's profit sharing ratio.

(c) During the year ended 31 March 2025, the Group has discontinued recognition of its share of losses of HK$61,209,000 (2024: HK$63,959,000) of the above associates.

(d) Details of impairment assessment of amount due from associates are set out in note 40.

21. Financial Assets at FVTOCI

	Notes	2025 HK$'000	2024 HK$'000
Unlisted securities:			
Club membership debentures	a	**2,960**	2,960
Equity securities	b	**39,026**	58,466
		41,986	61,426

Notes:

(a) They represent investments of unlisted club membership debentures in Hong Kong.

(b) Unlisted equity investments, at fair value:

	Notes	2025 HK$'000	2024 HK$'000
Shenzhen City Talent Innovation Venture No.3 Phase 2 Equity Investment Fund Partnership (L.P.)	(i)	**19,571**	31,283
Guangzhou Haichong Real Estate Company Limited	(ii)	**8,789**	9,308
Guangzhou Coastal Greenland Investment and Development Company Limited	(iii)	**4,565**	8,825
Shenzhen Smecg Talent Equity Investment Fund Management Company Limited	(iv)	**3,374**	5,741
Huixinbao Digital Technology (Shanghai) Company Limited	(v)	**2,727**	3,309
		39,026	58,466

(i) 9.14% equity interest in Shenzhen City Talent Innovation Venture No.3 Phase 2 Equity Investment Fund Partnership (L.P.) at cost of RMB30,000,000 (approximately equivalent to HK$32,509,000). It is a limited partnership incorporated in the PRC and its principal activity is security investment. This investment was pledged as securities for the Group's other borrowings (note 31(b)(i)).

(ii) 12% equity interests in Guangzhou Haichong Real Estate Company Limited at cost of RMB12,000,000 (approximately equivalent to HK$13,003,000). It is a private entity incorporated in the PRC and its principal activity is property development in the PRC.

(iii) 8% equity interests in Guangzhou Coastal Greenland Investment and Development Company Limited with investment cost of RMB8,000,000 (approximately equivalent to HK$8,669,000). It is a private entity incorporated in the PRC and it is dormant during the years ended 31 March 2025 and 2024.

21. Financial Assets at FVTOCI *(continued)*

Notes: *(continued)*

(b) *(continued)*

(iv) 5.03% equity interests in Shenzhen Smecg Talent Equity Investment Fund Management Company Limited at cost of RMB1,633,507 (approximately equivalent to HK$1,770,000). It is a private entity incorporated in the PRC and its principal activity is investment holding in the PRC. It is also one of the shareholders of Shenzhen City Talent Innovation Venture No.3 Phase 2 Equity Investment Fund Partnership (L.P.).

(v) 3% equity interests in Huixinbao Digital Technology (Shanghai) Company Limited at cost of RMB3,000,000 (approximately equivalent to HK$3,251,000). It is a private entity incorporated in the PRC and its principal activity is investment holding in the PRC.

(c) The Group classified its investment in club membership debentures and designated equity securities as financial assets at FVTOCI, as the investments are held for strategic purposes.

(d) Dividend income amounting to HK$7,114,000 (2024: Nil) was received from these investments during the year ended 31 March 2025.

22. Pledged Bank Deposits

	2025	2024
	HK$'000	HK$'000
Deposits pledged to banks for:		
Mortgage loan facilities granted to the buyers of certain properties developed by the Group	**101**	102

The pledged bank deposits will be released upon the issuance of title deeds to the buyers of properties for bank deposits pledged to banks in respect of mortgage loan facilities granted to the buyers of certain properties developed by the Group. The pledged bank deposits will be released within one year, and carry fixed interest rate at 0.2% (2024: 0.2%) per annum.

23. Land Held for Property Development for Sale

	2025 HK$'000	2024 HK$'000
At beginning of year	**659,644**	–
Acquisition of subsidiaries (note 34)	**–**	1,440,876
Exchange realignment	**(11,340)**	(1,874)
Write-down during the year (note 11)	**(41,475)**	(779,358)
At end of year	**606,829**	659,644

The Group's land held for property development for sale are situated in the PRC and the cost of leasehold land, which is held for development for sale, represents the cost of acquisition. NRV is determined by the valuation performed by an independent and qualified professional valuer.

24. Properties Under Development

	2025 HK$'000	2024 HK$'000
At beginning of year	**189,730**	196,479
Exchange realignment	**(2,783)**	(6,749)
Land resumption	**(186,947)**	–
At end of year	**–**	189,730

On 23 December 2024, Dalian Jinrijunjian Paradise, an indirect wholly-owned subsidiary of the Company, entered into the land resumption agreement with the local authority. Pursuant to the land resumption agreement, Dalian Jinrijunjian Paradise shall surrender the resumed land to the local authority at a consideration by way of cash compensation of RMB109,000,000 (equivalent to approximately HK$118,115,000). This transaction was completed on 6 March 2025. Details of which are set out in Company's circular and announcement dated 14 February 2025 and 6 March 2025, respectively.

As at 31 March 2024, leasehold interests in land included in properties under development amounted to HK$189,730,000.

25. Completed Properties for Sale

The Group's completed properties for sale are situated in the PRC and are stated at the lower of cost and NRV. Cost includes the cost of land use rights, development expenditure incurred, other direct attributable expenses and, where appropriate, capitalised borrowing cost. NRV represents estimated selling price for the properties determined by management based on prevailing market prices, on an individual property basis less costs necessary to make the sales.

As disclosed in note 16, 17 and 18, certain leasehold land and buildings, investment properties, and right-of-use assets located in PRC, with an aggregate carrying amount of HK$103,885,000 were transferred to completed properties held for sale following a change in use, as they are now intended to be sold in the ordinary course of business. During the year ended 31 March 2025, the Group made a provision for impairment on completed properties for sale of approximately HK$481,000 (2024: HK$18,281,000) to their NRV which is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

At 31 March 2025, certain of the Group's completed properties for sale with an aggregate carrying value of approximately HK$103,885,000 (2024: Nil) were pledged to secure bank borrowings and facilities granted to the Group (note 31).

At 31 March 2025, certain of Group's completed properties held for sale with an aggregate amount of HK$38,730,000 (2024: Nil) were pledged to secure bank borrowings and facilities granted to an independence third party (note 30).

During the year ended 31 March 2024, the Group's certain completed properties for sale of RMB138,784,000 (equivalent to approximately HK$153,090,000) were derecognised upon settlement of the indemnity.

