漢國置業有限公司
Hon Kwok Land Investment Company, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 160)

2024-25 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "Board") of Hon Kwok Land Investment Company, 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	**1,012,714**	1,086,515
Property development	**528,210**	592,595
Property investment	**438,068**	436,170
Property, carpark management and others	**46,436**	57,750
Underlying profit (1)	**12,667**	132,073
Fair value losses on investment properties (net of deferred tax)	**(687,976)**	(127,500)
Profit/(loss) attributable to owners of the Company	**(675,309)**	4,573

Financial information

	For the year ended 31 March	
	2025	2024
	HK$	*HK$*
Earnings/(loss) per share	**(0.9374)**	0.0063
Dividend per share		
Final	**0.03**	0.0625

	As at 31 March	
	2025	2024
	HK$	*HK$*
Net assets value per share	**14.61**	15.35

Note:

(1) Underlying profit represents profit attributable to owners of the Company excluding the changes in fair value of investment properties and deferred tax.

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$1,013 million (2024: HK$1,087 million) and the operating profit before revaluation was HK$12.7 million (2024: HK$132.1 million). Main contributors to the lower revenue and operating profit were delay in the sales of our Guangzhou Beijing Road project which meant their profit contributions could not be booked until the new financial year, and also delays in the reopening of our Bauhinia Central Hotel. 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 persistent subdued property markets in Hong Kong and Mainland, we further marked down the Group's investment properties by 4.5%. Revaluation markdowns climbed by HK$688.0 million (2024: HK$127.5 million) resulting in the loss attributable to equity holders at HK$675.3 million, reversing a HK$4.6 million profit in financial year 2023/2024. As such, basic loss per share was HK$0.9374 (2024: earnings per share of HK$0.0063).

As at 31 March 2025, shareholders' equity was HK$10,527 million (as at 31 March 2024: HK$11,060 million) and net assets per share attributable to shareholders stood at HK$14.61 (as at 31 March 2024: HK$15.35).

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, 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.

Our new economy asset is the 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.

The Outlook

As we enter our sixth year of “survival” mode, we saw the first hits to our strong balance sheet through heavy revaluation losses. 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 hospitality. 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.

As a real estate developer, we are looking for opportunities to help China urbanize from its current 65% to 80% of its population. We will look for opportunities that will cater to buyers in the 35-45 urban demographic looking to trade up to higher quality homes. And we will look for ways to service what I look forward to as the growing legions of technology companies. We will do this as we further reduce costs to match 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, and to 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*	**1,012,714**	1,086,515
Cost of sales		**(485,853)**	(505,170)
Gross profit		**526,861**	581,345
Other income	*3*	**50,538**	43,930
Fair value losses on investment properties, net		**(678,919)**	(141,123)
Administrative expenses		**(81,618)**	(86,377)
Other operating expenses, net		**(44,332)**	(22,376)
Finance costs	*4*	**(291,194)**	(312,523)
Share of profit of an associate		**204**	9,365
Share of loss of a joint venture		**(1,862)**	-
Profit/(loss) before tax	*5*	**(520,322)**	72,241
Income tax expense	*6*	**(88,707)**	(46,314)
Profit/(loss) for the year		**(609,029)**	25,927
Attributable to:			
Owners of the Company		**(675,309)**	4,573
Non-controlling interests		**66,280**	21,354
		(609,029)	25,927
Earnings/(loss) per share attributable to ordinary equity holders of the Company	*7*		
Basic and diluted		**(HK$0.9374)**	HK$0.0063

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 March	
	2025	2024
	HK$'000	*HK$'000*
Profit/(loss) for the year	**(609,029)**	25,927
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income/(loss) of an associate	**5,813**	(29,835)
Exchange differences on translation of foreign operations	**203,801**	(509,008)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**209,614**	(538,843)
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	**190,246**	(538,843)
Total comprehensive loss for the year	**(418,783)**	(512,916)
Attributable to:		
Owners of the Company	**(489,097)**	(513,174)
Non-controlling interests	**70,314**	258
	(418,783)	(512,916)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 March 2025** **HK$'000**	31 March 2024 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**232,211**	260,382
Investment properties		**14,877,026**	15,012,989
Investments in joint ventures		**391,267**	393,129
Investment in an associate		**775,831**	769,814
Financial assets at fair value through other comprehensive income		**37,790**	81,262
Financial assets at fair value through profit or loss		**-**	23,572
Total non-current assets		**16,314,125**	16,541,148
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*	**11,047**	7,480
Contract costs		**18,401**	8,129
Prepayments, deposits and other receivables		**371,477**	332,066
Financial assets at fair value through profit or loss		**7,247**	6,918
Amount due from a joint venture		**56,616**	27,341
Cash and cash equivalents		**1,043,470**	1,294,112
Total current assets		**2,618,710**	2,859,709
CURRENT LIABILITIES			
Trade payables, other payables and accrued liabilities	*10*	**282,826**	30,221
Derivative financial instruments		**1,435**	-
Interest-bearing bank borrowings		**535,955**	1,713,765
Lease liabilities		**16,933**	28,394
Contract liabilities		**42,395**	129,143
Customer deposits		**74,932**	74,891
Tax payable		**81,257**	25,793
Total current liabilities		**1,035,733**	2,002,207
NET CURRENT ASSETS		**1,582,977**	857,502
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,897,102**	17,398,650

