Zhong Jia Guo Xin Holdings Company Limited
中加國信控股股份有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board (the "Board") of directors (the "Directors") of Zhong Jia Guo Xin Holdings Company Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2025 together with the comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Continuing operations			
Revenue	4	**20,044**	14,160
Cost of sales		**(19,266)**	(3,215)
Gross profit		**778**	10,945
Other gains	5	**501**	18,813
Other losses	6	**(201)**	(4,277)
Selling and distribution expenses		**(1,090)**	(831)
Administrative expenses		**(29,703)**	(39,847)
Share of results of associates		**(11,696)**	(11,425)
Provision for impairment loss on intangible assets	14	**(91,378)**	(29,230)
(Provision for)/reversal of impairment loss on deposits paid		**(43,103)**	74,832
Provision for impairment loss on property, plant and equipment		**–**	(3,203)
(Provision for)/reversal of impairment loss on completed properties held for sale		**(2,725)**	270
Provision for impairment loss on interests in associates	15	**(63,904)**	(780)
(Provision for)/reversal of impairment loss on trade receivables		**(90)**	353
Provision for impairment loss on other receivables		**(300)**	(3,540)
Loss from changes in fair value of investment properties	13	**(315,973)**	(67,212)
Gain on bargain purchase	24	**–**	19,961
Finance costs		**(1,258)**	(773)

	Notes	**2025** *HK$'000*	2024 *HK$'000*
Loss before taxation	*7*	**(560,142)**	(35,944)
Taxation	*8*	**75,389**	16,189
Loss for the year from continuing operations		**(484,753)**	(19,755)
Loss for the year from discontinued operations	*9*	**(12)**	(11)
Loss for the year		**(484,765)**	(19,766)
Other comprehensive income, net of tax			
Share of other comprehensive income of associates		**171**	205
Exchange differences on translating foreign operations		**(19,947)**	(33,199)
Other comprehensive income for the year, net of tax		**(19,776)**	(32,994)
Total comprehensive income for the year		**(504,541)**	(52,760)
Loss attributable to:			
Owners of the Company	*11*	**(451,554)**	(8,347)
Non-controlling interest		**(33,211)**	(11,419)
		(484,765)	(19,766)
Total comprehensive income attributable to:			
Owners of the Company		**(470,200)**	(41,436)
Non-controlling interest		**(34,341)**	(11,324)
		(504,541)	(52,760)
		HK$	*HK$*
Loss per share attributable to owners of the Company			
From continuing and discontinued operations			
– Basic and diluted	*11*	**0.361**	0.009
From continuing operations			
– Basic and diluted	*11*	**0.361**	0.009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Investment properties	13	**405,580**	731,812
Property, plant and equipment		**129,740**	134,231
Right-of-use assets		**296**	2,592
Intangible assets	14	**459,517**	567,615
Interests in associates	15	**14,571**	90,000
Deposits paid	19	**102,980**	148,338
		1,112,684	1,674,588
Current assets			
Properties under development	16	**–**	–
Completed properties held for sale	17	**58,015**	62,902
Inventories		**1,266**	944
Trade receivables	18	**1,409**	428
Prepayments, deposits and other receivables	19	**41,168**	32,882
Amount due from an associate	15	**726**	739
Amount due from non-controlling interests		**–**	2,759
Financial assets at fair value through profit or loss		**1,647**	1,434
Restricted bank deposits		**745**	757
Bank balances and cash		**7,943**	11,737
		112,919	114,582
Assets classified as held for sale	10	**162,544**	165,463
		275,463	280,045
Current liabilities			
Trade payables	20	**47,449**	47,133
Other payables and accruals	21	**110,920**	94,052
Amount due to non-controlling interests		**15,612**	58,779
Amounts due to directors		**1,225**	20,499
Contract liabilities		**47,893**	42,811
Lease liabilities		**128**	2,320
Tax payable		**1,630**	5,510
		224,857	271,104
Liabilities directly associated with assets classified as held for sale	10	**–***	–*
		224,857	271,104
Net current assets		**50,606**	8,941
Total assets less current liabilities		**1,163,290**	1,683,529

* less than one thousand Hong Kong dollars

	Notes	**2025** **HK$'000**	2024 HK$'000
Capital and reserves			
Share capital	*22*	**131,376**	93,840
Reserves		**804,496**	1,249,950
Total equity attributable to owners of the Company		**935,872**	1,343,790
Non-controlling interest		**83,073**	117,414
		1,018,945	1,461,204
Non-current liabilities			
Deferred tax liabilities		**135,676**	213,249
Lease liabilities		**–**	251
Borrowings	*23*	**8,669**	8,825
		144,345	222,325
		1,163,290	1,683,529

Notes:

1. **BASIS OF PREPARATION**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given exchange for assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

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.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

2. APPLICATION OF THE NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) New and amended HKFRS Accounting Standards adopted by the Group

The following new and amended standards that may be relevant to the Group's operations have been adopted by the Group for the first time for the financial period beginning on 1 April 2024.

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

The application of the above amended standards which are effective for the financial period beginning on 1 April 2024 did not have material financial effect to the Group for the current and prior periods.

(b) Issued but not yet effective HKFRS Accounting Standards

The Group has not early adopted the following new HKFRS Accounting Standards that have been issued but are not yet effective for the financial year ended 31 March 2025:

Amendments to HKAS 21	*Lack of Exchangeability*[1]
Amendments to HKFRS 9 and HKFRS 7	*Classification and Measurement of Financial Instruments*[2]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
Amendment to Hong Kong Interpretation 5	*Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*[3]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	*Annual Improvements to HKFRS Accounting Standards – Volume 11*[2]

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

The directors of the Company anticipate that, except as described 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 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 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. Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made. HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by the chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment.

The Group has the following reportable segments during the year. These segments are managed separately.

(1) For water business, the CODM regularly reviews the performance of the water business in the PRC. These operations have been aggregated into a single operating segment and named "Water business".

(2) For property development and investment business, the CODM regularly reviews the performance of the property development and property investment business. These operations have been aggregated into a single operating segment and named "Property development and investment".

(3) For mining business, the CODM regularly reviews the performance of mining business in the PRC. These operations have been aggregated into a single operating segment and named "Mining business".

(4) On 27 April 2023, a sale and purchase agreement was entered into between the Company and the purchaser, pursuant to which, the Company has agreed to sell, and the purchaser has agreed to acquire, the entire issued share capital of Century Strong Limited and the shareholder's loan advanced to Century Strong Limited and its subsidiaries (the "Disposal Group"). Century Strong Limited is an investment holding company and the Disposal Group are principally engaged in property investment. The Disposal Group is presented as a discontinued reportable segment and named as "Investment in Yantian".

Segment revenue and results

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

For the year ended 31 March

	Continuing operations						Discontinued operations			
	Water business		Property development and investment		Mining business		Investment in Yantian		Consolidation	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Sales to external customers	**4,892**	50	**15,152**	14,110	**–**	–	**–**	–	**20,044**	14,160
Total revenue	**4,892**	50	**15,152**	14,110	**–**	–	**–**	–	**20,044**	14,160
Segment results	**(99,820)**	(34,453)	**(362,009)**	18,320	**(8,465)**	(194)	**(12)**	(11)	**(470,306)**	(16,338)
Fair value gain/(loss) on financial assets at fair value through profit or loss									**213**	(406)
Provision for impairment loss on interests in associates									**(63,904)**	(780)
Central administration costs									**(13,203)**	(26,194)
Gain on bargain purchase									**–**	19,961
Share of results of associates									**(11,696)**	(11,425)
Finance costs									**(1,258)**	(773)
Loss before taxation									**(560,154)**	(35,955)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	Continuing operations						Discontinued operation			
	Water business		Property development and investment		Mining business		Investment in Yantian		Consolidation	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS										
Segment assets	**175,985**	275,008	**600,165**	970,810	**423,794**	439,474	**162,544**	165,463	**1,362,488**	1,850,755
Unallocated corporate assets									**25,659**	103,878
									1,388,147	1,954,633
LIABILITIES										
Segment liabilities	**(45,391)**	(32,942)	**(147,938)**	(221,317)	**(154,795)**	(157,129)	**–***	–*	**(348,124)**	(411,388)
Unallocated corporate liabilities									**(21,078)**	(82,041)
									(369,202)	(493,429)

* less than one thousand Hong Kong dollars

For the purposes of assessing segment performance and allocating resources between segments, the directors of the Company monitor the results, assets and liabilities attributable to each reportable segment on the following basis:

All assets are allocated to reportable segments other than unallocated corporate assets (mainly include property, plant and equipment, bank balances and cash that are held by the investment holding companies and other receivables that are receivable by the investment holding companies).

All liabilities are allocated to reportable segments other than unallocated corporate liabilities (mainly include lease liabilities and other payables and accruals borne by the investment holding companies).

Other segment information

	Continuing operations						Discontinued operations					
	Water business		Property development and investment		Mining business		Investment in Yantian		Unallocated		Consolidation	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Additions to property, plant and equipment	**2,034**	15,866	**–**	–	**–**	–	**–**	–	**4**	294	**2,038**	16,160
Additions to property, plant and equipment through acquisition of subsidiaries	**–**	–	**–**	–	**–**	77,889	**–**	–	**–**	–	**–**	77,889
Additions to investment properties	**–**	–	**–**	1,644	**–**	–	**–**	–	**–**	–	**–**	1,644
Additions to intangible assets through acquisition of subsidiaries	**–**	–	**–**	–	**–**	358,649	**–**	–	**–**	–	**–**	358,649
Amortisation	**(10,209)**	(1,151)	**–**	–	**–**	–	**–**	–	**–**	–	**(10,209)**	(1,151)
Depreciation	**(3,169)**	(815)	**(501)**	(1,158)	**(18)**	(7)	**–**	–	**(2,379)**	(3,328)	**(6,067)**	(5,308)
Other gains	**134**	636	**33**	18,056	**1**	–*	**5**	5	**328**	121	**501**	18,818
Other losses	**(201)**	(399)	**–**	(3,919)	**–**	–	**–**	–	**–**	41	**(201)**	(4,277)
Provision for impairment loss on intangible assets	**(83,400)**	(29,230)	**–**	–	**(7,978)**	–	**–**	–	**–**	–	**(91,378)**	(29,230)
(Provision for)/reversal of impairment loss on deposits paid	**–**	–	**(43,103)**	74,832	**–**	–	**–**	–	**–**	–	**(43,103)**	74,832
Provision for impairment loss on properties, plant and equipment	**–**	–	**–**	(3,203)	**–**	–	**–**	–	**–**	–	**–**	(3,203)
(Provision for)/reversal of impairment loss on completed properties held for sale	**–**	–	**(2,725)**	270	**–**	–	**–**	–	**–**	–	**(2,725)**	270
(Provision for)/reversal of impairment loss on trade receivables	**–**	–	**(90)**	353	**–**	–	**–**	–	**–**	–	**(90)**	353
Provision for impairment loss on other receivables	**–**	–	**–**	(3,540)	**–**	–	**–**	–	**(300)**	–	**(300)**	(3,540)
Loss from changes in fair value of investment properties	**–**	–	**(315,973)**	(67,212)	**–**	–	**–**	–	**–**	–	**(315,973)**	(67,212)

* less than one thousand Hong Kong dollars

Geographical information

The Group operates in two principal geographical areas – the PRC and Hong Kong.

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		**Non-current assets**	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The PRC	**20,044**	14,160	**1,112,364**	1,671,681
Hong Kong	**–**	–	**320**	2,907
	20,044	14,160	**1,112,684**	1,674,588

Information about major customers

Other than three tenants from whom the lease income represents approximately 22%, 15% and 11% of the total revenue of the Group respectively, and one customer from sales of bottled mineral water represents approximately 15% of the total revenue of the Group, there is no other single customer who contributes over 10% of the total revenue of the Group for the year ended 31 March 2025.

Other than three tenants from whom the lease income represents approximately 31%, 22% and 16% of the total revenue of the Group respectively, and one customer from sales of properties represents approximately 10% of the total revenue of the Group, there is no other single customer who contributes over 10% of the total revenue of the Group for the year ended 31 March 2024.

4. REVENUE

An analysis of the Group's revenue for the year is as follows:

		2025	2024
	Notes	***HK$'000***	*HK$'000*
Continuing operations			
Revenue from contracts with customers			
Sales of properties	*(i)*	**1,186**	1,788
Sales of bottled mineral water	*(i)*	**4,892**	50
		6,078	1,838
Revenue from leases	*(ii)*	**13,966**	12,322
Total revenue		**20,044**	14,160

Notes:

(i) Performance obligations

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

Sales of properties

The performance obligation is satisfied upon handover of the properties. There were no transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 and 2024.

Sales of bottled mineral water

The performance obligation is satisfied upon delivery of goods. All of the Group's revenue from sale of goods was recognised at the point in time when the control of the products was transferred to customers.

