CENTRAL DEVELOPMENT HOLDINGS LIMITED

中發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board (the "**Board**") of directors (the "**Directors**") of Central Development Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2025 together with the comparative audited figures for the year ended 31 March 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	NOTES	**2025** **HK$'000**	2024 *HK$'000*
Revenue	*4*	**228,105**	188,549
Cost of sales		**(216,823)**	(180,813)
Gross profit		**11,282**	7,736
Other income	*6*	**5,153**	5,232
Other gains and losses, net	*7*	**6,321**	(6,095)
Impairment losses under expected credit loss model		**(477)**	–
Selling and distribution costs		**(2,592)**	(2,398)
Administrative expenses		**(21,381)**	(21,795)
Finance costs	*8*	**(16,751)**	(12,787)
Share of results of an associate		**(694)**	(778)
Loss before taxation		**(19,139)**	(30,885)
Income tax	*9*	**1,106**	(144)
Loss for the year	*10*	**(18,033)**	(31,029)
Other comprehensive expense for the year			
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**(2,231)**	(3,607)
Total comprehensive expense for the year		**(20,264)**	(34,636)

	NOTE	2025 HK$'000	2024 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(19,170)**	(31,050)
Non-controlling interests		**1,137**	21
		(18,033)	(31,029)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(20,748)**	(33,972)
Non-controlling interests		**484**	(664)
		(20,264)	(34,636)
Loss per share	*11*		
Basic (HK cents)		**(4.79)**	(8.01)
Diluted (HK cents)		**(5.44)**	(8.01)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2025

	NOTES	**2025** **HK$'000**	2024 *HK$'000*
Non-current assets			
Property, plant and equipment		**14,772**	16,189
Right-of-use assets		**7,913**	12,024
Investment properties		**73,573**	83,485
Intangible assets		**44,249**	46,730
Interest in an associate		**49,761**	51,366
Rental deposits		**253**	239
		190,521	210,033
Current assets			
Inventories		**4,351**	2,704
Trade receivables	*13*	**4,476**	3,962
Other receivables, deposits and prepayments		**47,514**	26,333
Cash and cash equivalents		**16,965**	16,290
		73,306	49,289
Current liabilities			
Trade payables	*14*	**4,421**	3,531
Other payables, accruals and contract liabilities		**33,760**	28,682
Bank borrowings		**13,547**	2,639
Lease liabilities		**975**	1,705
Convertible bonds	*15*	**45,395**	–
Derivative financial instruments	*15*	**2,137**	–
		100,235	36,557
Net current (liabilities) assets		**(26,929)**	12,732
Total assets less current liabilities		**163,592**	222,765

	NOTE	2025 HK$'000	2024 HK$'000
Non-current liabilities			
Loans from a shareholder and a controlling shareholder		**123,793**	105,751
Deferred tax liabilities		**10,192**	11,852
Bank borrowings		**17,284**	20,356
Lease liabilities		**446**	3,030
Convertible bonds	*15*	**–**	36,948
Derivative financial instruments	*15*	**–**	17,000
		151,715	194,937
Net assets		**11,877**	27,828
Capital and reserves			
Share capital		**4,121**	3,876
(Deficit) Reserves		**(16,380)**	63
Equity attributable to owners of the Company		**(12,259)**	3,939
Non-controlling interests		**24,136**	23,889
Total equity		**11,877**	27,828

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

The Company is a public limited liability company incorporated in the Cayman Islands as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its parent and ultimate holding company is Resources Rich Capital Limited, a company incorporated in the British Virgin Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company is Room 2202, 22/F., Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in jewelry and energy businesses in the People's Republic of China ("**PRC**") and Hong Kong ("**HK**"). The Company and its subsidiaries are collectively referred to as the "Group".

The functional currency of the Company is Renminbi ("**RMB**"). The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), as the Company's shares are listed on the Stock Exchange, the directors of the Company consider that it is appropriate to present the consolidated financial statements in HK$.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated 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 and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

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

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the cash flow in the normal course of business. The applicability of these principles is dependent upon continued availability of adequate finance or attaining profitable operations in future and the success of the below plans and measures.

The Group incurred net losses attributable to the owners of Company amounted to approximately HK$19,170,000 for the year ended 31 March 2025 and the current liabilities of the Group at 31 March 2025 exceed the Group's current assets at that date by approximately HK$26,929,000. The reasonableness of the going concern basis is based on various assumptions and judgements, and the measures taken by the Board.

Notwithstanding this fact, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis as the Group is expected to have sufficient financial resources to meet its obligation as they fall due for the next twelve months based on its projected cash flow forecasts. The directors of the Company have carried out a detailed review of the cash flow projections of the Group covering a period not less than twelve months from 31 March 2025. The directors of the Company consider that the Group is financially viable to continue as a going concern.

In light of these circumstances, the directors of the Company have undertaken a careful assessment of the Group's future liquidity and financial position, thoroughly evaluating its available sources of financing to determine its capacity to continue as a going concern. To mitigate the liquidity position and enhance the Group's financial standing, several strategic plans and measures have been implemented. These include that, as of the reporting date, the Group and Mr. Zhang Bing, the holder of the Convertible Bonds and an Executive Director have reached a consensus. This consensus stipulates that, in case there is absence of an extension to the convertible bonds' on maturity date 5 December 2025, Mr. Zhang Bing will not seek for repayment of the convertible bonds from the Group within 18 months following such due date. Additionally, the Group has implemented stringent cost-saving initiatives, specifically focusing on reducing non-core and unessential operations and expenses.

Accordingly, the directors of the Company consider that, taking into account the above-mentioned plans and measures and their progress, it is appropriate to prepare the consolidated financial statements on a going concern basis as the Group is expected to have sufficient financial resources to meet its obligation as they fall due for at least the next twelve months from the date of approval the consolidated financial statements.