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	31 March 2025	31 March 2024
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**5,779,610**	4,792,947
Lease liabilities	**11,483**	18,193
Deferred tax liabilities	**1,223,351**	1,254,641
Total non-current liabilities	**7,014,444**	6,065,781
Net assets	**10,882,658**	11,332,869
EQUITY		
Equity attributable to owners of the Company		
Share capital	**1,519,301**	1,519,301
Reserves	**9,007,267**	9,540,600
	10,526,568	11,059,901
Non-controlling interests	**356,090**	272,968
Total equity	**10,882,658**	11,332,869

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 disclosure requirements of the Hong Kong Companies Ordinance (the "Hong Kong Companies Ordinance"). They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments 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 organized into business units based on their products and services and has three reportable operating segments as follows:

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

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

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

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about 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 loss of a joint venture, share of profit of an associate, fair value loss 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, investment in an associate, 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 borrowings, tax payable and deferred tax liabilities, as these liabilities are managed on a group basis.

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

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**	**438,068**	**46,436**	**1,012,714**
Segment results	**210,286**	**(403,065)**	**(4,120)**	**(196,899)**
Reconciliation:				
Interest income				**24,297**
Unallocated expenses				**(56,994)**
Fair value losses on derivative financial instruments				**(1,435)**
Fair value gain on a financial asset at fair value through profit or loss				**329**
Finance costs (other than interest on lease liabilities)				**(287,962)**
Share of loss of a joint venture				**(1,862)**
Share of profit of an associate				**204**
Loss before tax				**(520,322)**

	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	436,170	57,750	1,086,515
Segment results	263,605	123,426	11,586	398,617
Reconciliation:				
Interest income				26,180
Unallocated expenses				(51,820)
Fair value losses on financial assets at fair value through profit or loss				(488)
Finance costs (other than interest on lease liabilities)				(309,613)
Share of profit of an associate				9,365
Profit before tax				72,241

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**	**15,507,687**	**3,057,864**	**20,227,471**
Reconciliation:				
Elimination of intersegment receivables				**(3,585,855)**
Investments in joint ventures				**391,267**
Investment in an associate				**775,831**
Financial assets at fair value through profit or loss				**7,247**
Financial assets at fair value through other comprehensive income				**37,790**
Corporate and other unallocated assets				**1,079,084**
Total assets				**18,932,835**
Segment liabilities	**1,264,407**	**2,370,197**	**381,255**	**4,015,859**
Reconciliation:				
Elimination of intersegment payables				**(3,585,855)**
Corporate and other unallocated liabilities				**7,620,173**
Total liabilities				**8,050,177**

	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	**-**	**678,919**	**-**	**678,919**
Gain on disposal of items of property, plant and equipment	**(91)**	**-**	**-**	**(91)**
Depreciation	**1,916**	**7,467**	**31,748**	**41,131**
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	15,605,312	2,809,522	19,871,588
Reconciliation:				
Elimination of intersegment receivables				(3,066,550)
Investments in joint ventures				393,129
Investment in an associate				769,814
Financial assets at fair value through profit or loss				30,490
Financial asset at fair value through other comprehensive income				81,262
Corporate and other unallocated assets				1,321,124
Total assets				19,400,857
Segment liabilities	1,172,341	1,910,188	264,863	3,347,392
Reconciliation:				
Elimination of intersegment payables				(3,066,550)
Corporate and other unallocated liabilities				7,787,146
Total liabilities				8,067,988

	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	-	141,123	-	141,123
Gain on disposal of items of property, plant and equipment	(67)	-	(200)	(267)
Depreciation	2,270	7,462	20,209	29,941
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	**183,792**	192,601
Mainland China	**819,128**	891,099
Japan	**9,794**	2,815
	1,012,714	1,086,515

