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RYKADAN CAPITAL LIMITED

宏基資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2288)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

	For the year ended 31 March	
	2025	2024
	(Re-presented)	
RESULTS		
Loss for the year from continuing operations (HK\$'000)	(223,722)	(166,963)
Loss for the year from discontinued operation (HK\$'000)	(69,982)	(9,203)
Loss for the year		
– Continuing and discontinued operations (HK\$'000)	<u>(293,704)</u>	<u>(176,166)</u>
	At 31 March	At 31 March
	2025	2024

FINANCIAL INFORMATION PER SHARE

Net assets per share attributable to owners of the Company (HK\$)		
(Equity attributable to owners of the Company/number of issued ordinary shares of the Company)	1.54	2.29

BANK BALANCES AND CASH

At 31 March 2025, the Group had bank deposits and cash of approximately HK\$64 million (2024: HK\$101 million).

FINAL DIVIDEND

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

The board of directors (the “Board”) of Rykadan Capital Limited 宏基資本有限公司 (the “Company”) hereby announces the consolidated annual results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2025 together with the comparative figures for the year ended 31 March 2024 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i> (Re-presented)
Continuing operations			
Revenue	3	74,451	103,343
Cost of sales and services		(66,188)	(131,528)
Gross profit (loss)		8,263	(28,185)
Other revenue	4	4,934	6,718
Other net loss	5	(2,180)	(3,883)
Impairment losses on trade receivables, net of reversal		(11,730)	(5,041)
Selling and marketing expenses		(2,316)	(4,138)
Administrative and other operating expenses		(40,083)	(36,430)
Loss from operations		(43,112)	(70,959)
Finance costs	6	(9,800)	(12,869)
Share of results of associates		(113,198)	(35,216)
Share of results of joint ventures		(90,921)	(12,444)
Reversal of impairment losses (impairment losses) on interests in joint ventures	14	33,200	(33,200)
Loss before taxation		(223,831)	(164,688)
Income tax credit (expense)	8	109	(2,275)
Loss for the year from continuing operations	7	(223,722)	(166,963)
Discontinued operation	9		
Loss for the year from discontinued operation		(69,982)	(9,203)
Loss for the year		(293,704)	(176,166)

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Loss for the year attributable to owners of the Company			
– from continuing operations		(211,377)	(164,683)
– from discontinued operation		(69,982)	(9,203)
		<u>(281,359)</u>	<u>(173,886)</u>
Loss for the year attributable to owners of the Company		(281,359)	(173,886)
Loss for the year attributable to non-controlling interests			
– from continuing operations		(12,345)	(2,280)
		<u>(293,704)</u>	<u>(176,166)</u>
Loss per share	<i>10</i>		
From continuing and discontinued operations			
Basic		(74.9) HK cents	(46.3) HK cents
Diluted		N/A	N/A
From continuing operations			
Basic		(56.3) HK cents	(43.9) HK cents
Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Loss for the year	(293,704)	(176,166)
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences arising on translation of foreign operations	638	875
– Share of translation reserve of joint ventures, net of related income tax	<u>(1,298)</u>	<u>(1,806)</u>
	(660)	(931)
Item that will not be reclassified to profit or loss:		
– Share of remeasurement of defined benefit liability of a joint venture, net of related income tax	<u>(25)</u>	<u>(54)</u>
Other comprehensive income for the year	<u>(685)</u>	<u>(985)</u>
Total comprehensive income for the year	<u>(294,389)</u>	<u>(177,151)</u>
Attributable to:		
– Owners of the Company	(281,880)	(174,504)
– Non-controlling interests	<u>(12,509)</u>	<u>(2,647)</u>
	<u>(294,389)</u>	<u>(177,151)</u>
Total comprehensive income for the year attributable to owners of the Company:		
– from continuing operations	(211,988)	(165,301)
– from discontinued operation	<u>(69,892)</u>	<u>(9,203)</u>
	<u>(281,880)</u>	<u>(174,504)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Investment properties	12	2,700	154,500
Other properties, plant and equipment		507	33,964
Right-of-use assets		2,810	3,442
Interests in associates	13	67,423	178,766
Interests in joint ventures	14	134,939	205,096
Financial assets measured at fair value through other comprehensive income		—	—
		<u>208,379</u>	<u>575,768</u>
CURRENT ASSETS			
Properties for sale		338,235	399,121
Inventories		807	797
Trade receivables	15	11,957	22,277
Other receivables, deposits and prepayments		23,499	8,742
Loans to an associate	13	47,040	40,000
Bank deposits and cash on hand		63,598	100,897
		<u>485,136</u>	<u>571,834</u>
Assets classified as held for sale	9	<u>119,883</u>	—
		<u>605,019</u>	<u>571,834</u>
CURRENT LIABILITIES			
Trade and other payables	16	32,896	13,604
Contract liabilities		25	615
Bank loans	17	78,627	257,571
Lease liabilities		568	527
Tax payable		1,247	1,212
		<u>113,363</u>	<u>273,529</u>
Liabilities associated with assets classified as held for sale	9	<u>51,166</u>	—
		<u>164,529</u>	<u>273,529</u>
NET CURRENT ASSETS		<u>440,490</u>	<u>298,305</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>648,869</u>	<u>874,073</u>

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Bank loans	17	88,645	18,522
Lease liabilities		2,437	3,022
Deferred tax liabilities		1,000	1,058
		<u>92,082</u>	<u>22,602</u>
		556,787	851,471
CAPITAL AND RESERVES			
Share capital		3,754	3,754
Reserves		575,739	857,619
Equity attributable to owners of the Company		579,493	861,373
Non-controlling interests		(22,706)	(9,902)
		<u>556,787</u>	<u>851,471</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 21 August 2009. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 29/F, Rykadan One, 23 Wong Chuk Hang Road, Wong Chuk Hang, Hong Kong respectively.

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in the annual report.

The consolidated financial statements of the Group are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“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 and by the Hong Kong Companies Ordinance.