(ii) Leases

	2025	2024
	HK$'000	*HK$'000*
For operating leases:		
Lease payments that are fixed	**13,966**	12,322

5. OTHER GAINS

	2025	2024
	HK$'000	*HK$'000*
Continuing operations		
Bad debts recovered	**4**	–
Interest income on bank deposits	**19**	75
Government grant	**–**	76
Dividend income from financial assets at fair value through profit or loss	**90**	65
Sundry	**69**	26
Compensation relating to acquisition of Beijing properties	**–**	8,822
Interest income relating to termination of acquisition of Shenyang Properties	**–**	9,198
Interest income relating to amount due from non-controlling interest	**135**	551
Gain on disposal of property, plant and equipment	**79**	–
Exchange gain, net	**105**	–
	501	18,813

6. OTHER LOSSES

	2025	2024
	HK$'000	*HK$'000*
Continuing operations		
Exchange loss, net	**–**	4,272
Loss on written off of property, plant and equipment, net	**196**	–
Loss on written off of inventories	**5**	5
	201	4,277

7. LOSS BEFORE TAXATION

	2025	2024
	HK$'000	*HK$'000*
The Group's loss before taxation from continuing operations is arrived at after charging/(crediting):		
Other staff costs	**6,722**	7,081
Other staff's retirement benefits scheme contributions	**90**	95
Total staff costs	**6,812**	7,176
Auditor's remuneration		
– audit services	**1,000**	1,100
– non-audit services	**3**	1,635
	1,003	2,735
Depreciation of property, plant and equipment	**3,771**	2,016
Depreciation of right-of-use assets	**2,296**	3,292
Amortisation of land use right	**198**	199
Amortisation of water mining right	**10,011**	952
Lease payment not included in the measurement of lease liabilities	**1,227**	212
Fair value (gain)/loss on financial assets at fair value through profit or loss	**(213)**	406

8. TAXATION

Continuing Operations

	2025	2024
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong Profits Tax	**–**	–
– PRC Enterprise Income Tax	**(954)**	5,093
Total current tax expenses	**(954)**	5,093
Under-provision in prior years:		
– PRC Enterprise Income Tax	**–***	18
Deferred income tax:		
– Decrease/(increase) in deferred tax assets	**785**	(2,012)
– Decrease in deferred tax liabilities	**(75,220)**	(19,288)
	(74,435)	(21,300)
Income tax credit for the year	**(75,389)**	(16,189)

* Less than one thousand Hong Kong dollars

Hong Kong Profits Tax should be provided at the rate of 16.5% on the estimated assessable profit arising in Hong Kong. For the years ended 31 March 2025 and 2024, no provision for Hong Kong profits tax was made as the Group has no assessable profits arising in or derived from Hong Kong.

Subsidiaries in the PRC are subject to the PRC Enterprise Income Tax at 25% (2024: 25%) for the year ended 31 March 2025.

Deferred tax assets have not been recognised in respect of tax losses amounting to approximately RMB29,293,000 as at 31 March 2025 (2024: RMB10,759,000) that will expire within 5 years for offsetting against future taxable profits. The tax losses of approximately HK$125,739,000 as at 31 March 2025 (2024: HK$122,107,000) are available indefinitely for offsetting against future taxable profits in Hong Kong. Deferred tax assets have not been recognised as it is not considered probable that taxable profits will be available against which the above tax losses can be utilised.

The income tax credit for the year can be reconciled to the loss before taxation per consolidated statement of profit or loss and other comprehensive income as follows:

	2025	2024
	HK$'000	*HK$'000*
Loss before taxation (from continuing operations)	**(560,142)**	(35,944)
Tax at the Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	**(92,424)**	(5,931)
Tax effect of share of result of associates	**1,930**	1,885
Tax effect of expenses not deductible for tax purposes	**55,145**	13,269
Tax effect of income not taxable for tax purposes	**(597)**	(24,340)
Tax effect of tax losses not recognised	**5,675**	1,831
Unrecognised deferred tax arising from temporary difference	**(5,230)**	(2,716)
Utilisation of tax losses previously not recognised	**–**	(18)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	**(39,888)**	(187)
Under-provision in prior years	**–***	18
Income tax credit for the year	**(75,389)**	(16,189)

* Less than one thousand Hong Kong dollars

9. DISCONTINUED OPERATIONS

On 27 April 2023, the Company and Ms. Mao Yuzhen ("the Purchaser", an independent third party) entered into a sale and purchase agreement, pursuant to which, the Company has agreed to sell, and the Purchaser has agreed to acquire, the entire issued share capital of Century Strong Limited and the shareholder's loan advanced to the Disposal Group, at a consideration of RMB150,000,000. The disposal was approved by the shareholders of the Company at the special general meeting held on 12 July 2023. The disposal is expected to be completed by early 2025.

However, the Purchaser requested for postponement of the date of Completion. The Group has explored the possibility of selling the Disposal Group to other potential buyers while no new willing purchaser could be secured by the Group. In view of the updated asset proofs and background information provided by the Purchaser, and a further deposit of RMB1,000,000, the Group has granted the Purchaser the extension of deadline for the completion of disposal to 31 December 2025. Refer to the announcement dated 14 February 2025 for the details.

The results and cash flows of the Disposal Group are treated as discontinued operations.

For the year ended 31 March 2025, the results and cash flows of the discontinued operations are analysed as follows:

Analysis of discontinued operations

	2025	2024
	HK$'000	*HK$'000*
Revenue	**–**	–
Other gains	**5**	5
Administrative expenses	**(17)**	(16)
Loss before taxation	**(12)**	(11)
Taxation	**–***	–*
Loss for the year from discontinued operations	**(12)**	(11)
The Group's loss for the year from discontinued operations is carried at after charging:		
Depreciation of property, plant and equipment	**–**	–
Cash flows from discontinued operations:		
Net cash used in operating activities	**(1)**	(1)
Net cash generated from investing activities	**5**	5
Net cash generated from financing activities	**–**	–
Net increase in cash and cash equivalents	**4**	4
Effect of foreign exchange rate changes	**(46)**	(92)
	(42)	(88)

* less than one thousand Hong Kong dollars

10. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

As the net assets of the Disposal Group will be recovered principally through a sale transaction rather than through continuing use (details of which are set out in note 9), the Group classified the assets as held for sale.

The major classes of assets and liabilities comprising the Disposal Group classified as held for sale are as follows:

	2025	2024
	HK$'000	*HK$'000*
Assets		
Properties, plant and equipment	**176**	179
Deposit paid for acquisition of investment properties in Yantian	**149,429**	152,117
Deposit paid for naming right and advertising right	**7,918**	8,060
Cash and cash equivalents	**2,550**	2,592
Prepayments, deposits and other receivables	**2,471**	2,515
Assets of Disposal Group classified as held for sale	**162,544**	165,463
Liabilities		
Tax payable	**–***	–*
Liabilities of Disposal Group directly associated with assets classified as held for sale	**–***	–*
Net assets directly associated with Disposal Group	**162,544**	165,463

* less than one thousand Hong Kong dollars

The net assets directly associated with the Disposal Group was stated at the lower of their carrying amount and fair value less costs to sell, which is the consideration for the disposal amounting to RMB150,000,000. In view of the assets owned by the Purchaser, the scale and diversity of her businesses and further to the assessments made by the management on the estimated value of the properties represented by real estate ownership certificate provided by the Purchaser, the management concurs with the view of the Purchaser that the aggregate value of the asset proof provided by the Purchaser is estimated to be not less than the consideration for the disposal, and considers that the Purchaser has the capability to complete the disposal transaction. Therefore, as at 31 March 2025, there was no indication of any impairment on the Disposal Group and the fair value of the Disposal Group remained unchanged. The decrease in the above amounts is mainly due to the exchange difference resulting from the depreciation of RMB, which was recognised in other comprehensive income.

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE YEAR

From continuing and discontinued operations

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2025	2024
	HK$'000	*HK$'000*
Loss		
Loss for the year from continuing operations attributable to the owners of the Company	**(451,542)**	(8,336)
Loss for the year from discontinued operations attributable to the owners of the Company	**(12)**	(11)
	(451,554)	(8,347)

	2025	2024
	'000 Shares	*'000 Shares*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share *(Note)*	**1,251,032**	938,403

Note:

The basic and diluted loss per share from continuing and discontinued operations are the same for the years ended 31 March 2025 and 2024, as there are no dilutive potential ordinary shares in existence.

From continuing operations

The calculation of basic loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	2025	2024
	HK$'000	*HK$'000*
Loss for the year from continuing operations attributable to the owners of the Company	**(451,542)**	(8,336)

From discontinued operations

Basic loss per share from discontinued operations is HK$0.00001 per share (2024: HK$0.00001), based on the loss for the year from discontinued operations attributable to the owners of the Company of approximately HK$12,000 (2024: HK$11,000). The denominators used are the same as those detailed above for both basic and diluted loss per share.

12. DIVIDENDS

The directors did not recommend the payment of any dividend for the year ended 31 March 2025 (2024: Nil).

13. INVESTMENT PROPERTIES

As at 31 March 2025 and 2024, investment properties are situated in Zhejiang, Suzhou and Beijing, the PRC and are held under medium-term leases.

	2025	2024
	HK$'000	*HK$'000*
At the beginning of the year	**731,812**	775,065
Additions	**–**	1,644
Transfer from deposits paid	**–**	48,943
Fair value changes	**(315,973)**	(67,212)
Exchange realignment	**(10,259)**	(26,628)
At the end of the year	**405,580**	731,812

Amount recognised in profit or loss for investment properties

	2025	2024
	HK$'000	*HK$'000*
Lease income from operating leases	**13,235**	11,584
Direct operating expenses on investment properties that generated lease income	**4,298**	2,116
Unrealised loss on property revaluation included in loss from changes in fair value of investment properties	**(315,973)**	(67,212)

Contractual obligation

As at 31 March 2025 and 2024, there is no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

Leasing arrangements

The investment properties are leased to tenants under operating leases. The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2025	2024
	HK$'000	*HK$'000*
Within one year	**11,130**	10,771
In the second to fifth years inclusive	**37,379**	33,397
Over five years	**27,576**	35,774
	76,085	79,942

Valuation processes of the Group

The fair values of the Group's investment properties as at 31 March 2025 were arrived at on the basis of valuations carried out by the independent qualified professional valuer, Graval Consulting Limited (2024: AP Appraisal Limited).

Discussions of valuation processes and results are held between the management, audit committee and the independent valuer annually, in line with the Group's annual reporting date.

The management:

- verifies major inputs to the independent valuation report;
- assesses property valuations movements when compared to the prior valuation report; and
- holds discussions with the independent valuer.

Valuation methodology

The Group completed its annual valuation on investment properties, and the valuation used direct comparison method under market approach. Market approach is common for property valuation. As there are publicly available data on comparable transactions in the market, the fair values of investment properties are generally arrived by adopting the direct comparison method by making reference to the recent transaction prices and/or asking prices of comparable properties.

Detail of the key inputs used in the valuation are as follows:

Non-financial assets	Fair value as at 31 March 2025 HK$'000	2024 HK$'000	Key inputs to the valuation	Relationship of key inputs to fair value
Investment properties in Zhejiang	**73,686**	74,900	Leasehold land and factory PRC comparables ranging from RMB1,033 to RMB1,236 (2024: RMB1,300 to RMB1,701) per square metre	A significant increase in the key inputs would result in a significant increase in fair value, and vice versa
			Leasehold land PRC comparables ranging from RMB536 to RMB565 (2024: RMB14 to RMB215) per square metre	A significant increase in the key inputs would result in a significant increase in fair value, and vice versa
Investment properties in Suzhou	**303,415**	606,695	Shops PRC comparables ranging from RMB19,000 to RMB22,352 (2024: RMB38,873 to RMB46,952) per square metre	A significant increase in the key inputs would result in a significant increase in fair value, and vice versa
			Commercial buildings PRC comparables ranging from RMB18,238 to RMB19,317 (2024: RMB32,472 to RMB38,767) per square metre	A significant increase in the key inputs would result in a significant increase in fair value, and vice versa
Investment properties in Beijing	**28,479**	50,217	Office PRC comparables ranging from RMB23,436 to RMB35,594 (2024: RMB34,928 to RMB55,879)	A significant increase in the key inputs would result in a significant increase in fair value, and vice versa

There is no significant changes in the assumptions from those previously adopted. The change in the key inputs was mainly due to the change in market values of properties in the PRC resulting from the slowdown of the PRC economy and the debt crisis of some of the property developers in the PRC.

As at 31 March 2025 and 2024, the fair value measurement of the Group's investment properties is categorised at level 3 hierarchy. During the year ended 31 March 2025 and 2024, there were no transfers into or out of level 3.

14. INTANGIBLE ASSETS

	Land use right *(Note i)* *HK$'000*	Water mining right *(Note ii)* *HK$'000*	Exploration and mining right *(Note iii)* *HK$'000*	Total *HK$'000*
Cost				
As at 1 April 2023	10,363	374,314	–	384,677
Additions through acquisition of subsidiaries	–	–	359,493	359,493
Exchange realignment	(356)	(141)	1,622	1,125
As at 31 March 2024 and 1 April 2024	10,007	374,173	361,115	745,295
Exchange realignment	**(177)**	**(70)**	**(6,371)**	**(6,618)**
As at 31 March 2025	**9,830**	**374,103**	**354,744**	**738,677**
Accumulated amortisation and impairment				
As at 1 April 2023	975	145,509	–	146,484
Accumulated amortisation of acquisition through subsidiaries	–	–	844	844
Amortisation for the year	199	952	–	1,151
Impairment loss for the year	–	29,230	–	29,230
Exchange realignment	(33)	–	4	(29)
As at 31 March 2024 and 1 April 2024	1,141	175,691	848	177,680
Amortisation for the year	**198**	**10,011**	**–**	**10,209**
Impairment loss for the year	**–**	**83,400**	**7,978**	**91,378**
Exchange realignment	**(22)**	**(2)**	**(83)**	**(107)**
As at 31 March 2025	**1,317**	**269,100**	**8,743**	**279,160**
Carrying amount				
As at 31 March 2025	**8,513**	**105,003**	**346,001**	**459,517**
As at 31 March 2024	8,866	198,482	360,267	567,615

Notes:

(i) Land use right represents the right to use the land for water exploitation activities in Hunan. The land is located at 湖南新田縣新圩鎮新嘉公路三占塘段西側.

