建業實業有限公司
Chinney Investments, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 216)

2024-25 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "Board") of Chinney Investments, Limited (the "Company", and together with its subsidiaries, the "Group") announces the consolidated annual results of the Group for the year ended 31 March 2025.

Result for the year

	For the year ended 31 March	
	2025	2024
	HK$'000	*HK$'000*
Revenue	**1,027,235**	1,102,627
Property development	**528,210**	592,595
Property investment	**452,589**	452,282
Property, carpark management and others	**46,436**	57,750
Underlying profit/(loss)[(1)]	**(55,079)**	34,379
Fair value losses of investment properties (net of deferred tax)	**(490,708)**	(101,046)
Impairment of goodwill	**(18,184)**	-
Loss attributable to owners of the Company	**(563,971)**	(66,667)

Financial information

	For the year ended 31 March	
	2025	2024
	HK$	*HK$*
Loss per share	**(1.02)**	(0.12)
Dividend per share		
Final	**-**	0.025

	As at 31 March	
	2025	2024
	HK$	*HK$*
Net assets value per share	**12.91**	13.67

Note:

(1) *Underlying profit/(loss) represents profit/(loss) attributable to owners of the Company excluding the changes in fair value of investment properties net of deferred tax and impairment of goodwill.*

CHAIRMAN'S STATEMENT

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

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

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

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

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

Business Environment

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

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

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

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

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

Brief Review of our Business

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

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

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

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

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

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

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

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

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

The Outlook

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

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

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

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

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

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

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

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

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

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

In Memoriam

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

Appreciation

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

James Sing-Wai Wong
Chairman

Hong Kong, 26 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended 31 March	
		2025	2024
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**1,027,235**	1,102,627
Cost of sales		**(487,488)**	(506,772)
Gross profit		**539,747**	595,855
Other income and gains, net	*3*	**51,450**	47,147
Fair value losses on investment properties, net		**(703,872)**	(156,699)
Administrative and other operating expenses, net		**(144,592)**	(130,056)
Impairment of Goodwill		**(18,184)**	-
Finance costs	*4*	**(364,670)**	(386,003)
Share of profits of associates		**14,971**	31,138
Share of loss of a joint venture		**(1,862)**	-
Profit/(Loss) before tax	*5*	**(627,012)**	1,382
Income tax expense	*6*	**(86,202)**	(45,237)
Loss for the year		**(713,214)**	(43,855)
Attributable to:			
Owners of the Company		**(563,971)**	(66,667)
Non-controlling interests		**(149,243)**	22,812
		(713,214)	(43,855)
Losses per share attributable to ordinary equity holders of the Company	*7*		
Basic and diluted		**HK$(1.02)**	HK$(0.12)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 March	
	2025	2024
	HK$'000	*HK$'000*
Loss for the year	**(713,214)**	(43,855)
Other comprehensive loss		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income/(loss) of associates	**5,813**	(29,361)
Exchange differences on translation of foreign operations	**205,396**	(517,481)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**211,209**	(546,842)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity Investments designated at fair value through other comprehensive income:		
Changes in fair value	**(19,368)**	-
Other comprehensive income/(loss) for the year, net of tax	**191,841**	(546,842)
Total comprehensive loss for the year	**(521,373)**	(590,697)
Attributable to:		
Owners of the Company	**(408,312)**	(427,175)
Non-controlling interests	**(113,061)**	(163,522)
	(521,373)	(590,697)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 March 2025 HK$'000**	31 March 2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**232,252**	260,524
Goodwill		**36,369**	54,553
Investment properties		**15,391,331**	15,548,039
Investments in joint ventures		**391,267**	393,129
Investments in associates		**1,286,662**	1,268,855
Financial assets at fair value through other comprehensive income		**46,978**	99,624
Financial assets at fair value through profit or loss		**7,864**	23,572
Total non-current assets		**17,392,723**	17,648,296
CURRENT ASSETS			
Tax recoverable		**35,614**	27,012
Properties held for sale under development and completed properties held for sale		**1,074,838**	1,156,651
Trade receivables	*9*	**24,308**	16,907
Contract costs		**18,401**	8,129
Financial assets at fair value through profit or loss		**9,138**	8,809
Amount due from a joint venture		**56,616**	27,341
Prepayments, deposits and other receivables		**391,787**	361,009
Cash and cash equivalents		**1,105,641**	1,319,972
Total current assets		**2,716,343**	2,925,830
CURRENT LIABILITIES			
Trade payables, other payables, accrued liabilities and others	*10*	**248,752**	39,701
Derivative financial instruments		**1,435**	-
Interest-bearing bank and other borrowings		**738,157**	2,546,177
Loan from a related company	*11*	**250,000**	-
Lease liabilities		**16,933**	28,394
Contract liabilities		**42,395**	129,143
Customer deposits		**74,932**	74,891
Tax payable		**81,589**	26,129
Total current liabilities		**1,454,193**	2,844,435
NET CURRENT ASSETS		**1,262,150**	81,395
TOTAL ASSETS LESS CURRENT LIABILITIES		**18,654,873**	17,729,691