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

(b) Non-current assets

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**5,412,533**	5,694,814
Mainland China	**10,301,356**	10,463,515
Japan	**562,247**	277,786
Other	**199**	199
	16,276,335	16,436,314

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 and Other Income**

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	**-**	**399,677**	**36,906**	**436,583**
Total revenue from other sources	**-**	**399,677**	**36,906**	**436,583**
Revenue disclosed in the segment information	**528,210**	**438,068**	**46,436**	**1,012,714**
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	-	399,273	44,480	443,753
Total revenue from other sources	-	399,273	44,480	443,753
Revenue disclosed in the segment information	592,595	436,170	57,750	1,086,515
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 and Other Income *(Continued)*

	2025	2024
	HK$'000	*HK$'000*
Other income		
Bank and other interest income	**24,297**	26,180
Gain on disposal of items of property, plant and equipment	**91**	267
Others	**26,150**	17,483
	50,538	43,930

4. Finance Costs

	2025	2024
	HK$'000	*HK$'000*
Interest on bank and other loans	**380,070**	397,922
Interest on lease liabilities	**3,232**	2,910
Less: Interest capitalised under properties under development	**(92,108)**	(88,309)
	291,194	312,523

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 properties	**205,612**	205,860
Depreciation of property, plant and equipment and right-of-use assets	**41,131**	29,941
Lease payments not included in the measurement of lease liabilities	**699**	1,836
Auditor's remuneration	**3,358**	3,106
Gain on disposal of items of property, plant and equipment	**(91)**	(267)
Fair value losses on derivative financial instruments	**1,435**	-
Fair value losses/(gain) on financial assets at fair value through profit or loss	**(329)**	488
Employee benefit expenses (including directors' remuneration):		
Wages, salaries, allowances and benefits in kind	**76,662**	69,535
Pension scheme contributions	**2,558**	2,283
	79,220	71,818
Less: Amounts capitalised under properties under development	**(41,400)**	(33,000)
	37,820	38,818

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	**47,298**	13,623
Total tax charge for the year	**(88,707)**	(46,314)

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. Earnings/(loss) Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings/(loss) per share amount is based on the loss for the year attributable to ordinary equity holders of the Company of HK$675,309,000 (2024: profit of HK$4,573,000) and the weighted average number of ordinary shares in issue during the year of 720,429,301 (2024: 720,429,301).

No adjustment has been made to the basic earnings/(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

	2025	2024
	HK$'000	*HK$'000*
Proposed final – 3 HK cents (2024: 6.25 HK cents) per ordinary share	**21,613**	45,027

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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	**1,349**	752
31 to 60 days	**402**	185
61 to 90 days	**430**	59
Over 90 days	**8,866**	6,484
Total	**11,047**	7,480

Monthly rent in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. The balance of the consideration in respect of the sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreements. Overdue trade debts are closely monitored by management and are provided for in full in cases of non-recoverability. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

10. Trade Payables, Other Payables and Accrued Liabilities

Included in the trade payables, other payables and accrued liabilities are trade payables of HK$16,618,000 (2024: HK$8,852,000). 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	**16,618**	8,852

11. 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$1,013 million (2024: HK$1,087 million), primarily derived from the property sales of the residential project in Guangzhou, The Riverside, and the remaining inventories in Nanhai, as well as rental income from investment properties in Hong Kong, Mainland China and Japan.

The Group successfully achieved operating profit amid the subdued property market and high interest cost environment, with core operating profit amounted to HK$12.7 million (2024: HK$132.1 million). 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$688.0 million (2024: HK$127.5 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, net loss attributable to shareholders was HK$675.3 million (2024: profit of HK$4.6 million). Basic loss per share was HK$0.9374 (2024: earnings per share of HK$0.0063). As at 31 March 2025, shareholders’ equity was HK$10,527 million (2024: HK$11,060 million) and net assets per share attributable to shareholders stood at HK$14.61 (2024: HK$15.35). Gearing ratio of the Group increased slightly to 48.7% as at 31 March 2025 (2024: 46.4%) which lay in the safety range in the industry.

(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$210.3 million for the year ended 31 March 2025 (2024: HK$264 million).