Land use right is amortised on a straight-line basis over its lease term of 50 years. It is pledged as securities for bank borrowings (note 23).

(ii) Water mining right represents the right to conduct water exploitation activities in Hunan. The subsidiary, 湖南新田富鍶礦泉水有限公司 had entered into an agreement with Hunan Government to grant the subsidiary a water mining right for exploitation of mineral water for 5 years. The subsidiary has the priority to extend the mineral water mining right afterwards. The mine is located at 湖南新田縣三占塘. The subsidiary has the exclusive rights and authorities to manage and arrange all activities in the mining area. The water mining right was renewed on 1 December 2022 and will expire on 3 December 2025.

Water mining right is amortised on a straight-line basis over its estimated useful economic life of 20 years which was estimated with reference to the validity of the operation licence held and the productions plans of the Group.

The Group is required to assess any indication of impairment on the water mining right at the end of each reporting period. The Group has completed its annual impairment test for the water mining right. As at 31 March 2025, the recoverable amount of the water mining right referenced to a valuation report issued by Graval Consulting Limited (2024: AP Appraisal Limited), an independent qualified valuer. The recoverable amount of the water mining right was determined based on multi period excess earnings method which uses sum of discounted present value of the projected annual excess earnings. This valuation uses cash flow projections based on financial estimates covering a twenty-year period. The valuation is categorised at level 3 hierarchy.

As there are insufficient comparable transactions in the market, the market approach was not feasible for the valuation. As asset approach does not take future growth potential into consideration, this approach is not considered to be an adequate approach for the valuation. Therefore, income approach was considered the most appropriate valuation approach to assess the value of the water mining right. Multi period excess earnings method under income approach is used which reflects the sum of discounted present value of the projected operating profit attributed to the water mining right less required return for its contributory tangible and intangible assets.

The key inputs used in the annual excess earnings calculation are as follows:

	2025	2024
Net profit margin (% of revenue)	**22.47%-45.08%**	3.24%-32.74%
Long-term annual growth rate used to extrapolate cash flow	**2.02%**	1.10%
Pre-tax discount rate	**21.84%**	12.00%

The net profit margin is based on management's expectation and experience in bottled water market, adjusted for expected efficiency improvements and expected increase in production.

The long-term annual growth rate is the growth rate used to extrapolate the cash flows beyond the ten-year period which are based on the estimated growth rate taking into account the industry growth rate and the medium or long term growth target of the Group.

The discount rate is before tax and reflects specific risks.

The value assigned to the above assumptions reflect past experience and are consistent with management plans for focusing operations in these markets. There are no significant changes in the assumptions from those previously adopted. The change in the key inputs was mainly reflected the slowdown of the PRC economy. The management believes that the assumptions are reasonable and achievable.

(iii) The exploration and mining right represents the rights for conducting exploration and mining of lead, zinc, copper and silver at the mines which are located in Enshui Road (Minjiang Market Section), Zhenyuan Yi Hani Lahu Autonomous County, Pu'er City, Yunnan Province, the PRC* (中國雲南省普洱市鎮沅彝族哈尼族拉祜族自治縣恩水路(民江集貿市場段)) and Jiujia Township, Zhenyuan County, Pu'er City, Yunnan Province, the PRC* (中國雲南省普洱市鎮沅縣九甲鄉). The mines are operated by the subsidiaries of the Company, Zhenyuan County Jinhao Mining Co., Ltd.* (鎮沅彝族哈尼族拉祜族自治縣金豪礦業有限公司) ("Jinhao") and Zhenyuan County Jiuyuan Mining Co., Ltd.* (鎮沅縣九源礦業有限責任公司) ("Jiuyuan") respectively. The mining license held by Jiuyuan is valid from 25 July 2019 to 25 July 2026 and the exploration license held by Jinhao is valid from 25 July 2022 to 25 July 2027.

No amortisation was provided for the year ended 31 March 2025 as commercial production has not yet commenced during the year (2024: Nil).

The Group is required to assess any indication of impairment on the exploration and mining rights at the end of each reporting period. The Group has completed its annual impairment test for the exploration and mining rights. As at 31 March 2025, the recoverable amount of the exploration and mining rights referenced to a valuation report issued by Graval Consulting Limited (2024: AP Appraisal Limited), an independent qualified valuer. The recoverable amount of the exploration and mining rights was determined based on multi period excess earnings method which uses sum of discounted present value of the projected annual excess earnings. This valuation uses cash flow projections based on financial estimates covering the licenses terms. The valuation is categorised at level 3 hierarchy.

As there are insufficient comparable transactions in the market, the market approach was not feasible for the valuation. As asset approach does not take future growth potential into consideration, this approach is not considered to be an adequate approach for the valuation. Therefore, income approach was considered the most appropriate valuation approach to assess the value of the exploration and mining rights. Multi period excess earnings method under income approach is used which reflects the sum of discounted present value of the projected operating profit attributed to the exploration and mining rights less required return for its contributory tangible and intangible assets.

* *For identification purpose only*

The key inputs used in the annual excess earnings calculation are as follows:

	2025	2024
Net profit margin (% of revenue)	**40.9%-54.9%**	32.0%-49.0%
Annual growth rate	**2.0%**	2.5%
Pre-tax discount rate	**24.0%-26.4%**	11.0%

The net profit margin is based on management's expectation and experience in metal market, adjusted for expected efficiency improvements and expected increase in production.

The annual growth rate is based on the estimated growth rate taking into account the average growth rate of the global Gross Domestic Product and the Consumer Price Index.

The discount rate is before tax and reflects specific risks.

The value assigned to the above assumptions are consistent with management plans for focusing operations in these markets. The management believes that the assumptions are reasonable and achievable.

The recoverable amount of the mining right held by Jiuyuan is lower than its carrying amount, provision for impairment loss of approximately HK$7,978,000 was provided in the consolidated statement of profit or loss and other comprehensive income.

The recoverable amount of the exploration right held by Jinhao is amounted to approximately HKS403,800,000, while the carrying amount is amounted to approximately HK$312,084,000. A decrease in the growth rate by 1% would cause the recoverable amount of the exploration right decrease by approximately HK$22,300,000. A decrease in the net profit margin by 10% would cause the recoverable amount of the exploration right decrease by approximately HK$44,700,000. An increase in the discount rate by 2% would cause the recoverable amount of the exploration right decrease by approximately HK$32,100,000. In the opinion of the Company's directors, any reasonably possible change in key assumptions on which the recoverable amount is based would not cause the exploration right carrying amount to exceed its recoverable amount.

15. INTERESTS IN ASSOCIATES

	2025	2024
	HK$'000	*HK$'000*
At the beginning of the year	**90,000**	102,000
Share of post-acquisition losses and other comprehensive income during the year, net of dividends received	**(11,525)**	(11,220)
Impairment losses for the year	**(63,904)**	(780)
At the end of the year	**14,571**	90,000

	2025	2024
	HK$'000	*HK$'000*
Amount due from an associate *(Notes i and ii)*	**726**	739

Notes:

(i) Amount due from an associate is unsecured, interest-free and repayable on demand.

(ii) The maximum outstanding balance during the year was approximately HK$739,000.

(iii) The Group holds 20% equity interests in Hong Kong Spring Water Ding Dong Group Company Limited which has a wholly-owned subsidiary in Guangxi, Guangxi Spring Water Ding Dong Beverages Company Limited* ("Guangxi Spring Water Ding Dong"). Guangxi Spring Water Ding Dong possesses a water procurement permit for the production and sales of bottled water and is currently in operation in Guangxi. The remaining 80% equity interests is held by Mr. Li Yuguo, an executive director of the Group.

The Group completed its annual impairment test for interests in associates by comparing the recoverable amount to the carrying amount. Graval Consulting Limited (2024: AP Appraisal Limited), an independent qualified valuer, carried out a valuation of the interests in associates as at 31 March 2025 and 2024 based on the value-in-use calculations. This valuation uses cash flow projections under income approach based on financial estimates covering a ten-year period. The valuation is categorised at level 3 hierarchy.

As there are insufficient comparable transactions in the market, the market approach was not feasible for the valuation. As asset approach does not take future growth potential into consideration, this approach is not considered to be an adequate approach for the valuation. Therefore, income approach was considered the most appropriate valuation approach to assess the value of the equity interests of the associates and the discounted cash-flow method is used in the value-in-use calculations which reflects the discounted present value of all future benefits that flow to the shareholders.

The key inputs used in the value-in-use calculations are as follows:

	2025	2024
Gross profit margin (% of revenue)	**17.73%-35.62%**	7.57%-39.01%
Long-term annual growth rate used to extrapolate cash flows	**2.02%**	1.10%
Pre-tax discount rate	**20.54%**	11.00%

* *For identification purpose only*

Gross profit margin is the margin as a percentage of revenue over the ten-year forecast period. It is based on the current sales margin levels with adjustments for expected efficiency improvements and expected increase in production.

The long-term annual growth rate is the growth rate used to extrapolate the cash flows beyond the ten-year period based on the estimated growth rate taking into account the industry growth rate, past experience and the medium or long term growth target of the associates.

The discount rate is before tax and reflects specific risks.

The value assigned to the above assumptions reflect past experience and are consistent with management plans for focusing operations in these markets. There are no significant changes in the assumptions from those previously adopted. The change in the key inputs was mainly reflected the slowdown of the PRC economy. The management believes that the assumptions are reasonable and achievable.

Details of the Group's associates, which were held indirectly by the Company at the end of the reporting period, were as follows:

Name of associates	Form of business and structure	Place of incorporation/ operation	Class of shares/ registered capital held	Proportion of nominal value of paid capital/registered capital held by the Group		Principal activities
				2025	2024	
Hong Kong Spring Water Ding Dong Group Company Limited	Incorporated	Hong Kong	Ordinary	**20%**	20%	Investment holding and water business
Guangxi Spring Water Ding Dong Beverages Company Limited*	Incorporated	The PRC	Registered	**20%**	20%	Production and sales of bottled water

* *For identification purpose only*

Summarised financial information in respect of the Group's associates for the years ended 31 March 2025 and 2024 was set out below which represents amounts shown in the respective financial statements of the associates prepared in accordance with HKFRS Accounting Standards. The associates are accounted for using the equity method in the consolidated financial statements.

	2025	2024
	HK$'000	*HK$'000*
Current asset	**22,285**	22,582
Non-current asset	**63,570**	72,718
Current liabilities	**193,127**	186,527
Non-current liabilities	**5,201**	5,405
Revenue	**8,681**	7,395
Loss for the year	**(58,481)**	(57,126)
Other comprehensive income	**859**	1,028
Total comprehensive income	**(57,622)**	(56,098)

Reconciliation of the net liabilities of associates at the acquisition date to the carrying amount of the interests in associates recognised in the consolidated financial statements is as follows:

	2025	2024
	HK$'000	*HK$'000*
Net liabilities of the associates as at acquisition date	**(33,841)**	(33,841)
Proportion of the Group's ownership interests in associates	**20%**	20%
Cost of investments in associates unlisted in Hong Kong	**(6,768)**	(6,768)
Valuation adjustment from acquisition (net of accumulated impairment losses)	**116,028**	179,932
Share of post-acquisition losses and other comprehensive income, net of dividends received	**(94,689)**	(83,164)
Carrying amount of the Group's interests in associates	**14,571**	90,000

There is no commitment and contingent liabilities under the associates.

16. PROPERTIES UNDER DEVELOPMENT

	2025	2024
	HK$'000	*HK$'000*
Properties under development	**305,431**	310,916
Less: provision for impairment	**(305,431)**	(310,916)
	–	–

Properties under development are the residential properties located in Beibu District, Jinshitan, Jinzhou New District, Dalian, the PRC* under development for sale and are held under medium-term lease.

As at 31 March 2025, the carrying amount of properties under development included land use rights of approximately HK$112,299,000 (2024: HK$114,315,000).

On 27 January 2022, the Group received an idle land decision from Dalian Municipal Bureau of Natural Resources* (大連市自然資源局) which determined the land of properties under development was in idle condition and the land may be repossessed by the PRC government authorities without compensation. The Board has reviewed and reconsidered the development plan and projected a significant drop in gross profit margin in developing the properties under development. Due to the abovementioned factors, the Board considered a full impairment on the properties under development is appropriate and reasonable. Nevertheless, the management are still using its best endeavors to avoid land repossession by the PRC government authorities without compensation.

For the year ended 31 March 2025, there was no indication that the provision for impairment on properties under development should be reversed (2024: Nil).