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

4. REVENUE

Disaggregation of revenue from contracts with customers

	2025	2024
	HK$'000	*HK$'000*
Revenue from sales of goods:		
Jewelry products	**6,773**	18,000
Solar energy products	**–**	345
Refined oil	**61,905**	64,857
Liquefied natural gas ("**LNG**")	**159,427**	105,347
Total revenue	**228,105**	188,549
Timing of revenue recognition:		
A point in time	**228,105**	188,549

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the year ended 31 March 2025		
	Jewelry business *HK$'000*	**Energy business** *HK$'000*	**Total** *HK$'000*
Sales of jewelry products	**6,773**	**–**	**6,773**
Sales of refined oil	**–**	**61,905**	**61,905**
Sales of LNG	**–**	**159,427**	**159,427**
	6,773	**221,332**	**228,105**

	For the year ended 31 March 2024		
	Jewelry business *HK$'000*	Energy business *HK$'000*	Total *HK$'000*
Sales of jewelry products	18,000	–	18,000
Sales of solar energy products	–	345	345
Sales of refined oil	–	64,857	64,857
Sales of LNG	–	105,347	105,347
	18,000	170,549	188,549

5. SEGMENT INFORMATION

Information regularly reviewed by the chief operating decision maker (the "**CODM**"), represented by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance focuses on the nature of the Group's businesses and operations. The Group's operating and reportable segments are therefore as follows:

(i) Jewelry business (wholesale of jewelry products); and

(ii) Energy business including i) manufacture and sales of solar cooling intelligent technology products using thermal cooling-stored pipes and sales of solar photovoltaic modules and components (which are collectively referred to as solar energy products); ii) sales of refined oil; and iii) sales of LNG.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment results represent the profit or loss by each segment without allocation of gain or loss on fair value changes of investment properties and derivative financial instruments, unallocated corporate expenses which include central administration costs, directors' remuneration at the head office and equity-settled share-based payments, unallocated corporate income which include rental income, interest income and sundry income and unallocated finance costs which include certain interest on lease liabilities, interest on convertible bonds, imputed interest and interest on loans from a shareholder and a controlling shareholder. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment revenue and results

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

For the year ended 31 March 2025

	Jewelry business *HK$'000*	**Energy business** *HK$'000*	**Total** *HK$'000*
Revenue	**6,773**	**221,332**	**228,105**
Segment loss	**(445)**	**(3,170)**	**(3,615)**
Loss on fair value changes of investment properties			**(8,492)**
Gain on fair value changes of derivative financial instruments			**14,863**
Unallocated corporate income			**31**
Unallocated corporate expenses			**(11,538)**
Unallocated finance costs			**(10,388)**
Loss before taxation			**(19,139)**

For the year ended 31 March 2024

	Jewelry business *HK$'000*	Energy business *HK$'000*	Total *HK$'000*
Revenue	18,000	170,549	188,549
Segment loss	(195)	(7,379)	(7,574)
Loss on fair value changes of investment properties			(2,095)
Loss on fair value changes of derivative financial instruments			(4,000)
Unallocated corporate income			5,196
Unallocated corporate expenses			(10,732)
Unallocated finance costs			(11,680)
Loss before taxation			(30,885)

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

Segment assets and liabilities

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

	2025	2024
	HK$'000	*HK$'000*
Jewelry business	**4,319**	3,422
Energy business	**167,330**	153,628
Total segment assets	**171,649**	157,050
Bank balances and cash	**16,965**	16,290
Other unallocated assets	**75,213**	85,982
Consolidated assets	**263,827**	259,322
Jewelry business	**3,913**	3,304
Energy business	**104,344**	85,053
Total segment liabilities	**108,257**	88,357
Loans from a shareholder and a controlling shareholder	**123,793**	105,751
Other unallocated liabilities	**19,900**	37,386
Consolidated liabilities	**251,950**	231,494

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than certain property, plant and equipment, certain right-of-use assets, certain other receivables, deposits and prepayments, investment properties and bank balances and cash.

- all liabilities are allocated to reportable segments other than certain other payables, accruals and contract liabilities, certain lease liabilities, loans from a shareholder and a controlling shareholder, derivative financial liabilities and deferred tax liabilities.

6. OTHER INCOME

	2025	2024
	HK$'000	*HK$'000*
Interest income	**61**	51
Rental income	**5,056**	5,172
Others	**36**	9
	5,153	5,232

7. OTHER GAINS AND LOSSES, NET

	2025	2024
	HK$'000	*HK$'000*
Loss on fair value changes of investment properties	**(8,492)**	(2,095)
Gain (loss) on fair value changes of derivative financial instruments *(note 15)*	**14,863**	(4,000)
Gain on early termination of a lease	**63**	–
Loss on disposal of properties, plant and equipment	**(2)**	–
Others	**(111)**	–
	6,321	(6,095)

8. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interest on bank borrowings	**1,499**	1,038
Interest on lease liabilities	**162**	153
Interest on convertible bonds *(note 15)*	**8,447**	6,895
Imputed interest on loans from a shareholder and a controlling shareholder	**2,510**	4,701
Interest on loans from a controlling shareholder	**4,133**	–
	16,751	12,787

9. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2025	2024
	HK$'000	*HK$'000*
PRC Enterprise Income Tax	**355**	–
Deferred tax	**(1,461)**	144
Income tax (credit) expense for the year	**(1,106)**	144

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime that applies to years of assessment commencing on or after 1 April 2018. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits of a qualifying group entity will be taxed at 8.25%, and assessable profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Accordingly, Hong Kong Profits Tax for subsidiaries operating in HK is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made for both years as either tax losses are incurred for the subsidiaries operating in HK or the assessable profit is wholly absorbed by tax losses brought forward from previous years.

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate applied to the PRC subsidiaries is 25%. No provision for the PRC Enterprise Income Tax has been made for the subsidiaries operating in the PRC for both years as either tax losses are incurred for the subsidiaries operating in the PRC or the assessable profit is wholly absorbed by tax losses brought forward from previous years.