26. Trade Receivables

Trade receivables mainly comprise proceeds from sales of properties. Consideration in respect of sale of properties is receivable in accordance with the terms of the relevant sale and purchase agreement.

	2025 **HK$'000**	2024 HK$'000
Trade receivables	**101,483**	–
Impairment allowance	**(638)**	–
	100,845	–
Non-current portion	**(67,011)**	–
Current portion	**33,834**	–

26. Trade Receivables *(continued)*

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

	2025 HK$'000	2024 HK$'000
Within 1 year	**100,845**	–

Pursuant to the land resumption agreement, the total compensation payable to Dalian Jinrijunjian Paradise, a subsidiary of the Group for the land resumption is RMB109,000,000 (equivalent to approximately HK$118,115,000), which shall be payable in cash by the Dalian Jinpu New District Natural Resources Bureau（大連金普新區自然資源局）to Dalian Jinrijunjian Paradise by instalments in the following manner: (a) as to the amount of RMB9,000,000 (equivalent to approximately HK$9,752,000) by 30 December 2024; (b) as to the amount of RMB34,000,000 (equivalent to approximately HK$36,843,000) by 31 December 2025; (c) as to the amount of RMB33,000,000 (equivalent to approximately HK$35,760,000) by 31 December 2026; and (d) as to the remaining amount of RMB33,000,000 (equivalent to approximately HK$35,760,000) by 31 December 2027. The first instalment of the compensation in the amount of RMB9,000,000 (equivalent to approximately HK$9,752,000) has been received by Dalian Jinrijunjian Paradise. Further details are set out in note 24 and the Company's circular and announcement dated 14 February 2025 and 6 March 2025, respectively.

Details of impairment assessment of trade receivables are set out in note 40.

27. Prepayments, Deposits and Other Receivables

	Notes	2025 HK$'000	2024 HK$'000
Other receivables	a	**1,141,368**	909,793
Prepaid operating expenses and other deposits		**20,813**	34,716
		1,162,181	944,509
Impairment allowance		**(758,147)**	(441,375)
		404,034	503,134

27. Prepayments, Deposits and Other Receivables *(continued)*

Notes:

(a) Included in other receivables are mainly:

(i) As at 31 March 2024, an amount of HK$257,018,000 in relation to the guarantee dividend (the "Guaranteed Dividend") distributable to Coastal Greenland Development (Wuhan) Limited ("Coastal Wuhan") by Tianjin Harmonious.

Tianjin Harmonious has a property development project in Tianjin City of the PRC. Pursuant to the disposal agreement between Coastal Wuhan and new shareholders of Tianjin Harmonious, Coastal Wuhan is entitled to receive the Guaranteed Dividend from Tianjin Harmonious amounting to RMB1,834,000,000 (equivalent to approximately HK$2,023,054,000). Pursuant to the disposal agreement in respect of the disposal of the entire equity interests in Century East Group Limited, a former subsidiary of the Group and holding company of Coastal Wuhan, completed in previous year, the Group is still entitled to receive the Guaranteed Dividend from Tianjin Harmonious after the Disposal.

During the year ended 31 March 2024, impairment losses of approximately HK$254.4 million recognised under ECL model for the Guaranteed Dividend. As at 31 March 2024, this amount is written off as the Directors consider that the amount is long over-due and is unlikely to be repaid in the foreseeable future.

(ii) As at 31 March 2023, an amount of HK$760,241,000, net of ECLs of RMB277,078,000 due from a purchaser regarding the balance of the consideration receivable (the "Consideration Receivable") under the Disposal as set out above. As detailed in note 34, the outstanding balance of the Consideration Receivable was waived during the year ended 31 March 2024.

(iii) Upon the disposal of Asiafame, the Group reclass the amount due from a joint venture to other receivables as disclosed in note 19. The amount due from a former joint venture is non-trade, interest-free and of which an amount of HK$242,806,000 is secured by 11% equity interests in Beijing Huichao beneficially owned by a third party partner of the Beijing Huichao, is presented as a non-current asset as at 31 March 2025. For the year ended 31 March 2024 and 2025, those amounts were fully impaired. Details are set out in note 40.

(iv) An unused and refundable project construction fund ("Fund") amounting to HK$181,537,000 (2024: HK$184,975,000) due from Beijing Industry Development Corporation after recognised a net impairment loss of approximately HK$1,812,000 (2024:HK$1,667,000). According to co-operation agreement and its supplement entered into between Beijing Industry Development Corporation and Shanghai Coastal Commercial Investment Management Company Limited ("Coastal Shanghai"), a subsidiary of the Group, on 3 January 2008, Beijing Industry Development Corporation agreed to co-operate with Coastal Shanghai for the development of the Beijing Jianguomenwai Project with an investment of RMB340,000,000 (equivalent to approximately HK$368,432,000). Coastal Shanghai will obtain the interests and rights of the area of approximately 65% of the Property for a term of 35 years. The Group has provided RMB169,200,000 (equivalent to approximately HK$183,349,000) for project construction, and since the project has not yet commenced, the Group is entitled to request a repayment of the Fund. As Beijing Industry Development Corporation is a wholly owned subsidiary of Beijing Foreign Service Office (北京市對外服務辦公室), a state owned enterprise established under the laws of the PRC, the Directors consider that the Fund is highly likely to be repaid in the foreseeable future. The details are set out in circular dated 29 September 2023.

(v) An amount of HK$131,183,000 (2024: HK$170,452,000) due from Global Central Worlde Limited after recognised a net impairment loss of approximately HK$42,197,000 (2024: HK$4,718,000). Due to the termination of the co-operation agreement entered between Global Central Worlde Limited and Coastal Realty Investment (China) Limited, a subsidiary of the Group, dated 8 December 2018, Global Central Worlde Limited agreed to return the refundable deposits amounting to RMB200,000,000 (equivalent to approximately HK$216,725,000). The Group has received RMB40,000,000 (equivalent to approximately HK$43,345,000) of the refundable deposits, with an outstanding balance of RMB160,000,000 (equivalent to approximately HK$173,380,000).

(b) Details of impairment assessment of other receivables are set out in note 40.

28. Trade Payables

An aged analysis of trade payables as at the end of the year based on invoice date and issuance date of each bill is as follows:

	2025 HK$'000	2024 HK$'000
Over 90 days	–	7,277

The average credit period on purchase is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit period granted.

29. Contract Liabilities

	2025 HK$'000	2024 HK$'000
At beginning of year	**2,224**	2,303
Decrease in contract liabilities as a result of recognising revenue included in the contract liabilities at beginning of year	**(2,184)**	–
Exchange realignment	**(40)**	(79)
At end of year	**–**	2,224

The Group receives deposits from customers when they sign the sale and purchase agreement. Payments are usually received in advance of the performance obligations under the contracts which are mainly from sales of properties. The deposits result in contract liabilities being recognised until the customer obtains control of the completed properties for sale.