(1) Mainland China

The Riverside港匯臺, Guangzhou (100% owned by the Group)

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 40 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, (60% owned by the Group)

This residential project is located in Tian He District and 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 (100% owned by the Group)

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 (20% owned by the Group)

This project, with a total gross floor area of approximately 224,500 sq.m., 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 the 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
(50% owned by the Group)

This project is being developed into premium luxury residences under a joint venture. 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$438 million (2024: HK$436 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$688.0 million was recognised this year (2024: HK$127.5 million). Owing to the significant revaluation deficit, total segment loss amounted to HK$403 million for the year ended 31 March 2025 (2024: segment profit of HK$123.4 million).

(1) Mainland China

Hon Kwok Building 漢國大廈, Tung Hing Fong同慶坊, Guangzhou (100% owned by the Group)

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 (100% owned by the Group)

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 (100% owned by the Group)

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 (100% owned by the Group)

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 (100% owned by the Group)

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 (100% owned by the Group)

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%).

(2) Hong Kong

Digital Realty Kin Chuen (HKG11) (100% owned by the Group)

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 (100% owned by the Group)

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）(100% owned by the Group)

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 (100% owned by the Group)

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 (all 60% owned by the Group); Tennoji hotel project (51% owned by the Group)

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$14,877 million as at 31 March 2025 (2024: HK$15,013 million), comprised of Mainland China portfolio of HK$9,325 million, Hong Kong portfolio of HK$4,990 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$688.0 million for the year ended 31 March 2025 (2024: HK$127.5 million) to reflect the fair value of investment properties. The decrease in fair value in Hong Kong and Mainland properties by HK$773.2 million was partially offset by the fair value gains of HK$85.2 million in Japan properties, resulting in a net decrease by HK$688.0 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).

Financial Review

Liquidity and financial resources

The total interest-bearing debts of the Group amounted to approximately HK$6,344 million as at 31 March 2025 (2024: HK$6,553 million), of which approximately 9% (2024: 27%) of the debts were classified as current liabilities. Included therein were debts of HK$175 million related to project loan which will be refinanced during the forthcoming financial year. Assuming that the aforesaid refinancing will be completed on schedule, the current portion of the total interest-bearing debts was approximately 6%.

Total cash and cash equivalents including time deposits were approximately HK$1,043 million as at 31 March 2025 (2024: HK$1,294 million), were mainly denominated in Hong Kong dollars. Included in cash and cash equivalents are restricted bank balances 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$262 million at year end available for its working capital purpose.

Total shareholders' funds as at 31 March 2025 were approximately HK$10,527 million (2024: HK$11,060 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$5,301 million (2024: HK$5,259 million) over the shareholders' funds plus non-controlling interests totalling of approximately HK$10,883 million (2024: HK$11,333 million), was 49% as at 31 March 2025 (2024: 46%).

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 swap agreements with financial institutions for the purpose of hedging interest rate risk of certain bank borrowings. As at 31 March 2025, the notional principal amount of the cross currency interest rate swap contracts was approximately HK$170 million.

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

Pledge of assets

Properties with an aggregate carrying value of approximately HK$15,633 million as at 31 March 2025 were pledged to secure certain banking facilities of the Group.

Employees and remuneration policies

The Group, not including its joint ventures and associate, employed approximately 320 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 the Company and an indirect non wholly-owned subsidiary of Chinney Investments, Limited ("Chinney Investments") (Stock Code: 216), 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 Group Limited ("Chinney Alliance") (Stock Code: 385), 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 Chinney Investments, the Company and Chinney Alliance under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The transactions were approved by independent shareholders of Chinney Investments, the Company 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 Chinney Investments, the Company 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 Directors recommend payment of a final dividend of 3 Hong Kong cents per ordinary share for the year ended 31 March 2025 (2024: 6.25 Hong Kong cents) to shareholders whose names appear on the Company's register of members on 8 September 2025. Subject to approval by shareholders at the forthcoming annual general meeting, the dividend cheques are expected to be despatched to shareholders on or before 6 October 2025.

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.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The proposed final dividend for the year ended 31 March 2025 is subject to the approval by the shareholders at the annual general meeting. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 5 September 2025 to 8 September 2025 (both days inclusive), during which period no share transfers will be registered. The last day for dealing in the Company's shares cum entitlements to the proposed final dividend will be 2 September 2025. In order to qualify for the proposed final dividend, 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 4 September 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. Donald Yin-Shing Lam (Managing Director), Mr. Xiao-Ping Li and Mr. Philip Bing-Lun Lam as executive directors; Dr. Emily Yen Wong as non-executive director; and Ms. Janie Fong, Mr. David Tak-Wai Ma, Mr. James C. Chen and Mr. Raymond Ming-Joe Chow as independent non-executive directors.