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 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	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS7	<i>Supplier Finance Arrangements</i>

The application of 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 the consolidated financial statements.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group's continuing operations are property development, asset, investment and fund management and distribution of construction and interior decorative materials.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines from continuing operations is as follows:

Continuing operations

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Revenue from contracts with customers within the scope of HKFRS 15		
– Sales of completed properties	70,773	92,590
– Distribution of construction and interior decorative materials	–	6,019
– Asset, investment and fund management income	3,678	4,734
	<u>74,451</u>	<u>103,343</u>

Disaggregation of revenue from contracts with customers by timing of revenue recognition and by geographical markets are disclosed in Note 3(b).

For the year ended 31 March 2025, revenue from sales of completed properties to one customer (2024: one customer) in the United States of America (the "U.S.A.") was approximately HK\$70,773,000 (2024: HK\$92,590,000), which has exceeded 10% of the Group's revenue.

(ii) Revenue from continuing operations expected to be recognised in the future arising from contracts with customers in existence at the reporting date

At 31 March 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts from continuing operations is HK\$169,000 (2024: HK\$74,876,000). This amount mainly represents revenue expected to be recognised in the future from pre-completion contracts entered into by the customers with the Group for provision of services during the year (2024: sales of completed properties and provision of services). The Group will recognise the expected revenue in the future when the relevant services are provided or the properties are assigned to the customers, which are expected to occur within the next 2 months (2024: within the next 14 months).

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). The Group has presented the following three reportable segments, which is consistent with the way how information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- Property development – This segment derives its revenue from repositioning and value enhancement of properties with a focus on development projects in prime locations in Hong Kong and the U.S.A..
- Asset, investment and fund management – This segment derives its revenue from investing in and managing a portfolio of real estates in Hong Kong.
- Distribution of construction and interior decorative materials – This segment derives its revenue from distribution of stone composite surfaces products in the Greater China region.

An operating segment regarding property investment was discontinued during the year ended 31 March 2025. The segment information reported below does not include any amounts for this discontinued operation, which is described in more details in Note 9.

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment profit (loss) represents profit earned by (loss from) each operating segment, excluding income and expenses of the corporate function, such as certain other revenue, certain other net loss, certain administrative and other operating expenses, finance costs, share of results of associates, share of results of joint ventures and reversal of impairment losses (impairment losses) on interests in joint ventures.

All assets are allocated to operating segments other than investment properties, certain other properties, plant and equipment, right-of-use assets, interests in associates, interests in joint ventures, financial assets measured at fair value through other comprehensive income, certain other receivables, deposits and prepayments, loans to an associate, bank deposits and cash on hand and assets classified as held for sale that are not managed directly by segments.

All liabilities are allocated to operating segments other than certain other payables, lease liabilities, certain bank loans, deferred tax liabilities and liabilities associated with assets classified as held for sale that are not managed directly by segments.

In addition, management is provided with segment results and information concerning additions of other properties, plant and equipment, depreciation of other properties, plant and equipment, additions of right-of-use assets, amortisation of right-of-use assets, gain (loss) on disposal of other properties, plant and equipment and reversal of impairment losses (impairment losses) on interests in joint ventures.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2025 and 2024 is set out below.

Segment revenue and results

The following is an analysis of the Group's revenues and results from continuing operations by reportable and operating segments:

For the year ended 31 March 2025

Continuing operations

	Property development <i>HK\$'000</i>	Asset, investment and fund management <i>HK\$'000</i>	Distribution of construction and interior decorative materials <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition				
Point in time	70,773	–	–	70,773
Over time	–	3,678	–	3,678
Total	<u>70,773</u>	<u>3,678</u>	<u>–</u>	<u>74,451</u>
Segment profit (loss) from operations	5,421	(14,765)	(1,488)	(10,832)
Corporate expenses				(37,232)
Corporate income				4,952
Finance costs				(9,800)
Share of results of associates				(113,198)
Share of results of joint ventures				(90,921)
Reversal of impairment losses on interests in joint ventures				<u>33,200</u>
Loss before taxation from continuing operations				<u>(223,831)</u>

For the year ended 31 March 2024 (Re-presented)

Continuing operations

	Property development <i>HK\$'000</i>	Asset, investment and fund management <i>HK\$'000</i>	Distribution of construction and interior decorative materials <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition				
Point in time	92,590	–	6,019	98,609
Over time	–	4,734	–	4,734
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>92,590</u>	<u>4,734</u>	<u>6,019</u>	<u>103,343</u>
Segment (loss) profit from operations	(26,806)	(19,724)	291	(46,239)
Corporate expenses				(30,823)
Corporate income				6,103
Finance costs				(12,869)
Share of results of associates				(35,216)
Share of results of joint ventures				(12,444)
Impairment losses on interests in joint ventures				(33,200)
				<hr/>
Loss before taxation from continuing operations				<u>(164,688)</u>

Segment assets and liabilities

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

	2025 HK\$'000	2024 HK\$'000
Segment assets		
Property development	338,394	399,189
Property investment	–	155,383
Asset, investment and fund management	6,197	14,536
Distribution of construction and interior decorative materials	7,874	9,291
	<hr/>	<hr/>
Total segment assets	352,465	578,399
Investment properties	2,700	–
Other properties, plant and equipment	486	33,914
Right-of-use assets	2,810	3,442
Interests in associates	67,423	178,766
Interests in joint ventures	134,939	205,096
Financial assets measured at fair value through other comprehensive income	–	–
Other receivables, deposits and prepayments	22,054	7,088
Loans to an associate	47,040	40,000
Bank deposits and cash on hand	63,598	100,897
Assets classified as held for sale	119,883	–
	<hr/>	<hr/>
Total consolidated assets of the Group	813,398	1,147,602
	<hr/>	<hr/>
Segment liabilities		
Property development	89,882	55,445
Property investment	–	38,384
Asset, investment and fund management	767	1,471
Distribution of construction and interior decorative materials	2,999	3,659
	<hr/>	<hr/>
Total segment liabilities	93,648	98,959
Other payables	29,165	7,565
Lease liabilities	3,005	3,549
Bank loans	78,627	185,000
Deferred tax liabilities	1,000	1,058
Liabilities associated with assets classified as held for sale	51,166	–
	<hr/>	<hr/>
Total consolidated liabilities of the Group	256,611	296,131
	<hr/>	<hr/>