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

30. Other Payables and Accruals

	Notes	2025 HK$'000	2024 HK$'000
Other payables		**20,303**	17,769
Accrued construction costs		**–**	208
Other accrued operating expenses		**6,448**	4,939
Sales and other taxes payables		**6,647**	–
Financial guarantee contract	a	**570**	–
		33,968	22,916

Notes:

(a) The financial guarantee contract represents a guarantee given to banks in connection with facilities granted to an independence third party. The independence third party's banking facilities granted by the banks were RMB27,000,000 (equivalent to approximately HK$29,258,000), all of which was utilised by the independence third party. The Group does not hold any collateral or other credit enhancements over the guarantee. The Group does not provide financial guarantees except for limited circumstances. All guarantees are approved by the directors. The financial guarantee contract is measured at the higher of the ECL allowance and the amount initially recognised less the cumulative amount of income recognised. The ECL allowance is measured by estimating the cash shortfalls, which are based on the expected payments to reimburse the holders (i.e., the banks) for a credit loss that it incurs less any amounts that the Group expects to receive from the debtor (i.e., the independence third party). The amount initially recognised representing the fair value at initial recognition of the financial guarantee contract was amounting to HK$1,471,000. During the year ended 31 March 2025, a reversal of ECL allowance amounting to HK$897,000 was provided. The credit exposure of the financial guarantee contract is classified as stage 1. During the year, there were no transfers between stages.

31. Interest-Bearing Bank and Other Borrowings

	2025 HK$'000	2024 HK$'000
CURRENT		
Bank borrowings repayable due for repayment within one year – secured	**70,854**	41,365
Other borrowings repayable on demand or due for repayment within one year – secured	**80,000**	172,139
	150,854	213,504
NON-CURRENT		
Bank borrowings – secured	**2,980**	53,615
Other borrowings – secured	**70,381**	–
	73,361	53,615
	224,215	267,119

31. Interest-Bearing Bank and Other Borrowings *(continued)*

At the end of the reporting period, the carrying amount of Group's bank and other borrowings were repayable as follows:

	2025 HK$'000	2024 HK$'000
Bank borrowings		
Within one year	**70,854**	41,365
More than one year, but not exceeding two years	**2,980**	50,582
More than two years, but not exceeding five years	**–**	3,033
	73,834	94,980
Other borrowings		
On demand or within one year	**80,000**	172,139
More than one year, but not exceeding two years	**70,381**	–
	150,381	172,139
	224,215	267,119

Notes:

(a) As at 31 March 2025, total facilities granted to the Group amounting to HK$127,597,000 (2024: HK$129,888,000) of which HK$127,380,000 (2024: HK$129,667,000) were utilised.

(b) The Group's other borrowings of approximately HK$150,381,000 as at 31 March 2025 (2024: HK$172,139,000) were obtained from the PRC financial institution which is repayable within one year after the reporting date and is collectively secured or guaranteed by:

(i) certain financial asset at FVTOCI of the Group with an aggregate carrying value of approximately HK$19,571,000 (2024: HK$31,397,000); and

(ii) personal guarantee of a substantial shareholder and his personal assets.

31. Interest-Bearing Bank and Other Borrowings *(continued)*

Notes: *(continued)*

(c) All of the Group's bank borrowings and facilities as at 31 March 2025 and 2024 are secured or guaranteed by:

(i) certain land and buildings of the Group with an aggregate carrying value of approximately HK$86,000,000 (2024: HK$149,368,000) (note 16);

(ii) certain investment properties of the Group with an aggregate carrying value of approximately nil (2024: HK$62,655,000) (note 17);

(iii) right-of-use assets of the Group with an aggregate carrying value of approximately nil (2024: HK$9,833,000) (note 18);

(iv) certain completed properties for sale of the Group with an aggregate carrying value of approximately HK$103,885,000 (2024: Nil) (note 25);

(v) corporate guarantees from the Company and certain subsidiaries;

(vi) corporate guarantees from third parties; and

(vii) personal guarantee of a substantial shareholder and his personal assets.

(d) The borrowings are denominated in the following currencies:

	2025	2024
	HK$'000	HK$'000
Hong Kong dollar	**80,000**	95,000
RMB	**144,215**	172,119
	224,215	267,119

(e) The ranges of effective interest rates per annum (which also approximate to contracted interest rates) on the Group's interest-bearing bank and other borrowings are as follows:

	2025		2024	
	Borrowings	**Interest rate**	Borrowings	Interest rate
	HK$'000	**%**	HK$'000	%
Fixed-rate borrowings	**150,381**	**10.8% to 12%**	172,139	12%
Variable-rate borrowings	**73,834**	**4% to 6.15%**	94,980	4% to 6.15%
	224,215		267,119	

The effective interest rate of variable-rate borrowings is based on Hong Kong Interbank Offered Rate ("HIBOR") plus a specified margin or People's Bank of China ("PBOC") interest rate plus a specified margin.

(f) During the year ended 31 March 2025, the Group did not repay the principal amount of other borrowings of HK$80,000,000, which matured on 19 December 2024. These borrowings are secured by the Group's leasehold land and buildings, with a carrying amount of approximately HK$86,000,000. As at 31 March 2025 and up to the date of approval of the consolidated financial statements, the principal of these borrowings remained outstanding. Details are set out in note 2.

32. Share Capital

	Number of ordinary shares	Share Capital HK$'000
Authorised:		
Ordinary shares of HK$0.10 each at 31 March 2023 and 1 April 2023	7,000,000,000	700,000
Share consolidation *(note)*	(6,300,000,000)	–
Ordinary shares of HK$1.00 each at 31 March 2024, 1 April 2024 and 31 March 2025	700,000,000	700,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each at 31 March 2023 and 1 April 2023	4,146,020,285	414,602
Share consolidation *(note)*	(3,731,418,257)	–
Ordinary shares of HK$1.00 each at 31 March 2024, 1 April 2024 and 31 March 2025	414,602,028	414,602

Note: On 13 November 2023, the Board proposes to implement the share consolidation on the basis that every ten (10) issued and unissued existing shares of HK$0.10 each be consolidated into one (1) consolidated share of HK$1.00 each (the "Share Consolidation"). The Share Consolidation was approved by the shareholders on 13 December 2023, and became effective on 15 December 2023. Accordingly, the total number of issued ordinary shares was consolidated from 4,146,020,285 into 414,602,028 on 15 December 2023.