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

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

NOTES:

1. Basis of Preparation and Changes in Accounting Policies and Disclosures

Basis of preparation

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

The unaudited financial information relating to the year ended 31 March 2025 and the financial information relating to the year ended 31 March 2024 included in this preliminary announcement of annual results for the year ended 31 March 2025 do not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 March 2024, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The financial statements for the year ended 31 March 2025 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course. The Company has delivered the financial statements for the year ended 31 March 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on these financial statements for the year ended 31 March 2024. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

Changes in accounting policies and disclosures

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

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

The adoption of these revised HKFRS Accounting Standards does not have any impact on the financial position or performance of the Group.

2. Operating Segment Information

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

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

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

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

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

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

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

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

2. **Operating Segment Information** *(Continued)*

For the year ended 31 March 2025

	Property development *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Segment revenue:				
Sales to external customers	**528,210**	**452,589**	**46,436**	**1,027,235**
Segment results	**180,947**	**(426,551)**	**(11,623)**	**(257,227)**
Reconciliation:				
Interest income				**20,633**
Corporate and other unallocated expenses				**(40,982)**
Fair value losses on derivative financial instruments				**(1,435)**
Fair value gain on a financial asset at fair value through profit or loss				**328**
Finance costs (other than interest on lease liabilities)				**(361,438)**
Share of profits of associates				**14,971**
Share of loss of a joint venture				**(1,862)**
Loss before tax				**(627,012)**

For the year ended 31 March 2024

	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	592,595	452,282	57,750	1,102,627
Segment results	235,340	98,637	14,510	348,487
Reconciliation:				
Interest income				26,249
Corporate and other unallocated expenses				(20,911)
Fair value losses on financial assets at fair value through profit or loss				(488)
Finance costs (other than interest on lease liabilities)				(383,093)
Share of profits of associates				31,138
Profit before tax				1,382

2. Operating Segment Information *(Continued)*

	At 31 March 2025			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Segment assets	**1,661,920**	**16,034,514**	**3,115,323**	**20,811,757**
Reconciliation:				
Elimination of intersegment receivables				**(3,585,855)**
Investments in joint ventures				**391,267**
Investments in associates				**1,286,662**
Financial assets at fair value through profit or loss				**17,002**
Financial assets at fair value through other comprehensive income				**46,978**
Corporate and other unallocated assets				**1,141,255**
Total assets				**20,109,066**
Segment liabilities	**1,264,407**	**2,333,248**	**391,880**	**3,989,535**
Reconciliation:				
Elimination of intersegment payables				**(3,585,855)**
Corporate and other unallocated liabilities				**8,899,767**
Total liabilities				**9,303,447**

	For the year ended 31 March 2025			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Other segment information:				
Fair value losses on investment properties, net	**-**	**703,872**	**-**	**703,872**
Gain on disposal of items of property, plant and equipment	**(91)**	**-**	**-**	**(91)**
Depreciation	**1,916**	**7,573**	**31,748**	**41,237**
Capital expenditure*	**976**	**305,745**	**591**	**307,312**

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

2. **Operating Segment Information** *(Continued)*

	At 31 March 2024			
	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Segment assets	1,456,754	16,152,154	2,890,795	20,499,703
Reconciliation:				
Elimination of intersegment receivables				(3,066,550)
Investments in associates				1,268,855
Investments in joint ventures				393,129
Financial assets at fair value through profit or loss				32,381
Financial assets at fair value through other comprehensive income				99,624
Corporate and other unallocated assets				1,346,984
Total assets				20,574,126
Segment liabilities	1,172,341	1,914,248	270,283	3,356,872
Reconciliation:				
Elimination of intersegment payables				(3,066,550)
Corporate and other unallocated liabilities				8,942,259
Total liabilities				9,232,581