Other segment information

For the year ended 31 March 2025

Continuing operations

	Property development <i>HK\$'000</i>	Asset, investment and fund management <i>HK\$'000</i>	Distribution of construction and interior decorative materials <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment results or segment assets:						
Additions of other properties, plant and equipment	–	10	5	15	1,196	1,211
Depreciation of other properties, plant and equipment	–	(10)	(1)	(11)	(1,746)	(1,757)
Amortisation of right-of-use assets	–	–	–	–	(614)	(614)
Gain on disposal of other properties, plant and equipment	–	–	18	18	–	18
Reversal of impairment losses on interests in joint ventures	–	–	–	–	33,200	33,200
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>33,200</u>	<u>33,200</u>

Other segment information

For the year ended 31 March 2024 (Re-presented)

Continuing operations

	Property development <i>HK\$'000</i>	Asset, investment and fund management <i>HK\$'000</i>	Distribution of construction and interior decorative materials <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment results or segment assets:						
Additions of other properties, plant and equipment	–	–	3	3	833	836
Additions of right-of-use assets	–	–	–	–	3,955	3,955
Depreciation of other properties, plant and equipment	–	(15)	(1)	(16)	(1,650)	(1,666)
Amortisation of right-of-use assets	–	–	–	–	(513)	(513)
(Loss) gain on disposal of other properties, plant and equipment	–	–	(1)	(1)	1	–
Impairment losses on interests in joint ventures	–	–	–	–	(33,200)	(33,200)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(33,200)</u>	<u>(33,200)</u>

Geographical segment information

The Group's revenue from continuing operations from external customers attributed to the geographical areas based on the location at which the services were provided or the goods were delivered is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Hong Kong	3,678	4,734
The People's Republic of China (the "PRC")	–	6,019
The U.S.A.	70,773	92,590
	<u>74,451</u>	<u>103,343</u>

The Group's information about its non-current assets by location of the assets or by location of the related operations are detailed below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	190,152	547,726
The PRC	8	36
The U.S.A.	3,280	13,550
Others	14,939	14,456
	<u>208,379</u>	<u>575,768</u>

4. OTHER REVENUE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Interest income on loan to a joint venture	219	518
Interest income on loans to an associate	2,559	3,762
Interest income on bank deposits	386	1,134
Income from loans and other receivables	–	269
Others	1,770	1,035
	<u>4,934</u>	<u>6,718</u>

5. OTHER NET LOSS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Net foreign exchange loss	(1,728)	(3,923)
Gain on disposal of other properties, plant and equipment	18	–
Others	(470)	40
	<u>(2,180)</u>	<u>(3,883)</u>

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Continuing operations		
Interest expenses on bank loans	10,577	13,684
Interest expenses on lease liabilities	128	122
Less: interest expenses capitalised into properties under development for sale (<i>Note</i>)	(905)	(937)
	<u>9,800</u>	<u>12,869</u>

Note: Borrowing costs capitalised during the year are calculated by applying capitalisation rates of approximately 6.4% (2024: 4.0%) per annum to expenditures on qualifying assets.

7. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Continuing operations		
Auditor's remuneration		
– audit services	950	950
– non-audit services	696	150
Cost of construction and interior decorative materials	–	5,210
Cost of properties for recognised sales	62,173	105,600
Direct cost for management services provided (<i>Note</i>)	4,015	11,692
Depreciation of other properties, plant and equipment	1,757	1,666
Amortisation of right-of-use assets	614	513
Employee benefit expenses	30,979	32,712
Operating lease payments in respect of leased properties	301	1,291
Impairment losses of trade receivables, net of reversal	11,730	5,041
Write-down on properties for sale (included in cost of sales and services)	–	9,026
	<u> </u>	<u> </u>

Note: Direct cost for management services provided includes HK\$4,015,000 (2024: HK\$10,250,000) relating to staff costs which are also included in the respective total amount disclosed separately above.

8. INCOME TAX CREDIT (EXPENSE)

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Income tax recognised in profit or loss:		
Current tax		
– Withholding tax on dividend distributions	(71)	(1,217)
– Other jurisdictions	(46)	–
	<u> </u>	<u> </u>
	(117)	(1,217)
Over provision in previous year		
– Other jurisdictions	168	–
	<u> </u>	<u> </u>
Deferred tax		
– Credit (charged) to profit or loss	58	(1,058)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	109	(2,275)
	<u> </u>	<u> </u>

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group did not have any assessable profits for both years.

Overseas tax is calculated at the rates prevailing in the relevant jurisdictions.

During the year ended 31 March 2025, a withholding tax of HK\$71,000 (2024: HK\$58,000) was recognised upon distribution of dividends from a subsidiary in Canada of the Group.

Under the PRC Enterprise Income Tax Law (the “EIT Law”) and the Implementation Regulation of the EIT Law, withholding tax of 5% or 10% is payable in respect of dividends by PRC entities from 1 January 2008 onwards. During the year ended 31 March 2024, withholding tax of HK\$1,159,000 was recognised on dividends distributed from a PRC subsidiary of the Group.

9. DISCONTINUED OPERATION/ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 17 December 2024, the Group entered into sale and purchase agreements with German Pool (Hong Kong) Limited, an independent third party, in relation to the disposal of the 27th and 28th floors together with various car parking spaces of Rykadan Capital Tower (the “Disposal”) which mainly represented the Group’s property investment operation. The completion of the Disposal was subject to certain precedent conditions which included but not limited to obtaining approval from shareholders at the shareholders’ meeting of the Company. Such approval was obtained on 17 April 2025 and the Disposal was completed on 30 April 2025.

The assets and liabilities attributable to the Disposal, which are expected to be sold within twelve months, have been classified as “assets classified as held for sale” and “liabilities associated with assets classified as held for sale” respectively and the property investment operation is accounted for as “discontinued operation” in the consolidated financial statements of the Group for the year ended 31 March 2025.