33. Deferred Tax Liabilities

The analysis of deferred tax liabilities is as follows:

	2025 HK$'000	2024 HK$'000
Deferred tax liabilities	**30,419**	32,161

33. Deferred Tax Liabilities *(continued)*

The movements on the net deferred tax account are as follows:

	Business Combinations (note a) HK$'000	Fair value adjustments of investment properties HK$'000	Undistributed profits of PRC subsidiaries (note b) HK$'000	Others (note c) HK$'000	Total HK$'000
At 1 April 2023	(3,278)	(203)	(19,491)	51,034	28,062
Exchange realignment	386	–	965	(4,049)	(2,698)
(Charged)/credited to profit or loss during the year, net	(10,876)	203	133	(47,307)	(57,847)
Credited to other comprehensive income during the year	–	–	–	322	322
At 31 March 2024 and 1 April 2024	(13,768)	–	(18,393)	–	(32,161)
Exchange realignment	868	–	888	–	1,756
Charged to profit or loss during the year, net	–	–	(14)	–	(14)
At 31 March 2025	**(12,900)**	**–**	**(17,519)**	**–**	**(30,419)**

Notes:

(a) This represents the tax effect of the temporary differences arising from the fair value adjustments to the carrying amounts of properties under development upon acquisition of subsidiaries under business combination.

(b) Pursuant to the Detailed Implementation Regulations for implementation of the New Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong. Deferred tax liabilities have been recognised for withholding taxes that would be payable on the planned unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC. The Group's policy on recognising deferred tax liabilities arising from the withholding taxes was 5% of the subsidiaries' entire earnings.

At the end of the reporting period, deferred tax expense of HK$14,000 (2024: deferred tax credit HK$133,000) has been recognised on the undistributed profits of PRC subsidiaries during the year.

(c) This represents the tax effect of the temporary differences arising from determining the accounting profit and taxable profit in respect of sale of certain properties, as well as capitalisation of interest expenses and other property development costs.

(d) At the end of the reporting period, the Group has unused tax losses of HK$1,132,163,000 (2024: HK$824,220,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK$606,137,000 (2024: HK$551,046,000) that will gradually expire in five years. Other losses will be carried forward indefinitely.

34. Acquisition of subsidiaries

For the year ended 31 March 2024

On 13 January 2018, the Company and an independent third party entered into a sale and purchase agreement in relation to the disposal of a subsidiary to the independent third party. During the year ended 31 March 2024, the Company and the independent third party sought to resolve all the outstanding obligations of the parties under the sales and purchase agreement with an amount of HK$717,569,000. On 2 December 2022, the Company entered into a supplemental agreement with an independent third party to waive the outstanding balance of the Consideration Receivable. Details are set out in note 27(a)(ii).

In accordance with the supplemental agreement dated 2 December 2022, the Group agreed to (a) acquisition of 100% of the equity interest in Shanghai Coastal Commercial Investment Management Company Limited and 100% of the equity interest in Shenyang Zhongguang North Film and Television City Company Limited (the "Acquired Interest"), (b) the disposal of 66.67% of the equity interest in Zhuhai Coastal Greenland Real Estate Company Limited ("Zhuhai Coastal"), a subsidiary of the Company to the independent third party, (c) to waive the Consideration Receivable and (d) to waive the loan from the Company to Zhuhai Coastal (the "Shareholder's Loan").

The aggregate consideration for the sale and purchase of Zhuhai Coastal, the Shareholder's Loan and Consideration Receivable is HK$1,825,801,000, out of which (a) HK$87,682,000 is attributable to sale and purchase of Zhuhai Coastal, (b) HK$1,020,550,000 is attributable to the sale and purchase of the Shareholder's Loan and (c) HK$717,569,000 is attributable to the sale and purchase of the Consideration Receivable.

The aggregate consideration for the sale and purchase of the Acquired Interest is HK$1,825,801,000, out of which (a) HK$1,634,768,000 is attributable to the sale and purchase of the entire equity interest in the Acquired Interest and (b) HK$191,033,000 is settled by independent third party to the Company by cash.

At the time of acquisition, the Acquired Interest did not actively engage in any business, accordingly, in the opinion of the Directors, the acquisition of the Acquired Interest does not constitute a business combination but an acquisition of assets and liabilities.

Details were disclosed in the announcements of the Company dated 23 January 2018, 19 April 2018, 30 April 2018, 17 May 2018 and 23 December 2022 and the circulars of the Company dated 30 April 2018 and 29 September 2023.

34. Acquisition of subsidiaries *(continued)*

For the year ended 31 March 2024 *(continued)*

The assets and liabilities of the Acquired Interest at the date of acquisition were as follows:

	2024 HK$'000
Prepayments, deposits and other receivables	197,744
Land held for property development for sale	1,440,876
Cash and bank balances	9
Non-controlling interest	(3,861)
Assets and liabilities recognised at the date of acquisition	1,634,768
Satisfied by:	
Cash consideration received	191,033
Net assets of Zhuhai Coastal (note 35)	(87,682)
Waiver of the Shareholder's Loan (note 35)	(1,020,550)
Waiver of the outstanding balance of the Consideration Receivable (note 27(a)(ii))	(717,569)
	(1,634,768)
Net cash flow on disposal	
Cash consideration received	191,033
Cash and cash equivalent acquired	9
	191,042
Net cash inflow on acquisition	
Cash and cash equivalents disposed of (note 35)	(88,678)
Net inflow of cash and cash equivalents included in cash flows from investing activities	102,364

35. Disposal of a subsidiary

For the year ended 31 March 2025

On 27 March 2024, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the entire equity interest in Asiafame, a wholly-owned subsidiary of the Group, and its subsidiaries ("Asiafame Group"), for a consideration of HK$10,000. This transaction was completed on 16 August 2024. Details of which are set out in Company's announcement and circular dated 18 April 2024 and 26 July 2024, respectively.