10. LOSS FOR THE YEAR

	2025	2024
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	**1,427**	1,718
Depreciation of right-of-use assets	**1,558**	1,246
Amortisation of intangible assets	**1,664**	1,683
Auditor's remuneration	**750**	1,450
Staff costs (including directors' remuneration)		
– salaries, allowances and other benefits	**8,140**	8,541
– retirement benefit scheme contributions	**789**	739
Total staff costs	**8,929**	9,280
Cost of inventories recognised as an expense (including write-down of inventories amounting to Nil (2024: HK$1,143,000))	**216,823**	180,813

11. LOSS PER SHARE

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

	2025	2024
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	**(19,170)**	(31,050)
Effect on dilutive potential ordinary shares:		
– Gain on fair value changes of derivative financial instruments	**(14,863)**	–
– Interest on convertible bonds	**8,447**	–
Loss for the year attributable to owners of the Company for the purpose of calculating diluted loss per share	**(25,586)**	(31,050)

	2025	2024
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic loss per share	**400,058**	387,564
Effect of dilutive potential ordinary shares:		
– Convertible bonds	**70,270**	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	**470,328**	387,564

The computation of diluted loss per share for the year ended 31 March 2024 does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in decrease in loss per share.

The computation of diluted loss per share for the both year does not assume the exercise of the Company's share options as the exercise prices of these share options were higher than the average market price for shares of the Company for the year.

12. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

13. TRADE RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables from contracts with customers	**5,555**	4,578
Less: Allowance for credit losses	**(1,079)**	(616)
	4,476	3,962

As at 1 April 2023, trade receivables from contracts with customers amounted to HK$2,181,000.

The Group allows an average credit period ranging from 30 to 180 days to its customers in jewelry business and an average credit period ranging from 5 to 365 days to its customers in energy business. The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on invoice date at the end of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**586**	3,962
Over 180 days	**3,890**	–
	4,476	3,962

As at 31 March 2025 and 2024, the carrying amounts of trade receivables of the Group had not yet been past due.

14. TRADE PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables	**4,421**	3,531

The average credit period on purchase of goods is 365 days.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**319**	1,908
31 to 90 days	**–**	1,339
Over 180 days	**4,102**	284
	4,421	3,531

15. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

The Company issued convertible bonds with a principal amount of HK$52,000,000 on 5 December 2022 for the acquisition of the Group's associate, which principally holds 50% equity interest in Anhui Huagang Bochen New Energy Co. Ltd (安徽華港博臣新能源有限公司).

The convertible bonds are denominated in Hong Kong dollars (other than the Group's functional currency), unsecured and interest-free.

The convertible bonds are comprised of convertible bonds (debt component) and derivative financial instruments (derivative component including conversion and early redemption options).

At initial recognition, both the convertible bonds and the derivative financial instruments are recognised at fair values amounting to HK$28,000,000 and HK$24,000,000 respectively.

The convertible bonds are subsequently measured at amortised cost with effective interest rate of 22.9% per annum while the derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss.

The movement of the convertible bonds and derivative financial instruments for the year are set out below:

	Convertible bonds	Derivative financial instruments
	HK$'000	*HK$'000*
As at 1 April 2023	30,053	13,000
Interest on convertible bonds	6,895	–
Loss on fair value changes	–	4,000
As at 31 March 2024 and 1 April 2024	**36,948**	**17,000**
Interest on convertible bonds *(note 8)*	**8,447**	**–**
(Gain) on fair value changes	**–**	**(14,863)**
As at 31 March 2025	**45,395**	**2,137**

As at 31 March 2025, the convertible bonds and derivative financial instruments were classified as current liabilities (2024: non-current liabilities) and mature on 5 December 2025 (2024: mature on 5 December 2025).

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2025.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

ASSUMPTIONS RELATED TO GOING CONCERN

We draw attention to note 3.1 to the consolidated financial statements that the Group incurred net losses attributable to the owners of Company amounted to approximately HK$19,170,000 for the year ended 31 March 2025 and the current liabilities of the Group at 31 March 2025 exceed the Group's current assets at that date by approximately HK$26,929,000. The reasonableness of the going concern basis is based on various assumptions and judgements, and the measures taken by the Board. In light of all the measures and arrangements detailed in the note 3.1 to the consolidated financial statements, the directors are of the opinion that the Group will be able to operate as a going concern so as to finance its future working capital and financial requirements. The consolidated financial statements do not include any adjustment that are required to be made should the Group be unable to operate as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group principally engaged in the energy business and jewelry business during the Current Year. In an effort to further expand its revenue sources, the Group continues to strategically expand its energy business with a commitment to diversifying its business. During the year ended 31 March 2025 (the "**Current Year**"), the Group recorded total sales of approximately HK$228.1 million (2024: HK$188.5 million), representing an increase of approximately 21.0% as compared to the year ended 31 March 2024 (the "**Previous Year**"). This increase was mainly due to the increase in revenue from the energy business.

Energy Business

During the Current Year, we focused on the natural gas-based energy business, and actively promoted the development and expansion of the energy business with sound supply chain synergy and a strong distribution network. Our energy business mainly includes the sale of liquefied natural gas ("**LNG**"), refined oil and solar photovoltaic ("**PV**") intelligent technology products. In the Current Year, revenue from sales of LNG increased, while revenue from sales of refined oil and solar energy products decreased. In pursuit of broadening our market footprint, we have set up an office in Shenzhen to expand our LNG business to other cities in the PRC, thus capitalizing on business growth opportunities. As a result, revenue from our energy business increased from approximately HK$170.5 million for the Previous Year to approximately HK$221.3 million for the Current Year, representing an increase of 29.8%.

The Energy Law (the "**Energy Law**") of the People's Republic of China (the "**PRC**") was promulgated at the end of 2024, marking an important milestone in the construction of the rule of law in the energy sector of the PRC. The Energy Law is not only committed to optimizing the energy structure, but also facilitates to improve energy efficiency and reduce carbon emissions, thus accelerating the transformation of the energy industry towards green and low-carbon development. According to data from the National Development and Reform Commission, apparent consumption of natural gas in the PRC increased by approximately 8% year-on-year in 2024. As an efficient, clean and low-carbon energy, natural gas, with its flexibility and synergy with other energy sources, provides strong support for developing a new energy system and achieving "carbon peaking and carbon neutrality" (the "**Dual Carbon**") goals. In the Current Year, the healthy development of the natural gas market further promoted the sales of our LNG products.