The loss for the year from the discontinued property investment operation is set out below. The comparative figures in the consolidated income statements and corresponding notes to the consolidated financial statements have been restated to re-present the property investment operation as discontinued operation.

	2025 HK\$’000	2024 HK\$’000
Revenue	997	1,045
Cost of sales	(160)	(162)
Administrative and other operating expenses	(1,686)	(2,926)
Decrease in fair value of investment properties	(66,900)	(4,316)
Finance costs	(2,233)	(2,844)
	<hr/>	<hr/>
Loss for the year from discontinued operation	<u>(69,982)</u>	<u>(9,203)</u>
Loss for the year from discontinued operation includes the following:		
Auditor’s remuneration	<u>100</u>	<u>50</u>

Cash flows from discontinued operation:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net cash used in operating activities	(2,045)	(5,429)
Net cash used in financing activities	(6,913)	(6,411)

The assets and liabilities of the property investment operation at 31 March 2025, which have been presented separately in the consolidated statement of financial position, are as follows:

	2025 <i>HK\$'000</i>
Investment properties (<i>Note (a)</i>)	84,900
Other properties, plant and equipment	32,875
Properties for sale	1,805
Other receivables, deposits and prepayments	303
Assets classified as held for sale	119,883
Other payables	(112)
Bank loans (<i>Note (b)</i>)	(51,054)
Liabilities associated with assets classified as held for sale	(51,166)

Notes:

- (a) The investment properties in Hong Kong were revalued at 31 March 2025 by Knight Frank Petty Limited, an independent firm of surveyors who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the locations and categories of the properties being valued.
- (b) At 31 March 2025, the bank loans drawn in Hong Kong bear interest at rates ranging from 1.5% to 2.3% per annum over Hong Kong Interbank Offered Rate. The interests are repriced monthly.

At 31 March 2025, the entire investment properties included in held for sale, HK\$1,000,000 out of the investment properties of \$2,700,000, HK\$31,786,000 of other properties, plant and equipment included in held for sale, the entire properties for sale included in held for sale and HK\$4,778,000 out of the properties for sale of HK\$338,235,000 were pledged as securities for bank loans. Such banking facilities amounted to HK\$96,054,000 were utilised to the extent of HK\$51,054,000 at 31 March 2025.

One of these banking facilities is subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios. If the Group was to breach the covenants, the utilised facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants.

None of the covenants relating to the utilised facilities had been breached during the year ended 31 March 2025.

The entire bank loans are repayable within one year and contain repayable on demand clauses.

10. LOSS PER SHARE

The calculation of loss per share from continuing operations is based on the loss for the year from continuing operations attributable to owners of the Company of HK\$211,377,000 (2024: HK\$164,683,000) and 375,447,000 (2024: 375,447,000) ordinary shares in issue during the year.

Basic loss per share from the discontinued operation is HK18.6 cents per share (2024: HK2.5 cents per share), based on the loss for the year from discontinued operation attributable to owners of the Company of HK\$69,982,000 (2024: HK\$9,203,000) and 375,447,000 (2024: 375,447,000) ordinary shares in issue during the year.

No diluted loss per share in both years was presented as there were no potential ordinary shares outstanding during both years.

11. DIVIDENDS

No dividends had been paid or declared during the year. The Board does not recommend the payment of a dividend for the year ended 31 March 2025 (2024: HK\$Nil).

12. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
At valuation:		
At the beginning of the year	154,500	158,700
Transfer (<i>Note (a)</i>)	–	116
Decrease in fair value of investment properties	(66,900)	(4,316)
Transfer to assets classified as held for sale (<i>Note (9)</i>)	(84,900)	–
	<u>2,700</u>	<u>154,500</u>
At the end of the year		

Notes:

- (a) During the year ended 31 March 2024, completed properties held for sale at cost of approximately HK\$116,000 were transferred from “properties for sale” to “investment properties” as a result of change in use. The properties were measured at fair value at the time of transfer amounting to HK\$200,000 and revaluation surplus of approximately HK\$84,000 have been dealt with in the consolidated income statement.
- (b) At 31 March 2025, investment properties of HK\$1,000,000 were pledged as securities for bank loans directly associated with assets classified as held for sale (Note 9). At 31 March 2024, investment properties of HK\$152,200,000 were pledged as securities for bank loans (Note 17).
- (c) The investment properties in Hong Kong were revalued at 31 March 2025 by Asset Appraisal Limited (2024: Asset Appraisal Limited), an independent firm of surveyors who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the locations and categories of the properties being valued.

13. INTERESTS IN ASSOCIATES AND LOANS TO AN ASSOCIATE

	2025 HK\$'000	2024 HK\$'000
Share of net assets	1,357	11,596
Amounts due from associates (<i>Note (a)</i>)	326,121	323,954
Share of net liabilities	(260,055)	(156,784)
	66,066	167,170
	67,423	178,766
Dividend received from an associate	312	–
Loans to an associate (<i>Note (b)</i>)	47,040	40,000

Notes:

- (a) At 31 March 2025 and 31 March 2024, the amounts due from associates are interest-free, unsecured and have no fixed terms of repayment. As the settlement is neither planned nor likely to occur in the foreseeable future, directors of the Company consider the amounts due from associates in substance form part of the net investment.
- (b) At 31 March 2025, the loans to an associate of HK\$47,040,000 (2024: HK\$40,000,000) is interest-free (2024: interest bearing at 15% per annum), unsecured and repayable within one year.

14. INTERESTS IN JOINT VENTURES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	14,939	14,472
Amounts due from joint ventures (<i>Note (a)</i>)	283,116	292,534
Share of net liabilities	(163,116)	(68,710)
Less: impairment losses (<i>Note (b)</i>)	–	(33,200)
	120,000	190,624
	134,939	205,096
Dividend received from a joint venture	1,678	–

Notes:

- (a) At 31 March 2025 and 31 March 2024, the amount due from a joint venture of HK\$283,116,000 is interest-free, unsecured and has no fixed terms of repayment. As the settlement is neither planned nor likely to occur in foreseeable future, directors of the Company consider the amount due from the joint venture in substance form part of the net investment.