	For the year ended 31 March 2024			
	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Other segment information:				
Fair value losses on investment properties, net	-	156,699	-	156,699
Gain on disposal of items of property, plant and equipment	(67)	-	(200)	(267)
Depreciation	2,270	7,698	20,211	30,179
Capital expenditure*	890	543,821	4,579	549,290

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

2. **Operating Segment Information** *(Continued)*

Geographical information

(a) Revenue

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

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

(b) Non-current assets

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

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

3. Revenue, Other Income and Gains, Net

Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	For the year ended 31 March 2025			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Segment				
Type of goods or services				
Sales of properties	**528,210**	**-**	**-**	**528,210**
Property management income and others	**-**	**38,391**	**9,530**	**47,921**
Total revenue from contracts with customers	**528,210**	**38,391**	**9,530**	**576,131**
Revenue from other sources				
Gross rental income	**-**	**414,198**	**36,906**	**451,104**
Total revenue from other sources	**-**	**414,198**	**36,906**	**451,104**
Revenue disclosed in the segment information	**528,210**	**452,589**	**46,436**	**1,027,235**
Timing of revenue recognition				
Goods transferred at a point in time	**528,210**	**-**	**-**	**528,210**
Services transferred over time	**-**	**38,391**	**9,530**	**47,921**
Total revenue from contracts with customers	**528,210**	**38,391**	**9,530**	**576,131**

	For the year ended 31 March 2024			
	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Segment				
Type of goods or services				
Sales of properties	592,595	-	-	592,595
Property management income and others	-	36,897	13,270	50,167
Total revenue from contracts with customers	592,595	36,897	13,270	642,762
Revenue from other sources				
Gross rental income	-	415,385	44,480	459,865
Total revenue from other sources	-	415,385	44,480	459,865
Revenue disclosed in the segment information	592,595	452,282	57,750	1,102,627
Timing of revenue recognition				
Goods transferred at a point in time	592,595	-	-	592,595
Services transferred over time	-	36,897	13,270	50,167
Total revenue from contracts with customers	592,595	36,897	13,270	642,762

3. Revenue, Other Income and Gains, Net *(Continued)*

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

4. Finance Costs

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

5. Profit/(loss) Before Tax

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

	2025	2024
	HK$'000	*HK$'000*
Cost of properties sold	**280,241**	299,310
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**207,247**	207,462
Depreciation of property, plant and equipment and right-of-use assets	**41,237**	30,179
Lease payments not included in the measurement of lease liabilities	**699**	1,836
Auditor's remuneration	**4,816**	4,509
Foreign exchange differences, net	**(1,833)**	67
Gain on disposal of items of property, plant and equipment	**(91)**	(267)
Fair value loss/(gain) on financial assets at fair value through profit or loss	**(328)**	488
Fair value losses on derivative financial instruments	**1,435**	-
Impairment of goodwill	**18,184**	-
Employee benefit expenses (including directors' remuneration):		
Wages, salaries, allowances and benefits in kind	**95,207**	88,539
Pension scheme contributions	**2,808**	2,576
	98,015	91,115
Less: Amount capitalised under properties under development	**(41,400)**	(33,000)
	56,615	58,115

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

6. Income Tax

	2025	2024
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**-**	-
Elsewhere	**(72,564)**	(59,897)
Land appreciation tax in Mainland China	**(63,441)**	(40)
	(136,005)	(59,937)
Deferred tax	**49,803**	14,700
Total tax charge for the year	**(86,202)**	(45,237)

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

7. Loss Per Share Attributable to Ordinary Equity Holders of the Company

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

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

8. Dividend

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

9. Trade Receivables

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

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

Monthly rent in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. The balance of the consideration in respect of the sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreements. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

10. Trade Payables, Other Payables, Accrued Liabilities and Others

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

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

11. Loan from a related company

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

12. Contingent Liabilities

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

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

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

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

The Group continues to focus on property development and property investment businesses, mainly conducted by Hon Kwok Land Investment Company, Limited ("Hon Kwok") (Stock Code: 160), a 68.09% owned subsidiary listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and its subsidiaries ("Hon Kwok Group") with regional focus in Hong Kong, Mainland China and Japan.