Although policy support has brought positive impacts to the energy industry, market competition has also intensified, and competition among suppliers has become increasingly intense. With good cooperative relationships with large enterprises, our LNG supply chain resources remain stable. During the Current Year, we newly added a sales point in Shenzhen, and optimized personnel allocation and resource coordination system by dynamical analysis of the market characteristics of each region. Thanks to these efforts, we have successfully promoted the growth in sales of LNG and made positive contributions to the realization of the "Dual Carbon" goals.

The application of conventional energy sources such as refined oil in the transportation sector remains indispensable in the short term. Therefore, the market demand for refined oil remained stable during the Current Year. The Group's oil and gas filling station (the "**Filling Station**"), located in Qingbaijiang District, Chengdu City, the PRC, is positioned near an international liner hub and several expressways and major national highways, featuring distinct location advantages. As the core area of the development of western region and the "Belt and Road" policy in the PRC, Chengdu ranks among the top in the PRC in terms of the car ownership volume in recent years. Coupled with its large population base, the demand for refined oil remains stable.

However, during the Current Year, the public's desire to travel was relatively lower as compared to the Previous Year, resulting in a year-on-year decline in passenger flow and sales of refined oil products at the Filling Station. In addition, the uncertainty of the global economic recovery had an impact on the demand for international trade and logistics transportation, which in turn restrained the consumption of refined oil products and led to a decrease in sales during the Current Year. Nevertheless, we maintained the stability of our supply chain through close collaboration with our suppliers, and added convenience stores and car wash services at the Filling Station to enhance customer experience and maintain our market competitiveness.

International trade barriers and geopolitical tensions have adversely affected the sales of solar PV products, which has continued to place significant pressure on our solar energy business. Coupled with intense competition in the PRC market and the tightening financing environment, several potential projects have been forced to suspend, and potential overseas customers have also adopted a wait-and-see attitude, resulting in a significant setback to the business for the Current Year.

Acquisition of 35% Equity Interest in Chengdu Huahan Energy Co., Ltd. (成都華漢能源有限公司) ("Chengdu Huahan")

Hainan Huagang New Energy Development Co., Ltd. (海南華港新能源開發有限公司) ("**Hainan Huagang**"), an indirect wholly-owned subsidiary of the Company, as the purchaser, entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with Mr. Zhang Bing as the vendor (the "**Vendor**"), and Chengdu Huahan as the target company on 19 August 2022, and subsequently entered into a supplemental agreement to the Equity Transfer Agreement (the "**First Supplemental Agreement**") on 15 November 2022. Pursuant to the terms and conditions of the Equity Transfer Agreement and the First Supplemental Agreement, Hainan Huagang has agreed to purchase, and the Vendor has agreed to sell, 35% equity interest in the target company for a total consideration of HK$52 million, which should be settled through the issue of interest-free convertible bonds in the principal amount of HK$52 million with a maturity date falling on the third anniversary of the date of issuance (the "**Convertible Bonds**") by the Company to the Vendor (the "**Acquisition**").

The Acquisition was completed on 5 December 2022, pursuant to which Chengdu Huahan became an associate of the Group. The Company has also issued the Convertible Bonds to the Vendor in accordance with the terms and conditions of the Equity Transfer Agreement and the First Supplemental Agreement, and the Company shall issue and allot 70,270,270 new shares of the Company at a conversion price of HK$0.74 per conversion share to the Vendor upon full conversion of the Convertible Bonds to settle the entire consideration of HK$52 million in accordance with the terms of the Equity Transfer Agreement and the First Supplemental Agreement.

Subsequently, Chengdu Huahan advised the Company that Anhui Huagang Bochen New Energy Co., Ltd. (安徽華港博臣新能源有限公司) ("**Anhui Huagang**") cannot obtain the Gas Business License by the deadline of 30 June 2024, as originally stated in the First Supplemental Agreement, and anticipates that Anhui Huagang can only obtain the Gas Business License on or before 30 November 2025. Accordingly, on 12 June 2024, Hainan Huagang, the Vendor and Chengdu Huahan entered into the second supplemental agreement (the "**Second Supplemental Agreement**") to amend the Equity Transfer Agreement and the First Supplemental Agreement, pursuant to which the Convertible Bonds will be automatically cancelled on 1 December 2025, and the Company will re-transfer the shares of Chengdu Huahan to the Vendor and the Vendor will return the Convertible Bonds to the Company for nil consideration on or before 6 December 2025 if Anhui Huagang cannot obtain the Gas Business License on or before 30 November 2025.

The Vendor has worked in the energy industry for over 25 years. The Vendor is the ultimate beneficial owner of the entire equity interest in Chengdu Huahan. Chengdu Huahan is principally engaged in investment holding, and is the beneficial owner of a 55% equity interest in Anhui Huagang. Anhui Huagang is principally engaged in the construction and operation of natural gas pipeline networks, the operation and maintenance of pipeline corridors, provision of residential heating, and the procurement, transportation and sale of natural gas in Mengcheng County, Anhui Province, the PRC. It is currently building two distributed energy stations, multiple gas-fired steam boilers, natural gas gateways and heat supply networks. Anhui Huagang has entered into a licensing agreement with the Housing and Urban-Rural Development Bureau of Mengcheng County of the PRC, under which it was granted a 30-year license to supply heat and steam to industrial, commercial and corporate entities and urban residents in the county planning area of Mengcheng County.