At 31 March 2024, the amount due from a joint venture of US\$1,200,000 (equivalent to HK\$9,418,000) was interest bearing at 5.5% per annum, unsecured and has no fixed terms of repayments. The entire amount was settled during the year ended 31 March 2025.

- (b) Due to the unsatisfactory financial performance of Quarella Holdings Limited and its subsidiaries (the “Quarella Group”) in the financial year of 2024, the impairment of HK\$33,200,000 has been recognised in profit or loss during the year ended 31 March 2024.

Subsequent to the end of the reporting period, the Group received a cash consideration of HK\$120,000,000 from Quarella Holdings Limited for the disposal of Quarella Group Limited. At 31 March 2025, the recoverable amount of the Quarella Group is determined with reference to such cash consideration and a reversal of impairment of HK\$33,200,000 has been recognised in profit and loss during the year ended 31 March 2025.

15. TRADE RECEIVABLES

At 31 March 2025, the ageing analysis of trade receivables based on invoice date, net of loss allowances, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
1-30 days	209	2,082
31-60 days	94	361
61-90 days	94	361
Over 90 days	11,560	19,473
	<u>11,957</u>	<u>22,277</u>

The Group negotiates with customers on individual basis in accordance with contract terms, i.e. an average credit period of 90 days (2024: 90 days) after the issuance of the invoices, except for sales of properties the proceeds from which are receivable pursuant to the terms of agreements, rental income which are receivable in the month the tenants use the premises and property management fee and utility income and asset, investment and fund management income which are receivable in the month the Group provides the services.

16. TRADE AND OTHER PAYABLES

At 31 March 2024, included in trade and other payables are trade payables of HK\$983,000 and the ageing analysis of trade payables, based on invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
1-30 days	–	949
Over 90 days	–	34
	<u>–</u>	<u>983</u>

17. BANK LOANS

The analysis of the carrying amount of bank loans is as follows:

	2025 HK\$'000	2024 HK\$'000
Current liabilities		
Bank loans contain a repayable on demand clause or due within one year (Note (f))	60,000	227,460
Bank loans due after one year which contain a repayment on demand clause	18,627	30,111
	<u>78,627</u>	<u>257,571</u>

Non-current liabilities

Bank loans	88,645	18,522
	<u>88,645</u>	<u>18,522</u>

At 31 March 2025, the bank loans are due for repayment as follows:

	2025 HK\$'000	2024 HK\$'000
Portion of bank loans repayable on demand or due for repayment within one year	60,000	227,460
Bank loans due for repayment after one year (Notes (g) and (h)):		
After one year but within two years	88,857	7,855
After two years but within five years	18,415	40,778
	<u>107,272</u>	<u>48,633</u>
	<u>167,272</u>	<u>276,093</u>

At 31 March 2025, the secured bank loans and unsecured bank loan are as follows:

	2025 HK\$'000	2024 HK\$'000
Secured bank loans	88,645	156,093
Unsecured bank loan	78,627	120,000
	<u>167,272</u>	<u>276,093</u>

Notes:

- (a) At 31 March 2024, bank loans drawn in Hong Kong bear interest at the rates ranging from 1.8% to 2.3% per annum over Hong Kong Interbank Offered Rate. The interests were repriced monthly.
- (b) At 31 March 2025, bank loan drawn in Macau bears interest at prime rate determined by the lending bank (2024: 1.3% per annum below the prime rate determined by the lending bank).
- (c) At 31 March 2025, bank loans drawn in the U.S.A. bear interest at the rates ranging from 3.8% to 7.5% (2024: 3.8% to 4.0%) per annum.
- (d) At 31 March, certain of the banking facilities of the Group were secured by mortgages over:

	2025 HK\$'000	2024 HK\$'000
Investment properties	–	152,200
Buildings	–	33,213
Properties for sale	<u>333,457</u>	<u>101,859</u>
	<u>333,457</u>	<u>287,272</u>

Such banking facilities amounted to HK\$88,645,000 (2024: HK\$157,199,000) were utilised to the extent of HK\$88,645,000 at 31 March 2025 (2024: HK\$156,093,000).

- (e) Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios. If the Group was to breach the covenants, the utilised facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants.

None of the covenants relating to the utilised facilities had been breached during the year ended 31 March 2025.

During the year ended 31 March 2024, in respect of bank loans of HK\$185,000,000 utilised out of the relevant bank facilities of HK\$237,500,000 granted from relevant bankers at 31 March 2024, the Group had failed to satisfy one of the financial covenants which was the net worth requirement stipulated in relevant banking facility agreements. The directors of the Company were in discussion with the relevant bankers for the necessary waivers and renegotiating with them on the terms of the relevant bank loans. At 31 March 2024, those negotiations had not been concluded and the relevant bank loans which were originally due within one year, could be immediately due and payable. The relevant banking facilities agreement was subsequently renewed with revised financial covenants during the years ended 31 March 2025.

- (f) For the bank loans with amount of HK\$60,000,000 (2024: HK\$227,460,000) which are repayable within one year, all (2024: HK\$192,855,000) of which contain repayable on demand clauses.
- (g) The amounts due are based on the scheduled repayment dates set out in bank loan agreements and ignore the effect of any repayment on demand clause.
- (h) Certain of the Group's bank loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has met the scheduled repayment obligations.

The Group does not consider it probable that banks will exercise their discretion to demand immediate repayment so long as the Group continues to meet the scheduled repayment obligations.

BUSINESS AND FINANCIAL REVIEW

Overview

During the year, the Group continued to be impacted by headwinds and challenges arising from weak market sentiment, elevated interest rates and considerable revaluation of commercial real estate. The Group tackles by accelerating monetisation of redevelopment projects in Hong Kong and overseas.

The Group remains committed to its long-term strategy by acquiring and developing promising projects, efficiently growing its asset value, and monetising it within a three-to-five-year horizon. These investment principles remain important in balancing sustainable returns for the Group's shareholders while managing near-term market fluctuations.