The assets and liabilities of the Asiafame Group as at the date of the disposal were as follows:

	2025 HK$'000
Net assets disposed of:	
Property, plant and equipment	13
Interest in a joint venture	–
Prepayments, deposits and other receivables	2,118
Cash and bank balances	341
Trade payables	(7,198)
Other payables and accruals	(6,242)
Non-controlling interests	66,625
Subtotal	55,657
Exchange reserves	(24,721)
Loss on disposal of subsidiary	(30,926)
Total consideration	10
Satisfied by cash	10

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Asiafame Group is as follows:

	2024 HK$000
Net cash flows	
Cash and cash equivalent disposed	(341)
Cash consideration received	10
	(331)

35. Disposal of a subsidiary *(continued)*

For the year ended 31 March 2024

	2024 Zhuhai Coastal HK$'000
Property, plant and equipment	3,207
Prepayments, deposits and other receivables	3,714,822
Cash and cash equivalents	88,678
Other payables and accruals	(1,611,815)
Interest-bearing bank and other borrowings	(1,075,854)
Shareholder's Loan	(1,020,550)
Non-controlling interests	(10,806)
Net assets disposed of	87,682

36. Operating Lease Arrangements

As a lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from 1 month to over 5 years at fixed rentals. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2025 HK$'000	2024 HK$'000
Within one year	**489**	2,854
After 1 year but within 2 years	**410**	427
After 2 years but within 3 years	**314**	479
After 3 years but within 4 years	**306**	326
After 4 years but within 5 years	**76**	308
After 5 years	**–**	385
	1,595	4,779

For the year ended 31 March 2025, the total cash outflow for leases (including short-term leases) is amounted to HK$318,000 (2024: HK$503,000).

37. Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2025 HK$'000	2024 HK$'000
Cash and bank balances	**2,091**	9,010

Bank balances carry interest at market rates which range from 0.01% to 0.25% (2024: 0.01% to 0.25%) per annum.

38. Non-controlling Interests

	2025 HK$'000	2024 HK$'000
At beginning of year	**(62,018)**	(53,359)
Acquisition of subsidiaries (note 34)	**–**	3,861
Disposal of a subsidiary (note 35)	**66,625**	(10,806)
Total comprehensive income/(expense) for the year attributable to non-controlling interests	**373**	(1,714)
At end of year	**4,980**	(62,018)

38. Non-controlling Interests *(continued)*

As at 31 March 2024, Hengxiang Real Estate, a 86% owned subsidiary of the Company, has material non-controlling interests. Upon the disposal of Asiafame, the Gourp lost 86% equity interest of Hengxiang Real Estate and derecognised the non-controlling interests thereon. Details of which are set out in note 35.

Summarised financial information in relation to non-controlling interests of Hengxiang Real Estate, before intra-group eliminations, is presented below:

	2024 HK$'000
Revenue	–
Loss for the year	(548)
Total comprehensive expense for the year	(548)
Loss for the year allocated to non-controlling interests	(77)
Net cash used in operating activities	(429)
Net decrease in cash and cash equivalents	(429)

	2024 HK$'000
Current assets	16,921
Non-current assets	12
Current liabilities	(506,573)
Net liabilities	(489,640)
Accumulated non-controlling interests	(64,795)

39. Reconciliation of Liabilities Arising from Financing Activities

	Interest bearing bank and other borrowings (note 31) HK$'000	Due to a substantial shareholder of the Company (note 41(a)) HK$'000	Total HK$'000
At 1 April 2024	267,119	170,325	437,444
Changes from financing cash flows:			
New bank and other borrowings	75,778	–	75,778
Repayment of bank and other borrowings	(115,646)	–	(115,646)
Interest paid	(30,839)	–	(30,839)
Advance from a substantial shareholder of the Company	–	109,789	109,789
	(70,707)	109,789	39,082
Other changes:			
Interest expenses	30,839	–	30,839
Exchange adjustments	(3,036)	(12,219)	(15,255)
	27,803	(12,219)	15,584
At 31 March 2025	224,215	267,895	492,110

39. Reconciliation of Liabilities Arising from Financing Activities *(continued)*

	Interest bearing bank and other borrowings (note 31) HK$'000	Due to a substantial shareholder of the Company (note 41(a)) HK$'000	Total HK$'000
At 1 April 2023	1,396,216	169,428	1,565,644
Changes from financing cash flows:			
New bank and other borrowings	224,667	–	224,667
Repayment of bank and other borrowings	(232,575)	–	(232,575)
Interest paid	(59,599)	–	(59,599)
Advance from a substantial shareholder of the Company	–	3,362	3,362
	(67,507)	3,362	(64,145)
Other changes:			
Interest expenses	59,599	–	59,599
Exchange adjustments	(45,335)	(2,465)	(47,800)
Disposal of a subsidiary	(1,075,854)	–	(1,075,854)
	(1,061,590)	(2,465)	(1,064,055)
At 31 March 2024	267,119	170,325	437,444

40. Financial Risk Management

The Group's major financial instruments include due from associates and a joint venture, financial assets at FVTOCI, trade receivables, other receivables, pledged bank deposits, cash and bank balances, trade payables, other payables, a financial guarantee contract, due to a substantial shareholder of the Company, due to a director and interest-bearing bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include currency risk, interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Financial risk factors

(i) Currency risk

The Group has other receivables, due from associates and a joint venture, cash and bank balances, other payables, due to a substantial shareholder of the Company and bank borrowings denominated in Hong Kong dollar and United States dollar, which are different from the functional currency of the respective group entity and accordingly expose the Group to foreign currency risk. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

	Assets		Liabilities	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong dollar	**4,179**	117,389	**100,933**	103,907
United States dollar	**58**	570	**–**	–

40. Financial Risk Management *(continued)*

(a) Financial risk factors *(continued)*

(i) Currency risk *(continued)*

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2024: 5%) increase in RMB against Hong Kong dollar and United States dollar. 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates. A positive number below indicates a decrease in loss (2024: decrease in loss) for the year where RMB strengthens against the relevant foreign currencies. For a 5% (2024: 5%) weakening of RMB against the relevant currencies, there would be an equal and opposite impact on the loss (2024: loss) for the year.

	2025 **HK$'000**	2024 HK$'000
Hong Kong dollar		
Decrease/(increase) in loss for the year	**4,838**	(674)
United States dollar		
Increase in loss for the year	**(3)**	(28)

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

40. Financial Risk Management *(continued)*

(a) Financial risk factors *(continued)*

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank and other borrowings. The Group is also exposed to cash flow interest rate primarily in relation to variable-rate bank and other borrowings. The Group's cash flow interest rate is mainly concentrated on the fluctuation of PBOC prescribed interest rate arising from the Group's RMB denominated bank borrowings. The management considers the exposure to interest rate risk in relation to pledged bank deposits and bank balances is insignificant due to the low level of bank interest rate. During the year, the Group has not entered into any derivative contracts to hedge against its cash flow and fair value interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arose.