The Acquisition, including the entering into of the Equity Transfer Agreement, the First Supplemental Agreement and the Second Supplemental Agreement, constitutes a discloseable and connected transaction of the Company. As at the date of the Second Supplemental Agreement (being 12 June 2024), the Vendor is (i) a Director; (ii) the ultimate beneficial owner of 49% equity interest in Chengdu Kaibangyuan Trading Co., Limited (成都凱邦源商貿有限公司) ("**Chengdu Kaibangyuan**"), an indirect non-wholly owned subsidiary of the Company; and (iii) the ultimate beneficial owner of 65% of the equity interest in Chengdu Huahan, in which the Company has a 35% equity interest. As such, the Acquisition and the issuance of the Convertible Bonds as consideration constitute connected transactions of the Company, and are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Rules Governing the Listing of Securities on the Main Board (the "**Listing Rules**") of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Second Supplemental Agreement constitutes a material variation of the terms of the Acquisition and is therefore also subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. Details of the Acquisition, including the Equity Transfer Agreement, the First Supplemental Agreement, and the Second Supplemental Agreement, are set out in the Company's announcements dated 19 August 2022, 25 August 2022, 15 November 2022, 5 December 2022 and 12 June 2024, and the Company's circulars dated 18 November 2022 and 3 July 2024.

During the Current Year, in order to overcome the challenges, on the one hand, we strengthened the sophisticated management of energy business and paid close attention to the changes in product mix and gross profit margin; on the other hand, we continued to promote the diversified strategic layout of energy business, built a multi-dimensional business development layout, further exerted the synergy effect of different energy products, and enhanced market competitiveness.

Jewelry Business

During the Current Year, the Group mainly supplied products to jewelry distributors in PRC and Hong Kong. However, affected by the market environment, revenue from our jewelry business decreased by approximately 62.4% from approximately HK$18.0 million in the previous year to approximately HK$6.8 million in the Current Year. Sales in Hong Kong accounted for approximately 46.0% (2024: 64.8%) of the overall segment sales, while sales in PRC accounted for approximately 54.0% (2024: 35.2%).

Competition in Hong Kong's jewelry market has become increasingly intense since the outbreak of the pandemic, with local and international brands scrambling to gain market share and industry pressures increasing. Despite the economic recovery, global uncertainty and international trade challenges, coupled with the weakness of the real estate and stock markets in Hong Kong, have weakened consumer confidence, causing consumers to be more cautious in jewelry consumption. Consumers are looking for more affordable and diverse products, thus increasing the difficulty in locating suitable products, further leading to a decline in sales in Hong Kong.

The PRC market also faces challenges from economic slowdown and trade tensions between PRC and the United States. In addition, the popularity of artificial diamonds has gradually diverted demand for traditional jewelry, while the rise in gold prices has also suppressed the willingness to purchase. The combined impact of these factors has led to a decline in sales revenue of our jewelry business in PRC during the Current Year.

PROSPECTS

Opportunities from Energy Structure Transformation

As the global population continues to grow and the economy gradually recovers, the total energy consumption trends to grow steadily. According to the Blue Book on Refined Oil and New Energy, the Blue Book on the Oil and Gas Industry, the Blue Book on the Natural Gas Industry and the Blue Book on the Low Carbon Economy released by the China Petroleum Enterprise Association in collaboration with several authoritative institutions this year, the LNG market is set to maintain a stable and sustainable development driven by the continued advancement of the environmental protection policies across the globe. In addition, as the global energy system transforms into low-carbon development, the structural contraction of production capacity of traditional thermal power generation and the intermittent supply of renewable energy have led to a supply gap. The strategic value of natural gas as a stable baseload energy is increasingly prominent. Its flexible peak-shaving capability and relatively clean characteristics make it a key transitional carrier during the transition between old and new energy sources.

To further expand our LNG business, we have set an office in Shenzhen during the Current Year as a new business base in addition to the one in Chengdu, and plan to maintain additional sales offices in other regions in China to strengthen our distribution and delivery, thus further increasing our market share. With further regional collaboration and expansion of our business network, our LNG business is expected to achieve solid growth. However, we also note that the uneven pace of global economic recovery and the volatile international political situation may bring uncertainty to the supply of LNG to certain extent. We will therefore keep a close eye on market changes and adopt flexible measures to ensure healthy business development.

Despite of the accelerated transformation of energy structure, the role of refined oil as basic energy security remains irreplaceable with strong consumer demand in the near term. China, a major energy consumer in the world, will continue to have traditional fuels accounting for a considerable proportion in its energy structure, particularly in the areas of long-distance transport and heavy-duty vehicle transport, where inelastic demand will remain for gasoline and diesel. In the coming years, China will steadily promote the transformation of energy structure while ensuring energy security. We will capitalise on the development opportunities in the oil and gas business to inject new impetus for our business growth and continue to generate stable operating cash flow for our shareholders.

The 2024 Guiding Opinions on Energy Work published by the National Energy Administration of China further emphasises the need to strengthen the foundation of fossil energy to ensure the stability and security of the energy supply. Therefore, refined oil and LNG will remain the "ballast" and "mainstay" of the world's energy supply. Despite the complex and ever-changing challenges of the global energy market, including, among others, accelerating energy transformation and increasing uncertainties, refined oil and LNG remain their position steadily as the core energy supply. The Group will also capitalise on the market opportunities to further promote the sales of oil and gas products and make positive contributions to the overall business.

Contributing to Regional Clean and Low-Carbon Energy Transformation and Energy Security and Supply

With the gradual advancement of the "Dual Carbon" objectives, natural gas holds an increasingly prominent strategic position in the synergistic development of multiple energy sources. In this regard, Chengdu Huahan can maximise our operational and management strengths to create synergies with our existing natural gas and solar PV businesses, thereby enhancing the Group's resource allocation efficiency and strengthening the long-term development potential of the energy business. We will also leverage Chengdu Huahan's existing industrial resources, brand image and extensive marketing experience to promote the rapid development of our diversified energy business.