The Group has further monetised its property portfolio in Hong Kong. It entered into sale and purchase agreements for the sale of the remaining two floors and partial car parking spaces held at Rykadan Capital Tower. The Group continues to hand over sold units of the Wong Chuk Hang Project and the Jaffe Road Project while preparing additional marketing launches for the remaining unsold units. Our projects incorporate modern aesthetics design and sustainable building principles, which appeal to buyers despite challenging market conditions.

Elsewhere, the monetisation of the Group's diversified property redevelopment projects in the United States of America (the "U.S.A.") and the ongoing construction of the Graphite Project in the United Kingdom (the "U.K."), has also progressed as planned.

The Group continued to strengthen its recurring revenue stream by prudently building and managing its asset, investment and fund management business amid prolonged sluggish market condition. By leveraging its asset, investment and fund management business, the Group plans to tap a broader base of development capital while generating more stable fee income. Following the Group's earlier divestments, it is now better positioned to seek promising real estate development and co-investment opportunities in Hong Kong and overseas.

For the year ended 31 March 2025, the Group's investments included commercial and residential property redevelopments in Hong Kong, the U.S.A. and the U.K.. It also invested in a leading international producer and distributor of construction and interior decorative materials, as well as hospitality operations.

As of 31 March 2025, the Group's total assets were valued at HK\$813 million (2024: HK\$1,148 million), of which HK\$605 million (2024: HK\$572 million) were current assets, approximately 3.68 times (2024: 2.09 times) of its current liabilities. Equity attributable to owners of the Company was HK\$579 million (2024: HK\$861 million).

Overall Performance

During the year ended 31 March 2025, the Group's consolidated revenue from business segments under continuing operations amounted to HK\$74 million (2024: HK\$103 million). The consolidated revenue from business segments under continuing operations was mainly attributable to the ongoing monetisation of property redevelopment projects in the Group's portfolio and recurring income generated from the Group's asset, investment and fund management business. The Group recorded a gross profit and gross profit margin of HK\$8 million (2024: gross loss of HK\$28 million) and 11.1% (2024: gross loss margin of 27.3%), respectively.

The Group recorded a loss from continuing and discontinued operations of HK\$294 million during the year (2024: HK\$176 million), while the loss attributable to owners of the Company was HK\$281 million (2024: HK\$174 million). The loss was mostly attributable to (i) the absorption of loss recognised by associates (which are principally engaged in property development businesses) due to the prolonged sluggish property market conditions and intense competition; (ii) the absorption of losses incurred by joint ventures during the year resulting from the continuous economic weakness; (iii) the fair value loss arising from revaluation on investment properties related to the discontinued operation; and (iv) the recognition of impairment losses on trade receivables, net of reversal.

Basic loss per share from continuing and discontinued operations for the year ended 31 March 2025 was HK74.9 cents (2024: HK46.3 cents).

No diluted loss per share in both years was presented as there were no potential ordinary shares outstanding during both years.

The Board of Directors (the "Board") does not recommend the payment of the final dividend for the year ended 31 March 2025 (2024: HK\$Nil per share).

Material Acquisition and Disposal

On 23 July 2024, Worth Celestial Limited (a wholly-owned subsidiary of the Company) (the "RH Purchaser"), entered into a sale and purchase agreement with a director of the Company and his spouse (collectively referred to as the "RH Vendors") in relation to the acquisition of 100% equity interests in Cosmo Kingdom Holdings Limited (a property holding company jointly owned by the RH Vendors with a luxury residential property in Hong Kong as its main asset), pursuant to which the RH Vendors have conditionally agreed to sell the sale shares and assign the sale loan, and the RH Purchaser has conditionally agreed to purchase the sale shares and take up the assignment of the sale loan free from all encumbrances (the "Acquisition").

Given that the RH Vendors are connected persons of the Company, such proposed transactions are constituted connected transactions as defined in Chapter 14A of the Listing Rules. The Acquisition was approved by independent shareholders at an extraordinary general meeting held on 16 September 2024. Details of the Acquisition are provided in the announcements of the Company dated 23 July 2024, 31 July 2024 and 29 November 2024 and the circular of the Company dated 30 August 2024. The Acquisition had not been completed as at 31 March 2025.

On 3 December 2024, Win Expo Enterprises Limited and Prime Talent Development Limited, which are both indirect wholly-owned subsidiaries of the Company, entered into provisional agreements for sale and purchase with German Pool (Hong Kong) Limited, an independent third party, in relation to the disposal of the 27th and 28th floors together with various car parking spaces of Rykadan Capital Tower (the “Disposal”). The formal agreements of the Disposal were entered by the aforementioned parties on 17 December 2024. Details of the Disposal are provided in the announcement of the Company dated 3 December 2024 and the circular of the Company dated 27 March 2025. The Disposal was approved by independent shareholders at an extraordinary general meeting held on 17 April 2025, therefore, it had not been completed as at 31 March 2025.

Save as disclosed above, there were no material acquisitions and disposals during the year.

Investment Portfolio

As at 31 March 2025, the Group’s bank deposits and cash was HK\$64 million (2024: HK\$101 million), representing 7.8% (2024: 8.8%) of the Group’s total assets.

The following table shows the Group’s investments as at 31 March 2025.

Real estate investments

Investment	Location	Type	Group’s interest	Status as of 31/3/2025	Area	Attributable area
Winston Project	1135 Winston Avenue, San Marino, CA 91108, the U.S.A.	Residential property	100%	Completed and being marketed to buyers	4,021 square feet (gross floor)	4,021 square feet (gross floor)
Monterey Park Towne Centre Project	100, 120, 150, 200 South Garfield and 114 East Garvey and City Parking Lot, Monterey Park, CA 91755, the U.S.A.	Residential and retail property	100%	Under planning	237,920 square feet (gross floor)	237,920 square feet (gross floor)