Sensitivity analysis

The following table details the Group's sensitivity to a 100 basis points (2024: 100 basis points) increase and decrease in PBOC prescribed interest rate. 100 basis points are the sensitivity rate used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The sensitivity analysis includes only variable-rate bank and other borrowings assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A positive number below indicates an increase in loss where the interest rate increases. If the interest rate decreases, there would be an equal and opposite impact on the loss for the year.

In the management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

	2025 **HK$'000**	2024 HK$'000
PBOC interest rate		
Increase in loss for the year	**738**	871

40. Financial Risk Management *(continued)*

(a) Financial risk factors *(continued)*

(iii) Credit risk

As at the end of the reporting period, the Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

Trade receivables

The Group has policies in place to ensure that property sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts.

Of the trade receivables balance at the end of the year, HK$99,247,000 are due from Dalian Jinpu New District Natural Resource Bureau, the Group's largest customer. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to Dalian Jinpu New District Natural Resource Bureau did not exceed 20 per cent of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 1 per cent of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the counterparty is a PRC government authority entrusted by the local government of Dalian City with sound credit ratings.

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

	2025 **HK$'000**	2024 HK$'000
At beginning of year	**–**	–
Impairment loss recognised	**615**	–
Exchange realignment	**23**	–
At end of year	**638**	–

40. Financial Risk Management *(continued)*

(a) Financial risk factors *(continued)*

(iii) Credit risk *(continued)*

Other receivables

Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.

Overall, the total ECL provided by the Group for other receivables was HK$758,147,000 (2024: HK$441,375,000 with reference to the disposal of Zhuhai Coastal) and ECL assessment provided by an independent valuer. As at 31 March 2025, as no collateral was held by the Group, the maximum exposure to loss of other receivables was HK$383,221,000 (2024: HK$468,418,000).

Movements in the loss allowance account in respect of other receivables during the year are as follows:

	2025 **HK$'000**	2024 HK$'000
At beginning of year	**441,375**	323,896
Impairment loss recognised	**95,107**	491,038
Amount written off as uncollectible	**–**	(323,896)
Exchange realignment	**(21,141)**	(49,663)
Other changes (note a)	**242,806**	–
At end of year	**758,147**	441,375

Note:

(a) Upon the disposal of Asiafame, the Group reclass the loss allowance of amount due from a joint venture to loss allowance of other receivables. Details of which are set out in note 27.

Due from associates and a joint venture

As at 31 March 2025, due from associates and a joint venture are classified as financial asset at amortised cost. The measurement of loss allowance was therefore based on twelve months ECL. The Group has assessed the ECL for the due from associates and a joint venture and an impairment loss of HK$27,888,000 was recognised during the year (2024: HK$249,289,000).

40. Financial Risk Management *(continued)*

(a) Financial risk factors *(continued)*

(iii) Credit risk *(continued)*

Due from associates and a joint venture (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for due from associates and a joint venture:

	2025 **HK$'000**	2024 HK$'000
Gross carrying amount	**190,709**	441,295
Provision for impairment	**(190,709)**	(412,955)
Carrying amount net of ECLs	**–**	28,340

Movements in the loss allowance account in respect of due from associates and a joint venture during the year is as follows:

	2025 **HK$'000**	2024 HK$'000
At beginning of year	**412,955**	168,904
Impairment loss recognised in profit or loss	**27,888**	249,289
Exchange realignment	**(7,328)**	(5,238)
Other changes (note a)	**(242,806)**	–
At end of year	**190,709**	412,955

Note:

(a) Upon the disposal of Asiafame, the Group reclass the loss allowance of amount due from a joint venture to loss allowance of other receivables. Details of which are set out in note 27.

40. Financial Risk Management *(continued)*

(a) Financial risk factors *(continued)*

(iii) Credit risk *(continued)*

Financial guarantee contract

Movements in the loss allowance account in respect of financial guarantee contract during the year is as follows:

	2025 HK$'000	2024 HK$'000
At beginning of year	**–**	–
Impairment loss recognised	**574**	–
Exchange realignment	**(4)**	–
At end of year	**570**	–

Cash and cash equivalents

Most of the Group's cash and cash equivalents are held in major reputable financial institutions in the PRC and Hong Kong, which management believes are of high credit quality.

(iv) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate working capital and continuously monitoring forecast and actual cash flows.

The Group relies on bank and other borrowings as a significant source of liquidity. The Group manages the maturities profile of its bank and other borrowings by designating a team to closely monitor the funding requirement with lending covenants and its compliance and early negotiate with lenders for refinancing arrangement or seek for new sources of financing prior to maturity.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank and other borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

40. Financial Risk Management *(continued)*

(a) Financial risk factors *(continued)*

(iv) Liquidity risk *(continued)*

	Weighted average effective interest rate %	On demand or less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	1-5 years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2025							
Other payables		20,303	–	–	–	20,303	20,303
Financial guarantee contract		570	–	–	–	570	570
Due to a substantial shareholder of the Company		267,895	–	–	–	267,895	267,895
Due to a director		2,166	–	–	–	2,166	2,166
Interest-bearing bank and other borrowings							
– Fixed rate	12.00	80,625	77,087	–	–	157,712	150,381
– Variable rate	5.54	347	683	3,057	76,737	80,824	73,834
		371,906	77,770	3,057	76,737	529,470	515,149

	Weighted average effective interest rate %	Less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	1-5 years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2024							
Trade payables		7,277	–	–	–	7,277	7,277
Other payables		17,769	–	–	–	17,769	17,769
Due to a substantial shareholder of the Company		170,325	–	–	–	170,325	170,325
Interest-bearing bank and other borrowings							
– Fixed rate	12.00	173,062	–	–	–	173,062	172,139
– Variable rate	5.55	9,258	18,394	17,461	54,582	99,695	94,980
		377,691	18,394	17,461	54,582	468,128	462,490

Bank and other borrowings with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 March 2025, there were bank and other borrowings amounting to HK$80,000,000 with a repayment on demand clause (2024: Nil).