17. COMPLETED PROPERTIES HELD FOR SALE

	2025	2024
	HK$'000	*HK$'000*
Completed properties held for sale	**115,536**	119,745
Less: Provision for impairment	**(57,521)**	(56,843)
	58,015	62,902

The completed properties held for sale are located in Beibu District, Jinshitan, Jinzhou New District, Dalian, the PRC* and are held under medium-term lease. Completed properties held for sale which are expected to be recovered in more than twelve months after the reporting date are classified under current assets as it is expected to be realised in the Group's normal operating cycle.

In the annual impairment assessment of the completed properties held for sale as at 31 March 2025, a valuation report issued by Graval Consulting Limited (2024: AP Appraisal Limited), an independent qualified valuer and the sales contracts entered into between the Group and the customers were referred to.

* *For identification purpose only*

The valuation used direct comparison method under market approach. Market approach is common for property valuation. As there are publicly available data on comparable transactions in the market, the direct comparison method is adopted, which the fair value of the completed properties held for sale were determined based on the recent transaction prices and/or asking prices of similar properties adjusted for nature, location and conditions of the completed properties held for sale.

Details of the key input to the valuation are as follows:

Non-financial assets	**Key inputs to the valuation**	
	2025	2024
Residential	**PRC comparables ranging from RMB4,344 to RMB7,176 per square metre**	PRC comparables ranging from RMB2,626 to RMB6,282 per square metre
Carpark	**–**	PRC comparables ranging from RMB2,700 to RMB3,038 per square metre

There are no significant changes in the assumptions from those previously adopted. The change in the key inputs was mainly due to the change in market values of properties in the PRC resulting from the slowdown of the PRC economy and the debt crisis of some of the property developers in the PRC.

For the year ended 31 March 2025, provision for impairment loss of approximately HK$2,725,000 (2024: reversal of impairment loss of approximately HK$270,000) was recognised to reflect the decrease (2024: increase) in net realisable value of the completed properties held for sale.

As at 31 March 2025 and 2024, the fair value measurement of the completed properties held for sale was categorised at level 3 hierarchy.

18. TRADE RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**1,409**	428

Based on the payment terms of tenancy agreements and credit period granted to customers, the aging analysis of the Group's trade receivables as of each reporting date is as follows:

	2025	2024
	HK$'000	*HK$'000*
0 – 180 days	**1,409**	428

The Group's trade receivables are denominated in RMB, and represent rental receivable from tenants for the use of PRC investment properties and machinery and trading receipts from sales of bottled mineral water. Rentals are payable in accordance with tenancy agreements and no credit period is granted. Credit period of 1 month is granted to customers of bottled mineral water.

The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables. The aging analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2025	2024
	HK$'000	*HK$'000*
Neither past due nor impaired	**1,326**	391
Less than 90 days past due	**83**	37
Past due more than 90 days	**–**	–
	1,409	428

As at 31 March 2025, as 94% (2024: 91%) of trade receivables were not yet past due, management considered that the expected credit loss of the trade receivables is immaterial.

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2025	2024
	Notes	***HK$'000***	*HK$'000*
Non-current assets:			
Deposits paid for acquisition of investment properties, net	*(i)*	**102,980**	148,338
Current assets:			
Deposits paid, net	*(ii)*	**1,210**	1,211
Prepayments	*(iii)*	**4,010**	3,142
Accrued income		**1,194**	824
Other receivables, net	*(iv)*	**34,754**	27,705
		41,168	32,882

The creation and release of impairment provision on deposits paid have been included in the consolidated statement of profit or loss and other comprehensive income. Amounts charged to the provision account are generally written off, when there is no expectation of recovering additional cash.

Other receivables, net are denominated in the following currencies:

	2025	2024
	HK$'000	*HK$'000*
RMB	**34,331**	27,372
HK$	**423**	333
	34,754	27,705

Notes:

(i) Beijing Properties

As at 31 March 2025, deposit paid of approximately HK$102,980,000, net of provision for impairment of approximately HK$65,652,000 (2024: HK$148,338,000, net of provision for impairment of approximately HK$22,322,000) was related to the acquisition of investment properties in Beijing. Details of the acquisition are set out in the announcement of the Company dated 28 February 2017. Due to the financial difficulties faced by various property developers in the PRC during the recent years, the vendor indicated that there may be difficulties in completing and delivering the Beijing Properties in accordance with the previously agreed original schedule. After series of negotiations, the vendor proposed to refund the Deposit by way of transferring the Refund Properties, which comprise 10 properties of office premises and retail shops and 106 car parking spaces in Beijing, to the Group and pay an additional compensation of RMB8,000,000 in cash, i.e. the Refund Package. As at 31 March 2025 and 2024, the Group has received 4 properties with aggregate consideration of approximately RMB44,381,600, and the remaining properties were still pending to be delivered to the Group.

Up to the date of this announcement, the Group has received 2 more properties with aggregate consideration of approximately RMB80,483,000 on 23 April 2025 and RMB16,000,000 in cash (approximately RMB11,170,000 as refund of part of the deposit and RMB4,830,000 as cash compensation of late refund) on 15 May 2025. Details of the properties and cash received are set out in the announcements of the Company dated 29 April 2025 and 15 May 2025 respectively.

The recoverable amount of the deposit paid for acquisition of investment properties in Beijing has been determined based on fair value less cost of disposal of the properties to be refunded to the Group. The fair value of the deposit paid was determined by reference to the valuation carried out by Graval Consulting Limited (2024: AP Appraisal Limited), an independent qualified professional valuer. The valuation used direct comparison method under market approach. Market approach is common for property valuation. As there are publicly available data on comparable transactions in the market, the direct comparison method is adopted, which is based on the recent transaction prices and/or asking prices of similar properties adjusted for nature, location and conditions of the properties to be transferred to the Group. The key inputs to the valuation are PRC comparables ranging from RMB23,436 to RMB35,594 per sq.m. for commercial portion (2024: ranging from RMB34,928 to RMB55,936 per sq.m.) and RMB104,500 to RMB269,100 per carpark space for carpark portion (2024: ranging from RMB8,892 to RMB16,825 per sq.m.). If there is significant increase in the key inputs, it would result in a significant increase in the fair value, and vice versa.

The fair value measurement of the deposit paid was categorised at level 3 hierarchy.

(ii) Deposits paid mainly comprised rental deposits and payments for business related matters. Deposits paid relating to acquisition of properties in Zengcheng were fully impaired.

Zengcheng Properties

The acquisition of properties in Zengcheng was terminated on 18 January 2017 and over 77% of the paid consideration has been refunded in previous years. As at 31 March 2025, deposit paid related to acquisition of properties in Zengcheng was approximately HK$67,185,000 (2024: HK$68,391,000) which loss allowance for expected credit loss on the deposit paid was fully recognised in prior year. The Group's legal advisors has issued demand letters to the vendor for the repayment of the remaining balance of the paid consideration and related compensation. Up to the date of this announcement, the Group is still trying to chase the repayment from the vendor. Based on the Group's historical credit loss experience, there is no indication that the loss allowance for expected credit loss on the deposits paid in prior year should be reversed.

(iii) As at 31 March 2025 and 2024, prepayments mainly comprised prepayment of indirect cost incurred for properties under development and purchase cost of machineries for the production of bottled mineral water in Hunan.

(iv) As at 31 March 2025, other receivables of approximately HK$34,754,000, net of provision of impairment approximately HK$3,479,000 (2024: approximately HK$27,705,000, net of provision of impairment approximately HK$3,540,000), mainly comprised other tax prepaid in the PRC and advance payments for business related matters.

20. TRADE PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables	**47,449**	47,133

The following is an aging analysis of trade payables at the end of the reporting period, based on the contract date or invoice date:

	2025	2024
	HK$'000	*HK$'000*
0 to 180 days	**2,305**	2,153
181 to 365 days	**189**	–
Over 365 days	**44,955**	44,980
	47,449	47,133

The trade payables are not interest-bearing, normally settled within six months after receiving suppliers' invoices and denominated in RMB.

21. OTHER PAYABLES AND ACCRUALS

	Notes	2025 HK$'000	2024 HK$'000
Deposit received	*(i)*	**2,739**	1,655
Land value added tax payable		**482**	490
Accruals		**16,322**	14,615
Receipts in advance		**263**	206
Other payables	*(ii)*	**91,114**	77,086
		110,920	94,052

Other payables and accruals are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
RMB	**86,439**	81,373
HK$	**24,481**	12,679
	110,920	94,052

Notes:

(i) Deposit received represented the 1.67% (2024: 1%) of consideration received from the purchaser relating to the sale of the entire issued share capital of Century Strong Limited, amounting to RMB2,500,000 (2024: RMB1,500,000). The details of disposal are set out in notes 9 and 10, and the announcement and circular of the Company dated 2 May 2023 and 23 June 2023 respectively. The disposal is expected to be completed by early 2025.

However, the Group has granted the Purchaser the extension of deadline for the completion of disposal to 31 December 2025. Refer to note 9 for the details.

(ii) As at 31 March 2025, other payables of approximately HK$2,601,000 (2024: HK$1,103,000) is interest-bearing at 10% per annum, repayable on demand (2024: on or before 25 January 2025). It was settled on 26 May 2025. Other payables of approximately HK$2,749,000 is interest-bearing at 7% per annum, repayable on or before 11 June 2026. Other payables of HK$8,000,000 is secured by equity interests of certain subsidiaries, interest-bearing at 10% per annum and repayable on or before 26 March 2026.

As at 31 March 2024, other payables of approximately HK$2,758,000 is interest-bearing at 10% per annum.

22. SHARE CAPITAL

	Notes	Number of ordinary shares	Amount *HK$'000*
Authorised:			
Ordinary share of HK$0.1 each			
At 31 March 2024, 1 April 2024 and 31 March 2025		25,000,000,000	2,500,000
Issued and fully paid:			
Ordinary share of HK$0.1 each			
At 31 March 2024 and 1 April 2024		938,402,800	93,840
Placing of shares on 20 May 2024	*(i)*	187,680,560	18,768
Issuance of consideration shares on 13 June 2024	*(ii)*	187,680,000	18,768
At 31 March 2025		1,313,763,360	131,376

Notes:

(i) On 20 May 2024, the Company completed a placing of 187,680,560 new shares at a price of HK$0.105 per placing share and raised gross proceeds of approximately HK$19,706,000, of which approximately HK$18,768,000 was credited to share capital account and the balance of approximately HK$938,000 was credited to share premium account of the Company.

Share issuance expenses (mainly include the placing commission and other related expenses) that are directly attributable to the placing of shares amounting to approximately HK$591,000 was treated as a deduction against the share premium account arising of the placing of shares.

(ii) On 13 June 2024, the Company issued a total of 187,680,000 consideration shares at a price of HK$0.23 per consideration share (equivalent to the amount of HK$43,166,400) as part of the consideration of the acquisitions of two target companies, of which HK$18,768,000 was credited to share capital account and the balance of approximately HK$24,399,000 was credited to share premium account of the Company.

23. BORROWINGS

	2025 ***HK$'000***	2024 *HK$'000*
Bank borrowings – secured	**8,669**	8,825

As at 31 March 2025 and 2024, bank borrowings are interest-bearing at 4.615% per annum, secured by factories under land and buildings and land use right (note 14) located in Hunan, the PRC and repayable on 19 September 2026.

The fair values of the borrowings are not materiality different from their carrying amounts, since the interest payable on those borrowings is close to current market rates.

The Group's borrowings are denominated in RMB.

24. ACQUISITION OF SUBSIDIARIES

Acquisition of Yongyin Investment Holdings Limited ("Yongyin")

For the year ended 31 March 2024, the Group acquired 100% of the issued share capital of, and the shareholder's loan advanced to, Yongyin at a consideration of HK$37 million. Yongyin is principally engaged in investment holding and its indirect wholly-owned subsidiary is principally engaged in mineral exploration and mining activities in the PRC. The acquisition has been completed on 14 December 2023.

	Carrying value *HK$'000*	**Fair value adjustment** *HK$'000*	**Fair value** *HK$'000*
The identifiable assets acquired and the liabilities assumed at the date of acquisition			
Property, plant and equipment	44,401	(5,747)	38,654
Intangible assets	4,415	37,973	42,388
Inventories	100	–	100
Prepayments, deposit and other receivable	441	–	441
Bank balances and cash	446	–	446
Other payables and accruals	(20,617)	–	(20,617)
Deferred tax liabilities	–	(8,057)	(8,057)
Identifiable net assets	29,186	24,169	53,355
Gain on bargain purchase			(16,355)
Total consideration *(Note)*			37,000

Note: Part of consideration for this acquisition amounted to HK$29,640,000 was paid by issuance of promissory note on 14 December 2023. On 18 December 2023, Mr. Li Yuguo, an executive director of the Company, agreed to repay the promissory note and the interest expense on behalf of the Company directly. This payment transaction was a non-cash transaction. The remaining consideration for this acquisition amounted to HK$7,360,000 was paid by allotment and issue of 32,000,000 consideration shares at HK$0.23 per share. The issue of consideration shares was completed on 13 June 2024.

	HK$'000
Net cash inflow from the acquisition	
Bank balances and cash acquired	**446**

The Group recognised a gain on bargain purchase of approximately HK$16,355,000 in the business combination as a result of the fair value of Yongyin's identifiable net assets over the sum of the consideration transferred. The fair value of the identifiable net assets at the date of acquisition is referenced to a valuation report issued by AP Appraisal Limited, an independent qualified valuer.