Investment	Location	Type	Group's interest	Status as of 31/3/2025	Area	Attributable area
Graphite Square Project	Graphite Square, Vauxhall, London SE11, the U.K.	Residential and commercial property	21.25%	Under construction. Expected to be completed in July 2025	27,523 square metres (gross floor)	5,849 square metres (gross floor)
Jaffe Road Project	216, 216A, 218, 220 and 222A Jaffe Road, Wanchai, Hong Kong	Commercial and retail property	3.55%	Completed and being marketed to buyers	10,792 square feet (saleable)	383 square feet (saleable)
Wong Chuk Hang Project	23 Wong Chuk Hang Road, Wong Chuk Hang, Hong Kong	Commercial and retail property	24.21%	Completed and being marketed to buyers	27,010 square feet (saleable)	6,539 square feet (saleable)
2702, 2802, 2803, 2804 and various car parking spaces of Rykadan Capital Tower	135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong	Commercial property	100%	Completed (classified as assets held for sale)	13,467 square feet (gross floor)	13,467 square feet (gross floor)
Various car parking spaces of Rykadan Capital Tower	135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong	Commercial property	100%	Completed (classified as investment properties and properties for sale)	N/A	N/A
Shouson Hill Project	House 11 (including two car parking spaces), No. 1 Shouson Hill Road East, Hong Kong	Residential property	20%	Investment properties	2,657 square feet (saleable)	531 square feet (saleable)

Note: The above gross floor area for projects under planning and construction is calculated based on the Group's development plans, which may be subject to change.

Other investments

Investment	Business/type	Group's interest
Q-Stone Building Materials Limited	Distribution of construction and interior decorative materials	87%
Quarella Holdings Limited	A joint venture, producer of quartz and marble-based engineered stone composite surfaces products	43.5%
RS Hospitality Private Limited ("RS Hospitality")	A joint venture for operating a 24-suite boutique resort in Bhutan	50%

Summary and Review of Investments

Property development/Asset, investment and fund management

During the year under review, the Group continued to accelerate sales launches for completed projects in Hong Kong. As of 31 March 2025, over 79% of the available-for-sale units of the Jaffe Road Project, while over 71% of the available-for-sale units and car parking spaces of the Wong Chuk Hang Project were sold and handed over to buyers. The remaining units of these projects will be marketed to buyers.

In the U.S.A., as of 31 March 2025, the Anoakia Project was sold and the remaining stakes in the Broadway Project were divested. Meanwhile, the Winston Project is being marketed to buyers. These properties are located in California, the U.S.A..

Due to the new zoning policy and shifts in market conditions, the Group's Monterey Park Towne Centre Project remains in the planning phase. The Group has been discussing with city planners to explore ways to enable higher-density redevelopment to improve the return of the project.

In the U.K., a significant portion of the residential units out of the Graphite Square Project, in which the Group has a minority stake, has already been pre-sold to buyers. This project is currently scheduled to be completed in July 2025. The commercial section and the remaining residential units of the project are being marketed to potential buyers.

The Group strives to enhance shareholders' returns by expanding its asset, investment and fund management business while broadening its capital base through strategic collaborations with quality partners. The gradual divestment of the Hong Kong projects highlights the Group's ability to mitigate the challenges posed by softened market conditions in the commercial property sector. These efforts demonstrated that the Group's resilience, operational agility and diversified asset model enable it to weather potential downturns in the real estate market.

As net proceeds from earlier asset sales could be redeployed into high-potential redevelopment projects in the future, the Group will diligently identify new opportunities to build a well-diversified and balanced asset portfolio amid macroeconomic uncertainties and a prolonged period of higher interest rates.

Property investment

The Group also holds several properties as investments in Hong Kong and Bhutan.

In Hong Kong, the Group continued to retain a minority stake in the Shouson Hill Project and certain car parking spaces at Rykadan Capital Tower for earning stable rental income or capital appreciation, after divestment of two floors and various car parking spaces at Rykadan Capital Tower. Such divestment transaction was completed in late April 2025. The Group anticipates that government policies aimed at attracting overseas capital and top talent will support the luxury residential property market in the long run.

In Bhutan, the Group holds an investment in a 24-suite boutique resort located in Punakha Valley, operated by RS Hospitality. With the resurgence of international travellers and the government reducing its daily tourist fees to promote tourism, the turnover of the boutique resort has significantly bounced back.

Distribution of construction and interior decorative materials

Quarella, controlled by Quarella Holdings Limited, a joint-venture of the Group, is a world leader in the design and manufacturing of quartz and marble-based engineered stone composite surfaces products. Supported by advanced factories and research and development centres in Italy, its products are used in a number of prominent hotels, airports, train stations, commercial buildings and shopping malls in markets around the world.

Due to uneven macroeconomic recovery and the prolonged slowdown of large-scale projects amid credit tightening, the operating environment for Quarella and the interior and decorative material business is expected to face considerable challenges. Subsequent to the end of the reporting period, Quarella Holdings Limited has disposed of the entire equity interests in its wholly-owned subsidiary, Quarella Group Limited. Details of the transaction are provided in the announcement of the Company dated 9 April 2025.

Outlook

The ongoing uncertainty surrounding potential tariff increases and escalating trade tensions particularly between the U.S.A. and its key global trading partners is expected to have a dampening effect on the overall global business sentiment and consumer confidence. Tariffs imposed on construction-related materials, machinery and equipment may disrupt the supply chain, resulting in rising input costs and delays in project timelines. These challenges are likely to exert pressure on profit margins and increase operational risks, ultimately affecting investment returns and project viability.

In light of the persistent sluggishness in the property sector and the broader instability in global macroeconomic conditions, the Group is maintaining a cautious and disciplined approach to capital deployment and project development in the near term. Preserving financial flexibility and managing risks remain key priorities of the Group.

During this period, the Group will focus on monetising its existing portfolio, progressing planning approvals and cautiously unlocking value from its assets in a subdued market. In the meantime, it will continue to assess the market for new opportunities. Should external conditions improve in the near term, including a rebound in market sentiment, the Group is well-positioned to respond swiftly. It will leverage its experienced investment team, robust risk management capabilities and diversified regional platforms to pursue higher-quality and risk-adjusted opportunities with the goal of generating sustainable returns for shareholders.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and Financial Resources

The Group adheres to the principle of prudent financial management to minimise financial and operational risks across its various business units in Hong Kong and overseas. In order to implement this principle, the control of the Group's financial, capital management and external financing functions are centralised at its headquarters in Hong Kong. The Group's objective is to maintain a balance between the continuity of funds and flexibility through the effective use of its internal financial resources and bank borrowings to finance its operations and expansion.