In addition, we plan to focus on such high-quality projects as supported by the national policies, including construction of decentralised natural gas stations that provide piped natural gas to industrial and commercial enterprises, as well as the provision of direct supply of LNG to industrial users in areas with weak natural gas pipeline resources. We will actively complement national policies to help accelerate the development of regional clean and low-carbon energy transformation and energy security and supply, and provide industrial and commercial users with more competitive and customised energy solutions to enhance energy utilisation efficiency. By integrating resources and deepening our diversified energy business portfolio, we are committed to serving the national energy transformation and security strategy, as well as effectively responding to the complex changes in the external environment and market uncertainties.

We are well aware that the risk factors such as intensified geopolitical conflicts, reshaping of the global energy landscape, techno-economic uncertainties and fluctuations in the international trade environment will continue to exist. We will pay close attention to market dynamics, continue to optimise resource allocation, refine lean operations and enhance operational efficiency. While consolidating our foothold in the mainland China market, we will actively explore new growth opportunities in both domestic and overseas markets. We will steadfastly pursue our business strategy of "seeking progress amidst stability and promoting stability through progress", and endeavour to become a leading provider of diversified energy products, integrated solutions and highly efficient energy services, so as to create long-term sustainable value for our shareholders, and to contribute to the national energy security and green and low-carbon development.

Responding to the Challenges of the Jewelry Market

The global political uncertainty, economic volatility and intensified competition make our jewelry business exceptionally challenging. In the near term, consumers, especially those in the high-end luxury segment, are likely to adopt a more cautious attitude towards consumption, which puts more pressure on our jewelry business. To address these challenges, we will closely monitor market trends and flexibly adjust our business strategies. Despite the challenges, we believe that relying on our strong relationships with our customers and suppliers and our expanding customer base, we will be able to remain competitive in the changing market landscape and capture growth opportunities in the future.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Current Year was approximately HK$228.1 million, representing an increase of approximately 21.0% as compared to approximately HK$188.5 million for the Previous Year. The increase was mainly attributable to the net result of the increase in turnover of the energy business and the decrease in turnover of the jewelry business.

Revenue of the energy business increased by approximately 29.8% from approximately HK$170.5 million for the Previous Year to approximately HK$221.3 million for the Current Year. It was primarily attributable to the increase in the sales of LNG during the Current Year, which outweighed the modest decline in refined oil sales. Meanwhile, sales of our solar intelligent technology products remained under pressure due to ongoing international trade tensions and heightened market competition.

Revenue of the jewelry business decreased by approximately 62.4% from approximately HK$18.0 million for the Previous Year to approximately HK$6.8 million for the Current Year. It was mainly due to rapidly shifting market dynamics and continued economic volatility throughout the Current Year.

Cost of Sales and Gross profit

Cost of sales of the Group for the Current Year was approximately HK$216.8 million, representing an increase of approximately 19.9%, as compared to approximately HK$180.8 million for the Previous Year. Gross profit increased from approximately HK$7.7 million for the Previous Year to approximately HK$11.3 million for the Current Year, representing an increase of approximately 45.8%. The increase in gross profit mainly due to the expansion of our LNG product sales in Southern China, which benefited from higher profit margins. Meanwhile, gross profit margin increased from approximately 4.1% for the Previous Year to approximately 4.9% for the Current Year.

Other income

Other income decreased slightly from approximately HK$5.2 million for the Previous Year to approximately HK$5.2 million for the Current Year, representing a decrease of approximately 1.5%, which was mainly attributable to the rental income from our investment properties during the Current Year.

Other gains and losses, net

The Group recorded net other gains of approximately HK$6.3 million for the Current Year (2024: net other losses of approximately HK$6.1 million). The net gains mainly represented a loss from a change in fair value of investment properties of approximately HK$8.5 million (2024: approximately HK$2.1 million), and a gain on fair value changes of derivative financial instruments in relation to the Convertible Bonds of approximately HK$14.9 million (2024: approximately HK$4.0 million loss).

Selling and distribution costs

Selling and distribution costs increased from approximately HK$2.4 million for the Previous Year to approximately HK$2.6 million for the Current Year, representing an increase of approximately 8.1%, which was mainly attributable to the increase in transportation costs along with increased sales in the Current Year.

Administrative expenses

Administrative expenses for the Current Year primarily comprised staff costs, directors' remuneration, auditor's remuneration, legal and professional fees, rent, rates and management fees, and other administrative expenses including depreciation and amortisation. Administrative expenses decreased from approximately HK$21.8 million for the Previous Year to approximately HK$21.4 million for the Current Year, representing a decrease of approximately 1.9%, which was mainly due to the continuous implementation of tightened cost control in the Current Year.

Finance costs

Finance cost represented the imputed interests derived from the long-term loans from a controlling shareholder and a shareholder amounted to approximately HK$2.5 million (2024: HK$4.7 million), the imputed interests derived from the interest-free convertible bonds amounted to approximately HK$8.4 million (2024: HK$6.9 million), the interests derived from the long-term loans from a controlling shareholder amounted to approximately HK$4.1 million (2024: nil), the interest derived from lease liabilities amounted to approximately HK$0.2 million (2024: HK$0.2 million) and the interest derived from the long term bank loans amounted to approximately HK$1.5 million (2024: HK$1.0 million) for the Current Year.

Share of result of an associate

Share of result of an associate represented the share of loss of Chengdu Huahan amounted to HK$0.7 million (2024: HK$0.8 million) during the Current Year.

Income tax credit/expense

Income tax credit of the Group was approximately HK$1.1 million for the Current Year (2024: income tax expense of approximately HK$0.1 million), mainly represented the deferred tax credit arising from the investment properties of the Group during the Current Year.

Loss for the year attributable to the Owners of the Company

By reason of the factors stated above, the loss for the year attributable to the owners of the Company decreased from approximately HK$31.1 million for the Previous Year to approximately HK$19.2 million for the Current Year, representing a decrease of approximately 38.3%. Basic loss per share was 4.79 HK cents (2024: 8.01 HK cents).

Final Dividend

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

Liquidity and Financial Position

As at 31 March 2025, the Group had net current liabilities and current ratio stood at approximately HK$26.9 million and 0.7, respectively (31 March 2024: net current assets of HK$12.7 million and 1.3, respectively).