Yongyin contributed a loss of approximately HK$191,000 to the Group's results for the period from the date of acquisition to 31 March 2024.

If the acquisition had been completed on 1 April 2023, the Group's revenue for the year ended 31 March 2024 would have been approximately HK$14,160,000, and the Group's loss for the year would have been approximately HK$20,340,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved, had the acquisition been completed on 1 April 2023, nor is intended to be a projection of future results.

Acquisition of Yongming Investment Holdings Limited ("Yongming")

For the year ended 31 March 2024, the Group acquired 73.1% of the issued share capital of, and the shareholder's loan advanced to, Yongming at a consideration of HK$163 million. Yongming is principally engaged in investment holding and its indirect wholly-owned subsidiary is principally engaged in mineral exploration and mining activities in the PRC. The acquisition has been completed on 14 December 2023.

	Carrying value	**Fair value adjustment**	**Fair value**
	HK$'000	*HK$'000*	*HK$'000*
The identifiable assets acquired and the liabilities assumed at the date of acquisition			
Property, plant and equipment	–	39,235	39,235
Intangible assets	–	316,261	316,261
Bank balances and cash	4	–	4
Other payables and accruals	(38,711)	–	(38,711)
Deferred tax liabilities	–	(88,874)	(88,874)
Identifiable net assets	(38,707)	266,622	227,915
Non-controlling interest	10,412	(71,721)	(61,309)
	(28,295)	194,901	166,606
Gain on bargain purchase			(3,606)
Total consideration *(Note)*			163,000

Note: Part of consideration for this acquisition amounted to HK$127,193,600 was paid by issuance of promissory note on 14 December 2023. On 18 December 2023, Mr. Li Yuguo, an executive director of the Company, agreed to repay the promissory note and the interest expense on behalf of the Company directly. This payment transaction was a non-cash transaction. The remaining consideration for this acquisition amounted to HK$35,806,400 was paid by allotment and issue of 155,680,000 consideration shares at HK$0.23 per share. The issue of consideration shares was completed on 13 June 2024.

	HK$'000
Net cash inflow from the acquisition	
Bank balances and cash acquired	**4**

The Group recognised a gain on bargain purchase of approximately HK$3,606,000 in the business combination as a result of the fair value of Yongming's identifiable net assets over the sum of the consideration transferred. The fair value of the identifiable net assets at the date of acquisition is referenced to a valuation report issued by AP Appraisal Limited, an independent qualified valuer.

Yongming contributed a loss approximately HK$3,000 to the Group's results for the period from the date of acquisition to 31 March 2024.

If the acquisition had been completed on 1 April 2023, the Group's revenue for the year ended 31 March 2024 would have been approximately HK$14,160,000, and the Group's loss for the year would have been approximately HK$19,775,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved, had the acquisition been completed on 1 April 2023, nor is intended to be a projection of future results.

25. FINANCIAL GUARANTEE LIABILITIES

As at 31 March 2025, a wholly-owned subsidiary of the Company, 大連創和置地有限公司 ("大連創和"), incorporated in the PRC, provided corporate guarantees to third parties amounting to approximately RMB100,000,000 (2024: RMB100,000,000), detailed as follows:

(1) On 17 April 2014, 大連創和 provided a corporate guarantee to 大連銀行第一中心支行 ("大連銀行(一)") for a recurring bank loan of RMB50,000,000 granted to a third party, 大連東潤物資回收有限公司 ("大連東潤"). In 2017, 大連銀行(一) took a legal action against 大連東潤 for the recovery of the aforesaid loan. On 21 December 2017, 遼寧省大連市中級人民法院 (the "Court") ordered 大連東潤 to repay the loan to 大連銀行(一), together with relevant legal cost and interest.

(2) On 23 May 2014, 大連創和 provided a corporate guarantee to 大連銀行(一) for a recurring bank loan of RMB50,000,000 granted to a third party, 大連連隆物資有限公司 ("大連連隆"). In 2017, 大連銀行(一) took a legal action against 大連連隆 for the recovery of the aforesaid loan. On 28 December 2017, the Court ordered 大連連隆 to repay the loan to 大連銀行(一), together with relevant legal cost and interest.

(3) On 19 August 2014, 大連創和 provided a corporate guarantee to 大連銀行(一) for a recurring bank loan of RMB50,000,000 granted to a third party, 大連澤琦貿易有限公司 ("大連澤琦"). In 2017, 大連銀行(一) took a legal action against 大連澤琦 for the recovery of the aforesaid loan. On 21 December 2017, the Court ordered 大連澤琦 to repay the loan to 大連銀行(一), together with relevant legal cost and interest. The loan principal of RMB50,000,000 has been repaid by 大連澤琦 on 30 December 2017.

Another independent guarantor, 大連順浩置業有限公司 ("大連順浩") has pledged its properties to secure the bank loans stated in (1), (2) and (3). The estimated value of the pledged properties is over RMB250 million. The directors believe that the aforesaid loans, interests and other costs can fully be recovered from the sales proceeds of the pledged properties. In addition, 大連創和 obtained counter-guarantees given by 創達地產(大連)有限公司 ("創達地產"). 創達地產 undertook to compensate 大連創和 any legal costs and economic losses that may be suffered by 大連創和 in relation to all the aforesaid corporate guarantees.

On 27 December 2017, a restructuring loan agreement was signed by 大連順浩 with 大連銀行 . Under this agreement, a new loan of RMB245,000,000 was granted to 大連順浩 for the repayment of the loans, interests and other cost stated in (1), (2) and (3) and then the corporate guarantee provided by 大連創和 will be released. However, the procedure to release the corporate guarantee is still in progress.

The directors are closely monitoring the situations and will continue to use their best endeavor to resolve the corporate guarantees above. The directors are also assessing the legal position of the Group and may consider taking legal actions if appropriate.

Up to the date of this announcement, the Group did not suffer any loss from the above corporate guarantees. Having considered the counter-guarantees provided by 創達地產 , pledge of valuable properties by 大連順浩 and subsequent settlement arrangements as stated above, in the opinion of the directors of the Company, the fair values of the financial guarantee contracts are insignificant at initial recognition as the probability of suffering any significant loss by the Group from the above corporate guarantees is low. Accordingly, no provision has been made in the consolidated financial statements for these guarantees.

26. MATERIAL RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Save as disclosed elsewhere in the consolidated financial statements, details of transactions between the Group and other related parties are disclosed below.

(a) Transactions with related parties

(i) Interest income relating to termination of acquisition of Shenyang Properties

Interest income relating to termination of acquisition of Shenyang Properties for the year ended 31 March 2024, which were receivable from Mr. Li Yuguo who is an executive director of the Company, are recognised as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest income relating to termination of acquisition of Shenyang Properties	–	9,198

On 18 December 2023, Mr. Li Yuguo has fully settled the amounts due from him, thus, there was no such interest income in current year.

(ii) Interest on promissory note

A promissory note of HK$5,000,000 was issued by the Company on 29 November 2024 to Mr. Liu Yan Chee James, who is an executive director of the Company. On 26 March 2025, the Company has redeemed all promissory note. The interest on promissory note are recognized as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest on promissory note	**97**	–

(b) Transaction relating to non-controlling interests

During the year ended 31 March 2025 and 2024, the interest income relating to the amount due from non-controlling interests are recognised as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest income relating to amount due from non-controlling interests	**135**	551

(c) Remuneration of key management personnel

The remuneration of key management personnel during the year was as follows:

	2025	2024
	HK$'000	*HK$'000*
Short-term benefits	**5,058**	4,719
Retirement benefit scheme	**37**	43
	5,095	4,762

27. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	2025	2024
	HK$'000	*HK$'000*
Contracted but not provided for:		
Property development expenditure	**98,428**	100,196
Construction in-progress for water exploitation activities in Hunan	**5,920**	5,655
	104,348	105,851

28. SUBSEQUENT EVENTS

On 10 June 2025, a total of 170,100,000 new shares of the Company had been successfully placed by the placing agent to not less than six placees at the placing price of HK$0.1 per placing share under the general mandate granted to the Directors by ordinary resolution passed at the annual general meeting of the Company held on 28 August 2024. Upon the completion of the aforesaid placing of new shares, the total number of issued shares of the Company increased from 1,313,763,360 shares to 1,483,863,360 shares. Details of the placing of shares were set out in the announcements of the Company dated 20 May 2025, 4 June 2025 and 10 June 2025 respectively.

On 25 June 2025, the Company held a special general meeting and an ordinary resolution was passed to approve the capital reorganisation which involves the share consolidation, the capital reduction and the subdivision.

(1) Share consolidation

The share consolidation involved a consolidation of every ten (10) issued and unissued ordinary shares of par value of HK$0.1 each in the share capital of the Company into one consolidated share of par value of HK$1.00 each in the share capital of the Company. The share consolidation became effective on 27 June 2025 and the total number of issued shares of the Company became 148,386,336 shares.

(2) Capital reduction

The capital reduction involved a reduction of the par value of each issued consolidated share from HK$1.00 to HK$0.01 by (a) eliminating any fraction of a consolidated share in the issued share capital of the Company arising from the share consolidation in order to round down the total number of the consolidated Shares to a whole number; and (b) cancelling HK$0.99 of the paid-up capital of the Company on each issued consolidated Share so that each issued new share will be treated as one (1) fully paid-up share of par value of HK$0.01 each in the share capital of the Company.

(3) Subdivision

The subdivision involved each authorised but unissued consolidated shares be subdivided into one hundreds (100) authorised but unissued new shares of par value HK$0.01 each.

For details of the capital reorganisation, please refer to the announcements of the Company dated 2 June 2025 and 4 June 2025 and the circular of the Company dated 9 June 2025.

FINANCIAL REVIEW

Revenue

For the year, the Group's revenue amounted to approximately HK$20,044,000 (2024: HK$14,160,000), reflecting growth despite challenging market conditions. The increase was primarily driven by the Group's bottled mineral water business, which commenced production in March 2024. The management of Hunan Xintian has been actively expanding its customer base and promoting its water products to enhance sales and market penetration.

However, the post-pandemic global economy remains subdued, and the PRC's economic recovery has been slow, with no immediate signs of rapid improvement. The property market, in particular, has weakened further, leading to a decline in the Group's revenue from developed property sales in the PRC. Meanwhile, rental and management fee income from investment properties showed resilience, partially offsetting the downturn in property sales.

Cost of Sales

For the Year, cost of sales of the Group was approximately HK$19,266,000 (2024: HK$3,215,000), including the cost of properties sold of approximately HK$1,084,000 (2024: HK$2,162,000) and cost of bottled mineral water sold of approximately HK$18,182,000 (2024: HK$1,053,000). The decrease in cost of properties sold was in line with the decrease in revenue from sales of properties. The cost of bottled mineral water sold for the Year comprised mainly of the amortisation of water mining right of approximately HK$10,011,000 (2024: HK$952,000).

Gross Profit

For the Year, the Group recorded a gross profit of approximately HK$778,000 (2024: HK$10,945,000). The gross profit was mainly attributable to the rental income generated from the investment properties in Suzhou, Zhejiang and Beijing.

Other Gains

During the current year, the Group recorded other income of approximately HK$501,000 (2024: HK$18,813,000). This decrease is mainly due to no such non-recurring income during the Year.

Other Losses

For the Year, the Group recorded other losses of approximately HK$201,000 (2024: HK$4,277,000). The decrease in other losses was mainly attributable to the decrease in currency exchange losses on the monetary assets and liabilities denominated in RMB resulting from more stable Renminbi ("RMB") exchange rate during the Year.

Selling and Distribution Expenses

For the Year, selling and distribution expenses of the Group remained stable at approximately HK$1,090,000 (2024: HK$831,000). They are mainly attributable to the expenditures on the management, maintenance and repairs of the investment properties.

Administrative Expenses

Administrative expenses primarily consisted of directors' emoluments, other staff costs and benefits, depreciation, legal and professional fees, land and property taxes and other general office expenses, which were approximately HK$29,703,000 for the Year (2024: HK$39,847,000). The decrease was mainly due to the decrease in professional fees as no acquisition or disposal transactions occurred during the Year.

Share of Results of Associates

For the Year, the share of losses of associates was approximately HK$11,696,000 (2024: HK$11,425,000) which were mainly attributable to the depreciation of property, plant and equipment and amortisation of water procurement permit of the associate in Guangxi. The increase in losses was mainly due to the increase in operating loss of the associate.

Finance Costs

For the Year, the finance costs of the Group was approximately HK$1,258,000 (2024: HK$773,000), which mainly represented the interest on secured bank loans and other payables.

Material Impairment Loss and Fair Value Loss on Assets

Post-pandemic economy has been depressing in the global market. The overall economy in the PRC remains stagnant and is unlikely to recover quickly in the near future. Due to the unfavourable market sentiment and low consumers' demands in the PRC, the business of the Group has suffered significant impacts and certain assets of the Group were impaired. For the Year, the Group recognised material impairment loss and fair value loss on assets from continuing operations including:

(i) provision for impairment loss on intangible assets of approximately HK$91,378,000 (2024: HK$29,230,000) (details of which are set out in note 14 to the announcement);

(ii) loss from changes in fair value of investment properties of approximately HK$315,973,000 (2024: HK$67,212,000) (details of which are set out in note 13 to the announcement);

(iii) provision for impairment loss on the remaining deposits paid for Beijing Properties of approximately HK$43,103,000 (2024: reversal of impairment loss on the deposits paid of approximately HK$74,832,000) was recognised for the Year; and

(iv) An impairment loss on the interests in associates of approximately HK$63,904,000 (2024: HK$780,000) was provided for the Year (details of which are set out in note 15 to the announcement).