(i) Property Development

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

(1) Mainland China

The Riverside港匯臺, Guangzhou

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

The Riverside offers 144 units for sale and was first launched for pre-sale in October 2023. Up to the date of this announcement, 60 units were sold with total contracted sales amounted to approximately HK$612 million. The delivery of 39 pre-sold units commenced in December 2024, recognising sales revenue of HK$399 million in this financial year 2024/2025.

Botanica 寶翠園, Guangzhou

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

Metropolitan Oasis 雅瑤綠洲, Nanhai

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

Enterprise Square 僑城坊, Shenzhen

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

(2) Hong Kong

Development project on South Bay Road, Repulse Bay

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

(ii) Property Investment

During the year, the Group's investment properties contributed rental revenue of HK$453 million (2024: HK$452 million). The property portfolio comprises office, data centre and hotel properties located in Hong Kong, Mainland China and Japan. Due to revaluation of investment properties to market price as at 31 March 2025, fair value losses (net of deferred tax) of HK$490.7 million was recognised this year (2024: HK$101.1 million). Owing to the significant revaluation deficit, total segment loss amounted to HK$436 million for the year ended 31 March 2025 (2024: segment profit of HK$99 million).

(1) Mainland China

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

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

Ganghui Dasha 港滙大廈, Guangzhou

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

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

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

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

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

Chongqing Hon Kwok Centre 重慶漢國中心, Chongqing

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

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

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

HF608, Shanghai

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

(2) Hong Kong

Digital Realty Kin Chuen (HKG11)

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

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

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

The Bauhinia Hotel (TST) 寶軒酒店（尖沙咀）

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

Hon Kwok Jordan Centre 漢國佐敦中心

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

(3) Japan

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

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

(iii) Property Investment - Valuation

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

(iv) Property and carpark management, and others

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

(v) Construction and Trading

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

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

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

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

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

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

Financial Review

Liquidity and financial resources

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

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

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

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

Funding and treasury policies

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

Acquisition and development of properties are financed partly by internal resources and partly by bank loans. Repayments of bank loans are scheduled to match asset lives and project completion dates. Bank loans are mainly denominated in Hong Kong dollars and Renminbi and bear interest at floating rates. The Group entered into cross currency interest rate swap agreements with financial institutions for the purpose of hedging interest rate risk of certain bank borrowings. As at 31 March 2025, the notional principal amount of the cross currency interest rate swap contracts was approximately HK$175 million.

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

Pledge of assets

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

Employees and remuneration policies

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

CONNECTED TRANSACTIONS

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

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

DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

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

CORPORATE GOVERNANCE

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct for directors' securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 March 2025.

Compliance with the Corporate Governance Code

In the opinion of the Directors, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules for the year ended 31 March 2025, except for the following deviations:

1. CG Code provision B.2.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

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

   The Chairman and the Managing Director will not be subject to retirement by rotation; which deviates from CG Code provision B.2.2 as the Board considers that the continuity of office of the Chairman and the Managing Director provide the Group with a strong and consistent leadership and is of great importance to the smooth operations of the Group.

2. CG Code provision E.1.2 stipulates that the remuneration committee should review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives.

   Currently, the remuneration of the Company's management is attended by the executive directors of the Company. The management report to the executive directors who therefore have a clear understanding of the management's performance, enabling a more objective review of the management remuneration. In the Board's opinion, it is more appropriate for the executive directors of the Company to perform these responsibilities.

Audit committee

Regular meetings have been held by the Audit Committee of the Company since its establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Audit Committee has reviewed with management the annual results of the Group for the year ended 31 March 2025.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

By Order of the Board
James Sing-Wai Wong
Chairman

Hong Kong, 26 June 2025

At the date of this announcement, the directors of the Company are Mr. James Sing-Wai Wong (Chairman), Mr. Yuen-Keung Chan (Vice Chairman and Managing Director) and Mr. Donald Yin-Shing Lam as executive directors; Dr. Emily Yen Wong as non-executive director; and Mr. Richard Chi-Ho Lo, Mr. Winfred Wai-Lap Fan, Mr. Randall Todd Turney and Mr. Stephen Henry Chu as independent non-executive directors.