As at 31 March 2025, the bank balances and cash amounted to approximately HK$17.0 million (31 March 2024: HK$16.3 million). As at 31 March 2025, the inventories amounted to approximately HK$4.4 million (31 March 2024: HK$2.7 million), representing the refined oil and solar modules intelligent technology products. As at 31 March 2025, the trade receivables and trade payables amounted to approximately HK$4.5 million and HK$4.4 million respectively (31 March 2024: HK$4.0 million and HK$3.5 million respectively), both were derived from the energy business and the jewelry business. As at 31 March 2025, the Convertible Bonds were classified as current liabilities with a maturity date of less than one year from the end of the reporting period, whereas classified as non-current liabilities as at 31 March 2024, for details of the Convertible Bonds, please refer to the section headed "Convertible Bonds" in this announcement. The change of classification of the Convertible Bonds resulted the Group's current liabilities exceeded the Group's current assets at 31 March 2025 by approximately HK$26.9 million. As at the date of this announcement, the Group and Mr. Zhang Bing, the holder of the Convertible Bonds and an executive Director, have reached a consensus that, in case there is absence of an extension to the convertible Bonds on maturity date 5 December 2025, Mr. Zhang will not demand repayment from the Group within 18 months following its due date. Also, the Group has implemented stringent cost-saving initiatives, specifically focusing on reducing non-core and unessential operations and expenses, in order to mitigate the liquidity position and enhance the Group's financial standing. The Board would like to emphasize that the Group's financial positions remain stable and have sufficient cash resources to meet its present and future working capital and financial requirements.

As at 31 March 2025, the Group's property, plant and equipment, right-of-use assets and investment properties amounted to approximately HK$14.8 million, HK$7.9 million and HK$73.6 million respectively (31 March 2024: HK$16.2 million, HK$12.0 million and HK$83.5 million respectively). The investment properties of the Group are located at No. 61, Haichao Road, Sino-Italy Ningbo Ecological Park (also known as Zhongyi Ningbo Shengtai Park), Yuyao City of Zhejiang Province, the PRC, for industrial use and are held as operating leases, which generate rental income. The investment properties were valued by an independent firm of professional property valuer and the fair value of the investment properties was derived using income approach for both years.

As at 31 March 2025, the net carrying amount of the intangible assets was approximately HK$44.2 million (31 March 2024: HK$46.7 million), representing the operating rights in relation to the relevant certificates, licenses and approvals for the operations of the filling station and the sale of refined oil with finite useful lives. The intangible assets were arising from the acquisition of Chengdu Kaibangyuan.

Capital Resources and Gearing

As at 31 March 2025, the Group's secured interest-bearing bank borrowings amounted to approximately HK$30.8 million (31 March 2024: HK$23.0 million) and bore the fixed interest rates at the range from 3.95% to 4.5% per annum (31 March 2024: at fixed rate of 4.5%), of which approximately HK$13.5 million (31 March 2024: HK$2.6 million) will be repayable within one year and approximately HK$17.3 million (31 March 2024: HK$20.4 million) will be repayable after one year. The Group's gearing ratio (which was expressed as a percentage of total bank borrowings over total equity) was approximately 259.6% as at 31 March 2025 (31 March 2024: 82.6%).

Such bank borrowings were secured by the Group's assets, for details of the charges on the Group's assets, please refer to the section headed "Charges On Group Assets" in this announcement. Save as disclosed above, the Group has no other banking facilities (31 March 2024: nil). During the Current Year, the Group entered into an amendment agreement with a controlling shareholder. According to this agreement, all outstanding loans from the controlling shareholder as of 1 October 2024, and any new loans initiated thereafter, will bear interest at an annual rate of 8% and will be repaid by September 2027. As at 31 March 2025, the unsecured interest bearing loans due to a controlling shareholder amounted to approximately HK$110.9 million (31 March 2024: unsecured interest-free loans of approximately HK$101.9 million), which will be repayable after one year from the end of the Current Year. As at 31 March 2025, the unsecured interest-free loans due to a shareholder amounted to approximately HK$12.9 million (31 March 2024: HK$3.8 million), which will be repayable after one year from the end of the Current Year.

The Group principally meets its working capital requirement and other liquidity requirements through a combination of operating cash flows, bank borrowings and loans due from a controlling shareholder and a shareholder during the Current Year.

Convertible bonds

On 5 December 2022, the Convertible Bonds were issued to the Vendor after the completion of the Acquisition. The Convertible Bonds can be converted into shares of the Company at a conversion price of HK$0.74 per conversion share (subject to adjustment), during the conversion period of 3 years from 5 December 2022. Upon exercise of the conversion rights attached to the Convertible Bonds in full, the Convertible Bonds are convertible into 70,270,270 new shares of the Company at a conversion price of HK$0.74 per conversion share (subject to adjustment).

As at 31 March 2025, the entire principal amount of the Convertible Bonds remained outstanding. The management performed a fair value assessment and engaged an independent valuer to conduct assessment on the Convertible Bonds at the end of the Current Year. As at 31 March 2025, the carrying amount of the debt component and the fair value of the derivative financial instrument derived from the Convertible Bonds were approximately HK$45.4 million and HK$2.1 million, respectively (31 March 2024: HK$36.9 million and HK$17.0 million).

Capital Structures

The Group's total assets and total liabilities as at 31 March 2025 amounted to approximately HK$263.8 million (31 March 2024: HK$259.3 million) and approximately HK$252.0 million (31 March 2024: HK$231.5 million), respectively. The Group's debt ratio (which was expressed as a percentage of total liabilities over total assets) was approximately 95.5% as at 31 March 2025 (31 March 2024: 89.3%).