There was no material impairment loss or fair value loss on assets from the discontinued operations for the Year.

Loss attributable to Owners of the Company

For the Year, the Group recorded a loss attributable to owners of the Company, which amounted to approximately HK$451,554,000 (2024: HK$8,347,000). The increase in loss was mainly attributable to:

(i) provision for impairment loss on deposits paid for acquisition of Beijing Properties as the fair value of properties to be transferred to the Group as refund of deposits paid dropped during the Year;

(ii) increase in impairment loss on intangible assets;

(iii) increase in impairment loss on interests in associates; and

(iv) increase in loss from change in fair value of investment properties.

BUSINESS REVIEW

The Group continued to focus on its core businesses in water business, property development, mining business and property investment business during the Year.

In the post-pandemic era, the overall economy in the PRC remains stagnant. The Group is facing more challenges, including but not limited to downturn of the property market, unfavourable market sentiment and low consumers' demands in the PRC. The Group is proactively and continuously taking actions to mitigate the adverse impacts of the pandemic on the Group. Nevertheless, our core businesses are inevitably adversely affected to some extent.

Water Business

The Group recorded a loss from water business segment of approximately HK$99,820,000 for the Year (2024: HK$34,453,000). The increase in loss from water business segment was mainly due to the increase in impairment loss on the water mining right possessed by the subsidiary of the Company in Hunan.

Water Production and Sales

The Group holds 20% equity interests in Hong Kong Spring Water Ding Dong Group Company Limited which has a wholly-owned subsidiary in Guangxi, Guangxi Spring Water Ding Dong Beverages Company Limited* ("Guangxi Spring Water Ding Dong"). Guangxi Spring Water Ding Dong possesses a water procurement permit for production and sales of bottled water and is currently in operation in Guangxi.

During the Year, the Group shared losses of associates of approximately HK$11,696,000 (2024: HK$11,425,000), which were mainly attributable to the depreciation of property, plant and equipment and amortisation of water procurement permit of the associate in Guangxi. The increase in losses was mainly due to the increase in operating loss of the associate.

The Group reviewed the recoverable amount of the interests in associates as at 31 March 2025 with reference to a valuation report issued by an independent qualified valuer. An impairment loss on the interests in associates of approximately HK$63,904,000 (2024: HK$780,000) was provided for the Year. Details of the impairment assessment are set out in note 15 to the announcement.

Water Mining

The Group holds 67% equity interests in Good Union (China) Limited ("Good Union"), which has a wholly-owned subsidiary in Hunan, Hunan Xintian Strontium Rich Mineral Water Co., Ltd.* ("Hunan Xintian"). Hunan Xintian possesses a water mining right for exploitation of mineral water in Hunan. The construction of the factory buildings was completed in 2023 and the installation of machinery and equipment was also completed during the Year. The commercial production has commenced in March 2024.

For the Year, the Group recognised revenue from the sales of bottled mineral water of approximately HK$4,892,000 (2024: HK$50,000). The management of Hunan Xintian is actively soliciting customers and promoting its water products in order to enhance its turnover and customer bases.

The Group reviewed the recoverable amount of the water mining right as at 31 March 2025 with reference to a valuation report issued by an independent qualified valuer. An impairment loss on the water mining right of approximately HK$83,400,000 (2024: HK$29,230,000) was provided for the Year. The water mining right was further impaired which was resulted from the unfavourable market sentiment and low consumers' demands in the PRC. Details of the impairment assessment are set out in note 14 to the announcement.

The minority shareholder who holds 33% shareholding of Good Union has committed to provide a production volume guarantee of the water mining business in Hunan to the Group for the years from 2019 to 2028. The compensation relating to the failure to fulfil the production volume guarantee for the years 2019 and 2020 of approximately RMB21,936,000 was mutually agreed between the minority shareholder and the Group in 2021. As at the date of this announcement, the minority shareholder has paid the compensation and interest of approximately RMB22,685,000 to the Group.

The production volume guarantee of the years 2021, 2022 and 2023 were not satisfied due to the delay in construction works of the factory building in Hunan resulting from the stringent precautionary measures during the COVID-19 pandemic. For the compensation for the years 2021, 2022 and 2023, the Group is still negotiating with the minority shareholder.

The Group has been considering the various possible arrangements on the production Volume Guarantee for the years 2021, 2022 and 2023 in order to strike a balance between duly and properly safeguarding its assets and ensuring a sustainable business of the Target Group in the long run. As at the date of this announcement, there is not yet any details of the possible arrangement concluded by the Company.

Mining Business

The Group recorded a loss from mining business segment of approximately HK$8,465,000 for the Year (2024: HK$194,000). The loss from mining business segment was mainly due to the operating expenses and provision for impairment loss on mining right. Details of Jiuyuan Mine and Jinhao Mine are set out below.

Jiuyuan Mine

The Group holds 100% equity interests in Yonyin Investment Holdings Limited ("Yonyin"). Yonyin's indirect wholly-owned subsidiary, ZhenYuan County JiuYuan Mining Co., Ltd.* ("Jiuyuan") holds a mining licence with minerals of lead and zinc located at Jiujia Township, Zhenyuan County, Pu'er City, Yunnan Province, the PRC* (中國雲南省普洱市鎮沅縣九甲鄉).

The mining sector operates within PRC's stringent national regulatory framework. In recent years, the Ministry of Ecology and Environment has progressively enhanced pollution control policies through comprehensive implementation of the "Three Lines and One List" governance mechanism (encompassing Ecological Conservation Redlines, Environmental Quality Baselines, Resource Utilization Ceilings, and Ecological Environment Access Lists). These requirements now constitute fundamental compliance benchmarks for industry operations. Within this regulatory context, the expected time of commencement of commercial production of Jiuyuan has been affected. Following an on-site inspection by regulatory authorities in early 2024, the Group received directives mandating completion of specified facility enhancements and process optimizations prior to commencement of commercial production. Furthermore, supplementary guidance from local regulators in early 2025 further verbally instructed that the project is required to complete specialised certification protocols and demonstrate compliance with core standards, including ecological preservation, production safety, and sustainable resource utilization, before commencing commercial operations.

The Group is now using its best endeavour to fulfill regulatory requirements. After comprehensive evaluation of current compliance progression and certification requirements, including extended regulatory adjustment cycles arising from evolving standards, natural validation periods for environmental engineering components, and multi-tiered approval procedures. The Group has prudently adjusted the expected commercial production commencement to the 4th quarter of 2026.

* *For identification purpose* only

The Group reviewed the recoverable amount of the mining right of Jiuyuan as at 31 March 2025 with reference to a valuation report issued by an independent qualified valuer. An impairment loss on exploration and mining right of approximately HK$7,978,000 (2024: Nil) was provided for the Year. Details of the impairment assessment are set out in note 14 to the announcement.

Jinhao Mine

The Group holds 73.1% equity interests in Yongming Investment Holdings Limited ("Yongming"). Yongming's indirect wholly-owned subsidiary, ZhenYuan County JinHao Mining Co., Ltd.* ("Jinhao") holds an exploration licence with minerals of copper, lead and silver located at Enshui Road (Minjiang Market Section), Zhenyuan Yi Hani Lahu Autonomous County, Pu'er City, Yunnan Province, the PRC* (中國雲南省普洱市鎮沅彝族哈尼族拉祜族自治縣恩水路(民江集貿市場段)).

Jinhao is in the process of applying the mining licence in accordance with established procedures. Under the original plan, production was expected to commence in the second half of 2025. However, project progress now requires phased adjustments due to the following critical factors:

As the project site in Pu'er City is designated an important ecological barrier zone in the upper reaches of the Yangtze River, it has been formally classified as a key mineral resource monitoring area under Yunnan Province's Mineral Resources Master Plan (2021–2025) (issued October 2022). This policy mandates, upgraded approval mechanisms requiring provincial-level direct review of new mining rights; multi-departmental joint evaluations (natural resources, ecological protection, emergency management); and Continuously enhanced ecological standards, including new requirements such as cross-border ecological corridor assessments and carbon offset obligations, which have substantially extended the approval timeline.

Additionally, developing the mining licence necessitates infrastructure investments totalling tens of millions of RMB, while the Group's current cash reserves remain insufficient to cover these costs.

The Group is now using its best endeavour to seek diversified financing solutions, including, negotiating project loans with financial institutions; exploring strategic investor partnerships and researching feasibility for government special-fund applications. As at the date of this announcement, there is not yet any agreement, arrangement, understanding or negotiation on potential financing concluded by the Group.

* *For identification purpose only*

Following a comprehensive assessment of approval progress and funding efforts, the projected production commencement is now prudently adjusted to the second half of 2026. The Group will continue optimizing implementation plans, integrating policy and market resources, while strictly complying with provincial ecological and safety regulations to support efficient project advancement.

The Group reviewed the recoverable amount of the exploration right of Jinhao as at 31 March 2025 with reference to a valuation report issued by an independent qualified valuer. No impairment loss was provided for the Year (2024: Nil). Details of the impairment assessment are set out in note 14 to the announcement.

Property Development and Investment Business

The Group recorded a loss from property development and investment segment of approximately HK$362,009,000 for the Year (2024: profit of approximately HK$18,320,000). The turnaround from profit to loss was mainly due to:

(i) provision for impairment loss on deposits paid for acquisition of Beijing Properties as the fair value of properties to be transferred to the Group as refund of deposits paid dropped during the Year; and

(ii) increase in loss from change in fair value of investment properties.

For the Year, the Group recorded revenue from property development and investment segment of approximately HK$15,152,000 (2024: HK$14,110,000). Details of the increase in revenue are set out in the property projects in Dalian, Zhejiang and Suzhou below.

Property Development

Dalian Properties

The indirect wholly-owned subsidiary in Dalian, the PRC, Dalian Chuanghe Landmark Co Ltd.* (“Dalian Chuanghe”), engages in the development of urban land for residential usage in Dalian and plans to develop 55 buildings with 21 buildings in the first phase (“Phase I”) and 34 buildings in the second phase (“Phase ll”) at Beibu District, Jinshitan, Jinzhou New District, Dalian, the PRC* (中國大連金州新區金石灘北部區).

* *For identification purpose only*

Phase l, named "Xin Tian Jia Yuan", was completed in March 2019 and recognised as the completed properties held for sale of the Group. There are 21 buildings established in Phase I with total saleable area of approximately 42,540 square metres including 4 eight-storey apartments (小高層), 9 garden villas (洋房) and 8 garden houses (聯排別墅). Dalian Chuanghe commenced to hand over the properties to buyers in April 2019. For the Year, approximately 181 square metres of properties were handed over and revenue of approximately HK$1,186,000 (2024: HK$1,788,000) was recorded. Due to the downturn of the property market in the PRC, consumers' behaviors have changed. They tend to be more conservative and take a wait-and-see attitude towards property investment, which has substantially affected the sales of property. As a result, the revenue from sales of properties decreased during the Year.

Up to 31 March 2025, an aggregate of approximately 81% of the total saleable area of Phase l have been handed over to the buyers. As at 31 March 2025, Dalian Chuanghe had sale contracts with contract amount of approximately RMB37,597,000 with gross saleable areas of around 5,027 square metres which are expected to be handed over to buyers in the near future. Under the unfavourable property market sentiment, it is challenging to sell all the remaining unsold units in Phase 1 of the Dalian Properties in the near future. However, the management of Dalian Chuanghe are closely monitoring the property market condition and is using its best endeavor to promote and sell the remaining unsold units.

The Group reviewed the market value of the completed properties held for sale as at 31 March 2025 with reference to a valuation report issued by an independent qualified valuer using market approach in the assessment of the valuation. For the Year, provision for impairment loss on completed properties held for sale of approximately HK$2,725,000 (2024: reversal of impairment loss of approximately HK$270,000) was made. Details of the impairment assessment are set out in note 17 to the announcement.

Phase II is recognised as the properties under development of the Group. The Group planned to develop 34 buildings with aggregate saleable area of approximately 69,000 square metres. The development of Phase II is in preliminary stage. Due to (i) the outbreak of the COVID-19 pandemic since the beginning of 2020; (ii) the debt crisis of some of the property developers in the PRC since mid-2021; and (iii) the downturn of the property market in the PRC, the development of Phase II has been delayed and rescheduled.

On 27 January 2022, Dalian Chuanghe received an idle land decision from Dalian Municipal Bureau of Natural Resources* (大連市自然資源局), pursuant to which the land of Phase II was determined to be in idle condition. Therefore, there is a risk that the land of Phase II being repossessed by the PRC government authorities without compensation. The management of Dalian Chuanghe is actively negotiating and communicating with the PRC government authorities to lift the decision of idle status and to avoid land repossession by the PRC government authorities without compensation.

Up to the date of this announcement, the legal title of the land of Phase II still remained under the control of the Company despite the idle land decision. No further action was taken by the PRC government authorities and the Company was not aware of any exact timeline of the repossession.