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change, if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

40. Financial Risk Management *(continued)*

(b) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes the bank and other borrowings disclosed in note 31, and due to a substantial shareholder of the Company in note 41(a), net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The Directors review the capital structure periodically. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

The Group sets the amount of equity in proportion to its overall financing structure. The equity-to-overall financing ratios at the end of the reporting periods were as follows:

	2025 HK$'000	2024 HK$'000
Equity attributable to owners of the Company	**832,774**	1,350,629
Overall financing		
Interest-bearing bank and other borrowings	**224,215**	267,119
Due to a substantial shareholder of the Company	**267,895**	170,325
Pledged bank deposits	**(101)**	(102)
Cash and bank balances	**(2,091)**	(9,010)
	489,918	428,332
Equity-to-overall financing ratio	**1.7:1**	3.2:1

40. Financial Risk Management *(continued)*

(c) Fair values of financial instruments

The Group followed HKFRS 7 *Financial Instruments: Disclosures* which introduce a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

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

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

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

	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000 (note)**	**Total HK$'000**
As at 31 March 2025				
Financial assets at FVTOCI	**–**	**–**	**41,986**	**41,986**
As at 31 March 2024				
Financial assets at FVTOCI	–	–	61,426	61,426

Notes:

The fair values of the unlisted equity securities in Level 3 have been determined with reference to the fair values of underlying assets and liabilities of the investees as at 31 March 2025 and 2024.

40. Financial Risk Management *(continued)*

(c) Fair values of financial instruments *(continued)*

The valuations are determined based on the following significant unobservable inputs:

Financial instruments	Valuation technique	Fair value as at 31 March 2025 HK$'000	Fair value as at 31 March 2024 HK$'000	Significant unobservable inputs	Sensitivity of fair value to the input
Financial assets at FVTOCI	Cost approach	**7,525**	21,092	Replacement cost of underlying assets and liabilities	Had the replacement cost of underlying assets and liabilities increased (decreased) by 5%, the fair value would have (decreased) increased by approximately HK$433,000 (2024: HK$1,055,000).
	Market approach	**34,461**	40,334	Discount for lack of marketability of 20.4% (2024: 20%)	Had the discount rate increased (decreased) by 5%, the fair value would have (decreased) increased by approximately HK$2,441,000 (2024: HK$1,853,000).

The movements of fair value measurements in Level 3 during the year are as follows:

	2025 HK$'000	2024 HK$'000
At beginning of year	**61,426**	63,613
Fair value change recognised in other comprehensive income	**(20,072)**	(104)
Exchange realignment	**632**	(2,083)
At end of year	**41,986**	61,426

The fair value of the unlisted equity securities are Level 3 recurring fair value measurement. During the years ended 31 March 2025 and 31 March 2024, there have been no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

40. Financial Risk Management *(continued)*

(d) Categories of financial instruments

	2025 HK$'000	2024 HK$'000
Financial assets		
At amortised cost	**486,258**	505,870
At FVTOCI	**41,986**	61,426
Financial liabilities		
At amortised costs	**514,559**	462,490
At FVTPL	**570**	–

41. Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in the notes to the consolidated financial statements, the Group had the following significant transactions with related parties:

(a) Outstanding balances with related parties

Due to a substantial shareholder of the Company represents due to Coastal International Holdings Limited, which holds 36.93% (2024: 36.93%) interests in the Company. The amount is unsecured, interest-free and repayable on demand.

Due to a director represents due to Mr. Jiang Ming. The amount is unsecured, interest-free and repayable on demand.

(b) Compensation of key management personnel of the Group who are the Directors

	2025 HK$'000	2024 HK$'000
Short term benefits	**4,075**	4,229
Post-employment benefits	**108**	140
Total compensation paid to key management personnel	**4,183**	4,369

The remuneration of the Directors and senior management is determined by the remuneration committee having regard to the performance of individuals and market trend. Further details of the Directors' emoluments are included in note 12.

42. Statement of Financial Position of the Company

	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	**804,453**	1,300,264
Financial assets at FVTOCI	**2,400**	2,400
Total non-current assets	**806,853**	1,302,664
CURRENT ASSETS		
Bank balances	**720**	1,056
Total current assets	**720**	1,056
CURRENT LIABILITIES		
Other payables and accruals	**7,579**	10,061
Due to subsidiaries	**23,935**	55,342
Total current liabilities	**31,514**	65,403
NET CURRENT LIABILITIES	**(30,794)**	(64,347)
NET ASSETS	**776,059**	1,238,317
CAPITAL AND RESERVES		
Share capital	**414,602**	414,602
Reserves (note 43)	**361,457**	823,715
TOTAL EQUITY	**776,059**	1,238,317

Approved and authorised for issue by the Board of Directors on 30 June 2025.

Jiang Ming
Director

Lin Chen Hsin
Director

43. Reserves

The Group

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 on page 71 of the consolidated financial statements.

(i) Contributed surplus

The contributed surplus represents the surpluses arising from the issue of shares by Coastal Realty (BVI) Limited, the intermediate holding company of the Company, (i) in the acquisition of Coastal Realty Development Co. Limited, the former holding company of the Company in 1995; and (ii) at a premium to third parties in 1997, less dividends paid to shareholders in previous years.

(ii) Leasehold property revaluation reserve

The leasehold property revaluation reserve comprises the cumulative net changes in the fair value of leasehold property held by the Group as at year-end dates, net of deferred tax.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations which are dealt with in accordance with the accounting policies as set out in note 4(w).

(iv) PRC reserve funds

PRC reserve funds are reserves required by the relevant laws in the PRC applicable to the Company's PRC subsidiaries for staff welfare and expansion of working capital.

(v) Fair value reserve of financial assets measured at FVTOCI

Fair value reserve of financial assets measured at FVTOCI comprises the cumulative net change in the fair value of financial assets measured at FVTOCI (non-recycling) held by the Group as at year-end dates, net of tax.

The Company

Movements of reserves of the Company

	Share premium HK$'000	Contributed surplus HK$'000	Exchange fluctuation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	1,330,168	2,315,240	(160,357)	(1,435,788)	2,049,263
Loss for the year	–	–	–	(1,225,548)	(1,225,548)
At 31 March 2024 and 1 April 2024	1,330,168	2,315,240	(160,357)	(2,661,336)	823,715
Loss for the year	–	–	–	(462,258)	(462,258)
At 31 March 2025	1,330,168	2,315,240	(160,357)	(3,123,594)	361,457