Charges on Group Assets

As at 31 March 2025, the buildings with carrying amounts of approximately HK$10.6 million (31 March 2024: HK$3.5 million), the right-of-use assets with carrying amounts of approximately HK$6.6 million (31 March 2024: HK$5.0 million) and the investment properties with carrying amounts of approximately HK$73.6 million (31 March 2024: HK$83.5 million), were pledged to secure bank borrowings granted by the banks in the PRC to the Group amounted to approximately HK$30.8 million (31 March 2024: HK$23.0 million).

Save as disclosed above, there were no other charges on the Group's assets as at 31 March 2025.

Capital Commitments and Contingent Liabilities

As at 31 March 2025, the Group did not have any capital commitments (31 March 2024: nil) and contingent liabilities (31 March 2024: nil).

Employee and Remuneration Policy

As at 31 March 2025, the Group had a total of 64 employees (31 March 2024: 64). The Group remunerates its employees based on their performance and work experience and the prevailing market rates. Salaries of employees are maintained at competitive levels while bonuses are granted by reference to the performance of the Group and individual employees.

The Group also provides internal training to employees when necessary and other staff benefits which include a share option scheme and corporate contribution to the statutory mandatory provident fund scheme to its employees in Hong Kong and the statutory central pension schemes to its employees in the PRC.

Furthermore, the remuneration committee of the Board (the "**Remuneration Committee**") will review and give recommendations to the Board as to the compensation package of the Directors and senior management of the Group with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management of the Group.

Foreign Exchange Fluctuation and Hedges

The business operations of the Group's subsidiaries were conducted mainly in the PRC and Hong Kong with sales and purchases of the Group's subsidiaries denominated mainly in Hong Kong dollars, Renminbi and United States dollars ("**USD**"). The Group's cash and bank deposits were denominated in Hong Kong dollars, Renminbi and USD as well. Any significant exchange rate fluctuation of Hong Kong dollars against USD or Renminbi may have financial impacts on the Group. While the Group would closely monitor the volatility of the foreign exchange rate, the Directors considered that the Group's risk exposure to foreign exchange rate fluctuation remained minimal currently.

As at 31 March 2025, no forward foreign currency contracts were designated in hedging accounting relationships (31 March 2024: nil).

Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

There were no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Current Year.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, the Group did not have any plans for material investments and capital assets as at 31 March 2025.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is to be held on Thursday, 11 September 2025 (the "**2025 AGM**") and the notice of the 2025 AGM will be published and dispatched to the shareholders of the Company within the prescribed time and in such manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 8 September 2025 to Thursday, 11 September 2025 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify to attend and vote at the 2025 AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 5 September 2025.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize effective internal control, accountability and transparency of the Board and are adopted in the best interest of the Company and its shareholders.

Accordingly, the Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules. The Company has applied the principles and complied with all the applicable code provisions set out in the CG Code throughout the Current Year.

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 regarding securities transactions by the Directors. Having made specific enquiries with all Directors, they confirmed that they had complied with the required standard set out in the Model Code throughout the Current Year.

UPDATES ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company and based on the confirmation from the Directors, the change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report are set out below:

Mr. Jin Qingjun, an independent non-executive Director, has been appointed as an independent director of Zhongtai Securities Company Limited, a company listed on the Shanghai Stock Exchange (stock code: 600918) with effect from 4 April 2024. He also retired as an independent non-executive director from Sino-Ocean Group Holding Limited (stock code: 3377), with effect from 29 August 2024.

Mr. Lan Yadong, an independent non-executive Director, has been appointed as an independent director of Pramerica Fosun Life Insurance Co., Ltd, with effect from 21 February 2025.

The Board approved on the recommendation of the Remuneration Committee the annual director's fee of HK$200,000 of Mr. Lan Yadong and HK$200,000 of Mr. Li Wei Qi, Jacky respectively with effect from 24 January 2025 in view of their qualifications, experience and prevailing market conditions.

Ms. Zhong Yingjie, Christina, an independent non-executive Director, has been resigned as the chief financial officer of HH&L Acquisition Co., a company previously listed in the New York Stock Exchange, with effect from 25 June 2025.

AUDIT COMMITTEE

The Company has established the audit committee of the Board (the "**Audit Committee**") with written terms of reference in compliance with the code provisions under the CG Code set out in Appendix C1 to the Listing Rules to review the Group's financial reporting, corporate governance reporting process, internal audit functions, internal control system, risk management matters, and make relevant recommendations to the Board. The Audit Committee comprises three independent non-executive Directors, namely Ms. Zhong Yingjie, Christina, Mr. Jin Qingjun and Mr. Lan Yadong.

The Group's consolidated financial statements and the annual results for the Current Year have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the Current Year comply with applicable accounting standards, and the Listing Rules and that adequate disclosures have been made. The Audit Committee also monitored the Company's progress in implementing the code provisions of the CG Code as required under the Listing Rules.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Current Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group strives to protect the environment and minimize any negative impact on the environment and occupational health and safety induced by our business, achieving the goal of sustainable development.

Pursuant to Rule 13.91 of the Listing Rules, an Environmental, Social and Governance ("**ESG**") report of the Company for the Current Year in compliance with the provisions set out in the ESG Reporting Guide in Appendix C2 to the Listing Rules will be published on the Stock Exchange's website and the Company's website at the same time as the publication of the annual report of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed percentage of public float under the Listing Rules as at the date of this announcement.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement has been agreed by the auditor, Prism Hong Kong Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 27 June 2025. The work performed by Prism Hong Kong Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Prism Hong Kong Limited on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com). The annual report of the Company for the Current Year containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

APPRECIATION

Our Board would like to take this opportunity to express its gratitude to our shareholders, our business associates and all our employees for their continuous support.

By order of the Board
CENTRAL DEVELOPMENT HOLDINGS LIMITED
Wu Hao
Chairman & Executive Director

Hong Kong, 27 June 2025

As at the date of this announcement, the Board consists of four executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun, Mr. Li Wei Qi, Jacky and Mr. Zhang Bing; and three independent non-executive Directors, namely Mr. Jin Qingjun, Ms. Zhong Yingjie, Christina and Mr. Lan Yadong.

* *for identification purpose only*