The Board has reviewed and reconsidered the development plan of Phase II. The construction material costs has continuously increased in recent years, which led to the increase in the development costs. However, the selling price of the properties in Dalian has dropped due to the debt crisis of some of the property developers in the PRC since mid-2021 and the downturn of the property market in the PRC. As a result, the projected profit margin of developing Phase II has dropped significantly. Therefore, the Board considered that developing the land of Phase II under the current market condition is not in the best interest of the Company and its shareholders as a whole. Nevertheless, the management are still using its best endeavors to avoid land repossession by the PRC government authorities without compensation. In the meantime, the Group is also identifying a buyer to purchase the land of Phase II. However, the Group was still not able to identify and secure a buyer.

Nevertheless, given that property development is a highly profitable business, the Company does not intend to cease such business. Rather, the Company has always been prepared to continue its property development business whenever market opportunities arise. Given the recent market conditions of the property market in the PRC, the economic uncertainties and the increasing costs of construction resulting from the global inflation, the Company has adopted a conservative approach on its property development business for the time being.

* *For identification purpose only*

Property Investment

Beijing Properties

The Group entered into an acquisition agreement on 28 February 2017 to purchase (a) office premises with an aggregate gross floor area of 8,335 square metres and (b) underground car park with an aggregate gross floor area of 3,100 square metres located at Phase III of Beijing Convention and Exhibition International Port (Exhibition Centre Ancillary Facilities) Project* (北京會展國際港展館配套設施項目第三期) for a consideration of approximately RMB220,000,000 (subject to adjustment). The Group has paid the consideration of RMB200,000,000 in accordance with the payment terms stated in the acquisitions agreement as deposits.

Due to the outbreak of the COVID-19 pandemic, construction works were temporarily suspended and the vendor failed to hand over the properties to the buyer in accordance with the agreed schedule. The Group took legal action against the vendor for the material delay in handover of the properties. Since the vendor has still not handed over the properties in 2023, the vendor has undertaken with the Group to refund the entire deposit to the Group. As the vendor was in financial difficulties, the vendor has undertaken to (i) refund the deposit by transferring certain properties in Beijing held by the vendor and (ii) pay an additional cash compensation of RMB8,000,000 to the Group. As at 31 March 2024, the vendor has fully paid the cash compensation of RMB8,000,000 and transferred 4 properties with the aggregate Consideration of approximately RMB44,381,600 to the Group.

On 25 June 2023 and 13 July 2023, the four properties which have been transferred to the Group were reclassified from deposits paid to investment properties of the Group. These properties are currently leased to tenants for rental income. For the Year, the Group recorded rental income from these properties of approximately HK$453,000 (2024: HK$518,000).

* *For identification purpose only*

The Group reviewed the market values of the properties transferred and proposed to transfer to the Group as refund as at 31 March 2025 with reference to a valuation report issued by an independent qualified valuer using market approach. A loss from change of fair value of the properties transferred which are recognised as investment properties of the Group, of approximately HK$21,029,000 (2024: HK$384,000) was recognised for the Year. Details of the fair value assessment of these investment properties are set out in note 13 to the announcement. Apart from this, provision for impairment loss on the remaining deposits paid for Beijing Properties of approximately HK$43,103,000 (2024: reversal of impairment loss on the deposits paid of approximately HK$74,832,000) was recognised for the Year. Details of the impairment assessment of the deposits paid are set out in note 19 to the announcement.

Up to the date of this announcement, the vendor has further transferred 2 properties with the aggregate Consideration of approximately RMB80,482,620 to the Group, and refunded in total of RMB16,000,000 in cash (RMB11,170,000 as refund of part of the Deposit and RMB4,830,000 as cash compensation of late refund) to the Group. For details, please refer to the Company's announcements dated 29 April 2025 and 15 May 2025. The remaining properties are expected to be transferred as refunds of deposits in 2025.

Given that the vendor was actively settling its liabilities, the Group has temporarily refrained from taking further actions against the vendor. While the Group reserves all its rights against the vendor and in order to minimize its loss as far as possible, the PRC lawyer and the Group are, and will continue to, follow up and closely monitor the refund progress.

Zhejiang Properties

The Group holds the land use rights in respect of an industrial land parcel with site area of approximately 31,950 square metres and a two-storey industrial building with a total gross floor area of approximately 45,330 square metres together with another land parcel with a total site area of approximately 74,960 square metres located at Chen Village, Shanghua Street, Lanxi City, Jinhua, Zhejiang Province, the PRC* (中國浙江省金華蘭溪市上華街道沈村).

The industrial lands and building are currently leased to tenants for rental income. The Group recorded rental income of approximately HK$5,227,000 for the Year (2024: HK$4,394,000), representing an increase primarily due to renewal lease agreement with higher rental rates and improved tenant restructuring.

* *For identification purpose only*

The Group reviewed the market value of Zhejiang Properties as at 31 March 2025 with reference to a valuation report issued by an independent qualified valuer using market approach in the assessment of the valuation. The gain from change in fair value of Zhejiang Properties of approximately HK$109,000 (2024: loss from change in fair value of HK$11,689,000) was recognised for the Year. Details of the fair value assessment are set out in note 13 to the announcement.

Suzhou Properties

The Group holds the land use rights in respect of several buildings with total construction area of approximately 14,798 square metres together with the land parcel with a total site area of approximately 20,841 square metres located at 6 Waiwujingnong, Suzhou, Jiangsu, the PRC* (中國江蘇省蘇州市外五涇弄6號).

The Suzhou Properties comprise a garden-style hotel in Suzhou for travel, vacation, conference and meeting. It was being leased out by the Group for rental income and the tenants operated the same as, inter alia, business clubs, featured business boutique hotels, restaurants, shops, offices, etc. For the Year, the Group recorded rental and management fee income of approximately HK$7,555,000 (2024: HK$7,410,000).

While the post-pandemic economic environment in the PRC previously impacted tourism and business activities, leading to some tenant turnover in prior years, the leasing situation has since stabilised during the year. The Group has maintained steady occupancy and rental rates, reflecting improved market resilience and effective tenant retention strategies.

The Group is now using its best endeavour to identify and solicit new tenants for the vacant units in the Suzhou Properties. The Company is confident that, once the market conditions improve, the demand for tourism properties will increase and the occupancy rate of the Suzhou Properties will improve accordingly. The Company intends to adopt a more progressive approach in securing new tenants, including but not limited to (i) carry out more active marketing of the properties available for lease; (ii) offer more competitive rental packages for potential tenants; and (iii) engage more real estate agents to secure potential tenants.

The Group reviewed the market value of Suzhou Properties as at 31 March 2025 with reference to a valuation report issued by an independent qualified valuer using market approach in the assessment of the valuation. The loss from change in fair value of Suzhou Properties of approximately HK$295,053,000 (2024: HK$55,139,000) was recognised for the Year. Details of the fair value assessment are set out in note 13 to the announcement.

* *For identification purpose only*

Yantian Properties (Discontinued operations)

(A) The Group entered into an acquisition agreement on 24 June 2014, a supplemental agreement on 15 April 2015, the second supplemental agreement on 12 July 2016, the third supplemental agreement on 17 May 2017 and the fourth supplemental agreement on 3 May 2018 to purchase the property at a consideration of approximately RMB100,000,000 (equivalent to approximately HK$126,000,000).

The property comprises 46 units of Jinma Creative Industry Park (formerly known as "Kingma Information Logistic Park") which is situated at Depot No. 2, 3rd Road and Shenyan Road Intersect, Inner Logistic Park, Yantian Bonded Area, Yantian District, Shenzhen City, the PRC* (中國深圳市鹽田區鹽田保税區物流園內三號路與深鹽路交匯處二號堆場) ("Jinma Creative Industry Park") with a total gross floor area of approximately 8,699 square metres.

As at 31 March 2025, the Group had obtained physical possession of the property and paid conditionally refundable deposit in the aggregate sum of RMB90,000,000 in accordance with the payment terms stated in the sales and purchase agreement. The remaining balance of the consideration of approximately RMB10,000,000 shall be paid within 30 days from the date on which the relevant building ownership certificates are issued in favour of the purchaser which is an indirect wholly-owned subsidiary of the Company (the "Jinma Industry Park Purchaser"). The vendor shall register the title of the property under the name of the Jinma Industry Park Purchaser on or before 31 December 2018 (or such other date as may be mutually agreed).

(B) The Group entered into the second acquisition agreement on 15 May 2015, a supplemental agreement on 12 July 2016, the second supplemental agreement on 17 May 2017 and the third supplemental agreement on 3 May 2018 to purchase additional property at a consideration of approximately RMB65,100,000 (equivalent to approximately HK$81,400,000). The property comprises 30 units of Jinma Creative Industry Park with a total gross floor area of approximately 5,400 square metres.

* *For identification purpose only*

As at 31 March 2025, the Group had obtained physical possession of the property and paid conditionally refundable deposit in the aggregate sum of RMB60,000,000 in accordance with the payment terms stated in the sale and purchase agreement. The remaining balance of the consideration of approximately RMB5,100,000 shall be paid within 30 days from the date on which the property is registered under the name of the Jinma Industry Park Purchaser. The vendor shall register the title of the property under the name of the Jinma Industry Park Purchaser on or before 31 December 2018 (or such other date as may be mutually agreed).

(C) The Group entered into the third acquisition agreement on 10 November 2015, a supplemental agreement on 17 May 2017 and the second supplemental agreement on 3 May 2018 to purchase additional property at a consideration of approximately RMB101,600,000 (equivalent to approximately HK$122,000,000). The property acquired was a single-storey reinforced concrete building designated for office and storage uses located at Block 2 of Jinma Creative Industry Park with a total gross floor area of approximately 4,957 square metres.

As at 31 March 2025, the Group had obtained physical possession of the property and paid conditionally refundable deposit in the aggregate sum of RMB100,000,000 in accordance with the terms of payment stated in the sale and purchase agreement. The remaining balance of the consideration of approximately RMB1,600,000 shall be paid within 30 days from the date on which the property is registered under the name of the Jinma Industry Park Purchaser. The vendor shall register the title of the property under the name of the Jinma Industry Park Purchaser on or before 31 December 2018 (or such other date as may be mutually agreed).

For Yantian Properties (A), (B) and (C) as described above, as at the date of this announcement, the vendor has still not registered the titles of the properties under the name of the Jinma Industry Park Purchaser. The approval from the PRC government authority for issuing the building ownership certificates remained pending. In April 2021, the Company received the second letter from the vendor requesting for an extension of the deadline to 31 December 2021 for handling the matter of building ownership certificates. However, due to the continuation of the COVID-19 pandemic, the registration of building ownership certificates has not been completed by the extended deadline. The Company has engaged a PRC law firm to negotiate with the vendor to resolve this matter.

Given the title defects in the Yantian Properties, such properties do not generate any revenue nor profit for the Group while the Group has to expend certain costs in continuing to hold and maintain the same.

On 27 April 2023, the Group entered into a sale and purchase agreement to dispose of the entire issued share capital of Century Strong Limited and the shareholder's loan advanced to Century Strong Limited and its subsidiaries (the "Disposal Group"), at a consideration of RMB150,000,000. The wholly-owned subsidiaries of Century Strong Limited hold the naming right and advertising right of Jimma Creative Industry Park and the Yantian Properties (A), (B) and (C). The disposal constituted a very substantial disposal transaction under the Listing Rules and was approved by the shareholders of the Company at the special general meeting held on 12 July 2023. The disposal is expected to be completed by early 2025. Details of the disposal are set out in the announcement of the Company dated 2 May 2023 and the circular of the Company dated 23 June 2023.

As at 31 March 2025, the Disposal Group was stated at the fair value equivalent to the consideration for disposal amounting to RMB150,000,000.

In view of the assets owned by the Purchaser, the scale and diversity of her businesses and further to the assessments made by the management on the estimated value of the properties represented by real estate ownership certificate provided by the Purchaser, the management concurs with the view of the Purchaser that the aggregate value of the asset proof provided by the Purchaser is estimated to be not less than the consideration for the disposal, and considers that the Purchaser has the capability to complete the disposal transaction. Therefore, as at 31 March 2025, there was no indication of any impairment on the Disposal Group and the fair value of the Disposal Group remained unchanged. The decrease in the above amounts is mainly due to the exchange difference resulting from the depreciation of RMB, which was recognised in other comprehensive income.

Environmental Policies and Performance

The Group is committed to the long-term sustainability of the environment and communities in which it operates. As a responsible corporation, the Group has complied with all relevant laws and regulations regarding environmental protection, health and safety, workplace conditions and employment in all material respects. The Group has also adopted effective measures to achieve efficient use of resources, energy saving and waste reduction.

Compliance with Laws and Regulations

During the Year, there was no incident of material non-compliance with any relevant laws and regulations for the Group.

Relationship with Suppliers, Customers and other Stakeholders

During the Year, there were no material dispute between the Group and its key stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

PROSPECTS

Although the Group has faced challenge from the aftermath of the COVID-19 pandemic and the downturn of property market and economy in the PRC during the Year, the Directors are optimistic about the economic development of the PRC in the long run and believes that the demands for water products and properties in the PRC will remain stable and sustainable. The Group will continue to strengthen its competitive strength in its core business, i.e. water business, property development, mining business and property investment business and look for appropriate business and investment opportunities in these areas.