44. Particulars of Principal Subsidiaries

Particulars of principal subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place of incorporation/ registration and operation	Particulars of issued capital/registered capital (note a)	Percentage of equity attributable to the Company 2025 %	2024 %	Principal activities
Directly held subsidiaries:					
Coastal Green Concept Company Limited	Hong Kong	HK$1 Ordinary	**100**	100	Investment holding
Coastal Realty (BVI) Limited	BVI/Hong Kong	US$200 Ordinary	**100**	100	Investment holding
Coastal Realty Investment (China) Limited#&	PRC	US$100,000,000	**–**	100	Investment holding
Coastal A.I. Solutions Limited	Hong Kong	HK$1 Ordinary	**100**	100	Investment holding
Indirectly held subsidiaries:					
Coastal Green Technology Development Group Limited	Hong Kong	HK$1 Ordinary	**100**	100	Investment holding
Costal Green Construction (Shenzhen) Management Consulting Company Limited	PRC	RMB1,000,000	**100**	100	Investment holding
Coastal Greenland Development (Anshan) Ltd.@	PRC	RMB50,000,000	**–**	100	Property development
Coastal Realty Development Co. Limited	Hong Kong	HK$10 Ordinary HK$20,000,000 Non-voting deferred shares (note b)	**100**	100	Investment holding
Coastal Realty Management Company Limited	Hong Kong	HK$500,000 Ordinary	**100**	100	Investment holding
Dalian Jinri Junjian Park+	PRC	RMB800,000	**100**	100	Property development
Dragon Gain Investment Limited	Hong Kong	HK$1,000 Ordinary	**100**	100	Investment holding
Globe Gain Limited%	Hong Kong	HK$3 Ordinary	**–**	100	Investment holding
Hengxiang Real Estate@	PRC	RMB500,000,000	**–**	86	Property development
North Coastal Real Estate Development (Dalian) Co., Ltd.#	PRC	US$15,000,000	**100**	100	Property development
Pearl Square Enterprises Limited	Hong Kong	HK$2 Ordinary	**100**	100	Investment holding
Shanghai Coastal Greenland Real Estate Ltd.*	PRC	RMB136,200,000	**100**	100	Investment holding
Shanghai Runxiang Fumao Co., Ltd.	PRC	RMB50,000,000	**100**	100	Investment holding
Shenzhen Coastal Property Investment Limited*	PRC	US$11,000,000	**100**	100	Investment holding

44. Particulars of Principal Subsidiaries *(continued)*

Name of subsidiary	Place of incorporation/ registration and operation	Particulars of issued capital/registered capital (note a)	Percentage of equity attributable to the Company 2025 %	2024 %	Principal activities
Shenzhen Tongzhe Culture Limited*	PRC	RMB1,000,000	**100**	100	Provision of management services
Tacklemate Investment Limited	Hong Kong	HK$2 Ordinary	**100**	100	Property investment
Shanghai Coastal Commercial Investment Management Company Limited	PRC	RMB10,000,000	**100**	100	Investment holding
Shenyang Zhongguang North Film and Television City Company Limited	PRC	RMB200,000,000	**100**	100	Property development

Notes:

(a) For those companies incorporated in Hong Kong and the British Virgin Islands, the amounts stated represent the issued share capital. For those companies registered in the PRC, the amounts stated represent the registered capital.

(b) Non-voting deferred shares do not entitle the holders to receive any profit, or to receive notice of or to attend or vote at any general meeting of the company. On a return of assets on a winding-up or otherwise, the assets of the company available for distribution among the members shall be distributed as regards the first HK$100,000,000,000,000 thereof among the holders of ordinary shares in proportion to the amounts paid up on the ordinary shares held by them, respectively, and the balance (if any) of such assets shall belong to and be distributed among the holders of the non-voting deferred shares and the holders of the ordinary shares pari passu among themselves in each case in proportion to the amounts paid up on the shares held by them, respectively.

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.

- # wholly foreign owned enterprise
- ^ sino-foreign joint venture
- * wholly domestic owned enterprise
- + pursuant to the agreement entered with the sole shareholder of the entity, the Group has power to direct the relevant activities of the entity since the respective date of acquisition, and hence the entity is classified as subsidiary of the Company
- @ these entities were disposed as set out in note 35
- & this entity was deregistered on 23 July 2023
- % this entity was dissolved on 6 September 2024

45. Subsequent Events

In addition to the information shown elsewhere in the consolidation financial statements, there is no occurrence of events that had a significant impact on the Group's operation, financial and trading prospects after the reporting period up to the date of this report.

SCHEDULE OF MAJOR PROPERTIES

Properties Held for Sale and Investment

Property description	Address	Type of development	GFA of the development (sq.m.)	GFA held at 31 March 2025 (sq.m.)	Interest in the development attributable to the Group	Completion/ delivery time
Properties in which the Group has the controlling interests: The PRC						
Dalian Jianzhu Project Phase I & Phase 2 B2	South of Huabei Road and West of Huadong Road, Ganjingzi District, Dalian	Residential	168,900	4,697	100%	Oct 2013/Mar 2014
Shenzhen Noble Center	Unit A, 38/F., Noble Center, No.1006 Third Fuzhong Road, Futian District, Shenzhen	Commercial – office	N/A	947	100%	2006 (Notes 3)
	Unit B, 38/F., Noble Center, No.1006 Third Fuzhong Road, Futian District, Shenzhen	Commercial – office	N/A	1,010	100%	2006 (Notes 3)
Shanghai Golden Bridge Mansion	Unit A, 2077 Yanan West Road, Changning District, Shanghai	Commercial – office	N/A	82	100%	1993 (Note 1 & 5)
	Unit B, 2077 Yanan West Road, Changning District, Shanghai	Commercial – office	N/A	78	100%	1993 (Note 4 & 5)
Properties in which the Group has the controlling interests: HONG KONG						
Shun Tak Centre	Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong	Commercial – office	N/A	578	100%	1986 (Notes 1 & 2)
Properties in which the Group has minority interests: The PRC						
Chongqing Silo City	Junction of Fengshixing Road and Jinyun Avenue, Beipei District, Chongqing	Residential	266,149	11,852	35%	Dec 2016/Dec 2016
Total				19,244		

Note 1: The property is occupied by the Group as its office.
Note 2: The property was developed by other independent developer.
Note 3: The property was developed by other PRC independent developer.
Note 4: The property is leased to an independent third party for rental income.
Note 5: The properties were developed by other PRC developers and the marketing and sales of which were underwritten by the Group.

SCHEDULE OF MAJOR PROPERTIES

Land Held For Property Development For Sale

Property description	Address	Type of development	Estimated GFA of the development (sq.m.)	Interest in the development attributable to the Group
Developments in which the Group has the controlling interests: **The PRC**				
Shenyang Sujiatun Project	Beishanwei Road, Chenxiangtun Town, Sujiatun District, Shenyang, Liaoning Province	Residential/commercial	1,273,050	100%
Development in which the Group has minority interests: **The PRC**				
Jianguomenwai Project	North of No. 1A Jian Guo Men Wai Avenue, Chaoyang District, Beijing, the PRC	Commercial	44,900	65%
Total			1,317,950	

Please see further discussion on the properties and development projects of the Group in the section headed “Major Development Projects” on pages 9 to 10 of this annual report.