The Group has completed to acquire Jiuyuan and Jinhao. The acquisitions represent an excellent opportunity for the Group to invest and tap into in the natural resources industry in the PRC and are in line with the development objective of the Group of becoming a market player in the natural resources industry. The Group is looking forward for the contributions from mining business in near future.

The Group will continue to endeavour to diversify its business and asset portfolio in order to diverse the risks from its existing businesses. Apart from its existing core business, the Group is actively studying the feasibilities of expansion into energy-related business. The management remains open for other business opportunities whenever the same arise.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE AND CONNECTED PARTY TRANSACTIONS

No Director had a significant beneficial interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company was a party during or at the end of the year. The Board is not aware of any related party transactions during the Year, which constituted a non-exempt connected transaction or continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

SIGNIFICANT INVESTMENTS

Save for disclosed elsewhere in this announcement, the Group had no material investments during the Year.

DIVIDEND

The Board does not recommend the payment of final dividend for the Year (2024: Nil).

FUND RAISING ACTIVITIES OF THE GROUP

Placing of Shares on 3 August 2018

The net proceeds (net of all relevant costs and expenses) from placing of shares under specific mandate on 3 August 2018 were approximately HK$316,500,000. Details of the placing of shares were set out in the announcements of the Company dated 17 April 2018 and 3 August 2018 respectively and the circular of the Company dated 5 June 2018.

Up to 31 March 2025, the Group had utilised the net proceeds as follows:

Intended use of net proceeds	**Original allocation of net proceeds**		**Actual use of net proceeds**	**Actual allocation of net proceeds**		**Utilisation up to 31 March 2025**	**Remaining balance of net proceeds as at 31 March 2025**
	HK$'million	*% of net proceeds*		*HK$'million*	*% of net proceeds*	*HK$'million*	*HK$'million*
Capital expenditure on the production facilities of Hunan Xintian	56.0	17.7%	Capital expenditure on the production facilities of Hunan Xintian	56.0	17.7%	34.1	21.9
Potential acquisition of business or companies	213.0	67.3%	Acquisition of Shenyang Properties	213.0	67.3%	213.0	–
Working capital of the Group	47.5	15.0%	Working capital of the Group	47.5	15.0%	47.5	–
	316.5	100.0%		316.5	100.0%	294.6	21.9

Net proceeds of approximately HK$15.9 million has been utilised for the use of capital expenditure on the production facilities of Hunan Xintian during the Year. Due to the unexpected outbreak of the COVID-19 pandemic in the past few years and the slower-than-expected economic recovery after the pandemic, the upward trend of the PRC economy have been obstructed. Since it may take time for the economy and the market sentiment of the PRC to recover, Hunan Xintian has currently tuned down the production scale from original plan. The Group may expand the production scale in the future after taking into account the pace of recovery of the PRC economy and the demand of the products. Therefore, the unutilised net proceeds as at 31 March 2024 of approximately HK$21.9 million (2023: HK$37.8 million) are expected to be utilised by the first quarter of 2031 for the expansion of production facilities of Hunan Xintian. However, the utilization date may be subject to further amendments if the market conditions do not favour such capital investments.

In view for a better use of the Company's resources, the Board may temporarily re-allocate the aforesaid unutilised net proceeds for other uses. However, once the expected demand for our products exceeds our production capacity, the Board will deploy the unutilised net proceeds of approximately HK$21.9 million back to the capital expenditure on the production facilities of Hunan Xintian.

Placing of Shares on 29 July 2022

The net proceeds (net of all relevant costs and expenses) from placing of shares under general mandate on 29 July 2022 at the placing price of HK$0.03 per share were approximately HK$29.51 million. The net placing price was approximately HK$0.0295 per share. Details of the placing of shares were set out in the announcements of the Company dated 5 July 2022 and 29 July 2022 respectively. The closing price of the shares on the date of placing agreement was HK$0.03.

Up to 31 March 2025, the Group had utilised the net proceeds as follows:

Intended use of net proceeds	Allocation of net proceeds		Utilisation up to 31 March 2025	Remaining balance of net proceeds as at 31 March 2025
	HK$ million	*% of net proceeds*	*HK$ million*	*HK$ million*
Working capital of the Group	19.51	66.1%	19.51	–
Potential investment	10.00	33.9%	10.00	–
	29.51	100.0%	29.51	–

Net proceeds of approximately HK$9.96 million has been utilised for the use of potential investment during the Year. As at 31 March 2025, the net proceeds had been fully utilised (2023: unutilised net proceeds was approximately HK$9.96 million which was for potential investment).

Placing of Shares on 31 March 2023

The net proceeds (net of all relevant costs and expenses) from placing of shares under general mandate on 31 March 2023 at the placing price of HK$0.146 per share were approximately HK$11 million. The net placing price was approximately HK$0.142 per share. Details of the placing of shares were set out in the announcements of the Company dated 16 March 2023 and 31 March 2023 respectively. The closing price of the shares on the date of placing agreement was HK$0.177.

Up to 31 March 2025, the Group had utilised the net proceeds as follows:

Intended use of net proceeds	Allocation of net proceeds		Utilisation up to 31 March 2025	Remaining balance of net proceeds as at 31 March 2025
	HK$ million	*% of net proceeds*	*HK$ million*	*HK$ million*
Working capital of the Group	11.0	100%	11.0	–

Net proceeds of approximately HK$11.0 million has been utilised for the use of working capital of the Group during the Year. As at 31 March 2024, the net proceeds had been fully utilised (2023: unutilised net proceeds was approximately HK$11.0 million which was for the working capital of the Group).

Placing of Shares on 20 May 2024

The net proceeds (net of all relevant costs and expenses) from placing of shares under general mandate on 20 May 2024 at the placing price of HK$0.105 per share were approximately HK$19 million. The net placing price was approximately HK$0.101 per share. Details of the placing of shares were set out in the announcements of the Company dated 25 April 2024 and 20 May 2024 respectively. The closing price of the shares on the date of placing agreement was HK$0.12.

Up to 31 March 2025, the Group had utilised the net proceeds as follows:

Intended use of net proceeds	Allocation of net proceeds		Utilisation up to 31 March 2025	Remaining balance of net proceeds as at 31 March 2025
	HK$ million	*% of net proceeds*	*HK$ million*	*HK$ million*
Working capital of the Group	19.0	100%	19.0	–

Net proceeds of approximately HK$19.0 million has been utilised for the use of working capital of the Group during the Year. As at 31 March 2025, the net proceeds had been fully utilised.

CAPITAL STRUCTURE

As at 31 March 2025, total equity attributable to owners of the Company was approximately HK$935,872,000 (2024: HK$1,343,790,000). The decrease arose from the loss attributable to owners of the Company. There were no other material change in the capital structure of the Group during the Year.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group's liquidity funds were primarily used to invest in the development of our property business, mining business and water business and for their operations and such funds were funded by a combination of capital contribution by shareholders, borrowings as well as cash generated from operation.

As at 31 March 2025, the total borrowings of the Group comprised advances from independent third parties of approximately HK$13,350,000 (2024: HK$3,861,000) and secured bank borrowings of approximately HK$8,669,000 (2024: HK$8,825,000). The advances from independent third parties are interest-bearing at 7% to 10% per annum and repayable within one year. The secured bank borrowings are interest-bearing at 4.615% per annum and repayable on 19 September 2026.

As at 31 March 2025, the Group had total assets of approximately HK$1,388,147,000 (2024: HK$1,954,633,000) which was financed by current liabilities of approximately HK$224,857,000 (2024: HK$271,104,000), non-current liabilities of approximately HK$8,669,000 (2024: HK$8,825,000), non-controlling interests of approximately HK$83,073,000 (2024: HK$117,414,000) and shareholders' equity of approximately HK$935,872,000 (2024: HK$1,343,790,000).

As at 31 March 2025, the current ratio of the Group was approximately 1.22 (2024: 1.03). Current ratio is calculated based on current assets divided by current liabilities.

As at 31 March 2025, the gearing ratio of the Group was approximately 0.024 (2024: 0.009). Gearing ratio is calculated based on total borrowings divided by total equity.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group has no material acquisition or disposal during the Year.

SUBSEQUENT EVENTS

On 10 June 2025, a total of 170,100,000 new shares of the Company had been successfully placed by the placing agent to not less than six placees at the placing price of HK$0.1 per placing share under the general mandate granted to the Directors by ordinary resolution passed at the annual general meeting of the Company held on 28 August 2024. Upon the completion of the aforesaid placing of new shares, the total number of issued shares of the Company increased from 1,313,763,360 shares to 1,483,863,360 shares. Details of the placing of shares were set out in the announcements of the Company dated 20 May 2025, 4 June 2025 and 10 June 2025 respectively.

On 25 June 2025, the Company held a special general meeting and an ordinary resolution was passed to approve the capital reorganisation which involves the share consolidation, the capital reduction and the subdivision.

(1) Share consolidation

The share consolidation involved a consolidation of every ten (10) issued and unissued ordinary shares of par value of HK$0.1 each in the share capital of the Company into one consolidated share of par value of HK$1.00 each in the share capital of the Company. The share consolidation became effective on 27 June 2025 and the total number of issued shares of the Company became 148,386,336 shares.

(2) Capital reduction

The capital reduction involved a reduction of the par value of each issued consolidated share from HK$1.00 to HK$0.01 by (a) eliminating any fraction of a consolidated share in the issued share capital of the Company arising from the share consolidation in order to round down the total number of the consolidated Shares to a whole number; and (b) cancelling HK$0.99 of the paid-up capital of the Company on each issued consolidated Share so that each issued new share will be treated as one (1) fully paid-up share of par value of HK$0.01 each in the share capital of the Company.

(3) Subdivision

The subdivision involved each authorised but unissued consolidated shares be subdivided into one hundreds (100) authorised but unissued new shares of par value HK$0.01 each.

For details of the capital reorganisation, please refer to the announcements of the Company dated 2 June 2025 and 4 June 2025 and the circular of the Company dated 9 June 2025.

Save and except for those disclosed above and in note 28 to the announcement, the Board is not aware of any significant events that have occurred subsequent to 31 March 2025 and up to the date of this announcement which require disclosure herein.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group is mainly exposed to fluctuation in the exchange rate of RMB, arising from relevant group entities' monetary assets and liabilities denominated in foreign currency for the Group's operating activities.

The Group currently does not have a foreign currency hedging policy to eliminate the currency exposures. Nevertheless, the management closely monitors the relevant foreign currency exposure from time to time and will consider hedging significant foreign currency exposures should the need arise.

EMPLOYEE AND REMUNERATION POLICY

The Group had a total of 73 (2024: 66) employees in Hong Kong and the PRC as at 31 March 2025. The total staff cost (staff salaries, directors' emoluments and other staff costs) for the Year amounted to approximately HK$11,907,000 (2024: HK$11,938,000). Remuneration packages are generally structured with reference to the market conditions and individual performance. Apart from the mandatory provident fund and statutory retirement benefits, the Group also provides medical benefits and subsidises employees in various trainings and continuous education programs.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Save and except for those disclosed in note 27 to the announcement, the Group did not have other capital commitments and contingent liabilities as at 31 March 2025.

FINANCIAL GUARANTEE CONTRACTS

Save and except for those disclosed in note 25 to the announcement, the Group did not have other financial guarantee contracts as at 31 March 2025.

CHARGES ON GROUP'S ASSETS

Save and except for those disclosed in note 23 to the announcement, the Group did not have other charges over its assets as at 31 March 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Corporate Governance Code contained in Appendix C1 (the "Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). During the Year, the Company complied with all applicable provisions of the Code except for the deviation as stated below:

Code Provision C.1.8

Under Code provision C.1.8, the Company should arrange appropriate insurance cover in respect of legal action which may be taken against the Directors. The directors' and officers' liability insurance maintained by the Company has expired on 20 May 2018. As the Company has not yet reached an agreement with an insurer regarding the terms and insurance premium of new insurance policy, the insurance cover in respect of legal action which may be taken against the Directors has not been in place since 21 May 2018. The Company had liaised with various insurance companies and brokers during the Year and will continue to liaise with them to arrange appropriate insurance cover for the Directors and officers.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had fully complied with the required standard set out in the Model Code throughout the Year.

REVIEW OF ANNUAL FINANCIAL STATEMENTS

The figures in respect of the preliminary announcement of the Group's annual results for the Year have been agreed by the auditors of the Company.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Listing Rules and the Code. The audit committee comprises all independent non-executive Directors. The audit committee has reviewed with the management of the Group, the accounting standards and practices adopted by the Group, and discussed auditing, internal control, risk management and financial reporting matters including the review of interim and annual financial statements.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is available on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.zhongjiagx.com. The annual report will be dispatched to the shareholders and will also be available on these websites.

By Order of the Board
Zhong Jia Guo Xin Holdings Company Limited
Ouyang Yanling
Chairman

Hong Kong, 26 June 2025

As at the date of this announcement, the Board consists of five executive directors, Ms. Ouyang Yanling, Mr. Li Yuguo, Mr. Liu Yan Chee James, Mr. Li Xiaoming and Mr. Chan Wai Fung; three non-executive directors, Mr. Chen Dong Yao, Mr. Yang Xiaoqiang and Mr. Huang Yilin;and four independent nonexecutive directors, Mr. Ba Junyu, Dr. Liang Jinxiang, Mr. Wong Sung and Mr. Xu Xingge.