The Group mainly relies upon internally generated funds and bank borrowings to finance its operations and expansion.

As of 31 March 2025, the Group's total debts (representing total interest-bearing bank borrowings including bank loans directly associated with assets classified as held for sale) to total assets ratio was 26.8% (2024: 24.1%). The net gearing ratio (net debts, as defined by total debts less unrestricted bank balances and cash, to equity attributable to owners of the Company) was 26.7% (2024: 20.3%) as the Group has net debts of HK\$155 million as at 31 March 2025 (2024: HK\$175 million).

As of 31 March 2025, the total bank borrowings of the Group, excluding bank loans directly associated with assets classified as held for sale amounted to HK\$167 million (2024: HK\$276 million). The bank borrowings of the Group were mainly used to finance the property redevelopment projects, its investment in Quarella, and the Shouson Hill Project. (2024: the retaining of two floors of Rykadan Capital Tower, the property redevelopment projects, its investment in Quarella, and the Shouson Hill Project). Certain of the bank borrowings were secured by properties for sale (2024: investment properties, properties for sale and buildings). Further costs for developing the property redevelopment projects and the ongoing business developments will be financed by unutilised banking facilities or internally generated funds. There are no seasonality of borrowing requirements for the Group. As of 31 March 2025, the Group's current assets and current liabilities were HK\$605 million (2024: HK\$572 million) and HK\$165 million (2024: HK\$274 million) respectively. The Group's current ratio increased to 3.68 (2024: 2.09). The internally generated funds, together with unutilised banking facilities enable the Group to meet its business development needs. The Group will cautiously seek new investment and development opportunities in order to balance risks and opportunities and maximise shareholders' value.

Contingent Liabilities and Financial Guarantees

At the end of the reporting period, the Company has issued guarantees to banks in respect of banking facilities granted to certain indirect subsidiaries and an associate of HK\$188,645,000 (2024: HK\$154,233,000) and HK\$12,600,000 (2024: HK\$12,600,000) respectively. Such banking facilities were utilised by the subsidiaries and the associate to the extent of HK\$119,699,000 (2024: HK\$91,093,000) and HK\$11,088,000 (2024: HK\$11,592,000) respectively.

HK\$100,000,000 out of the HK\$188,645,000 guarantees issued by the Company in respect of the banking facilities granted to certain indirect subsidiaries were related to the bank loans classified as "Liabilities associated with assets classified as held for sale" which were utilised to the extent of HK\$31,054,000.

The directors do not consider it probable that a claim will be made against the Company under any of the guarantees and have not recognised any deferred income in respect of these guarantees and no transaction price was incurred.

Exposure to Fluctuations in Exchange Rates and Interest Rates and Corresponding Hedging Arrangement

The Group operates in various regions with different foreign currencies mainly including United States Dollars, British Pounds and Renminbi.

Certain of the Group's bank borrowings have been made at floating rates.

The Group has not implemented any foreign currencies and interest rates hedging policy. However, management of the Group will monitor foreign currencies and interest rates exposures of each business segment and consider appropriate hedging policies in the future when necessary.

Credit Exposure

The Group continues to prudently monitor and review from time to time the credit policies to deal with credit exposure under the recent macroeconomic environment, in order to minimise the Group's credit risk exposure. For trade receivable, the Group's management regularly assesses the recoverability and the financial position of its customers, majority of whom are institutional organisations and reputable property developers, such that the Group is not exposed to significant credit risk. For loans and other receivables, the Group performs credit assessments before approving loans to applicants and regularly reviews the recoverability of each individual receivable.

Employees and Remuneration Policies

As at 31 March 2025, the total number of employees of the Group is 20 (2024: 22). The Group is committed to the concept of fair and responsible remuneration for its executive members and prescribed officers in line with the Company's and individual performance, market trends and in the context of overall employee remuneration. Total remuneration for employees (including the directors' remuneration) was HK\$31 million for the year (2024: HK\$33 million).

EVENTS AFTER THE REPORTING PERIOD

On 9 April 2025, Quarella Holdings Limited, a joint venture of the Group, has disposed of the entire equity interests in its wholly-owned subsidiary, Quarella Group Limited, at a cash consideration of HK\$240,000,000. Accordingly, the Group received the corresponding 50% interest of such consideration at HK\$120,000,000, which has been taken into account in determining the recoverable amount of the Group's interest in the joint venture as at 31 March 2025.

On 30 April 2025, Win Expo Enterprises Limited and Prime Talent Development Limited, both indirect wholly-owned subsidiaries of the Company, has disposed of two floors and partial of the car parking spaces of Rykadan Capital Tower (the “Properties”) at an aggregate cash consideration of approximately HK\$163,526,000. The Properties and the other assets and liabilities associated with the Properties have been classified as “assets classified as held for sale” and “liabilities associated with assets classified as held for sale” as set out in note 9 to this announcement.

On 23 July 2024, Worth Celestial Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a director of the Company and his spouse (collectively referred to as the “RH Vendors”) to acquire 100% equity interests and take up the assignment of the shareholder loan in Cosmo Kingdom Holdings Limited, a property holding company jointly owned by the RH Vendors, at a consideration of approximately HK\$56,084,000 of which an initial instalment amounted to HK\$2,800,000 has been paid during the year ended 31 March 2025. The transaction was completed on 30 April 2025.

On 30 May 2025, Golden Wealth (HK) Investment Limited, an indirect wholly-owned subsidiary of the Company, entered into the agreement with Capital Universal Investment Limited, an associate of the Group, in respect of the purchase of the properties comprising of the 29th floor, reserved area and various car parking spaces of Rykadan One at a consideration of approximately HK\$47,594,000. The consideration will be settled by offsetting it against the outstanding loans to an associate in the amount of HK\$47,040,000, together with accrued interest of approximately HK\$554,000 recorded in other receivables. No cash shall be paid in connection with this acquisition.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, 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 Group’s auditor, Messrs. Deloitte Touche Tohmatsu, 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 Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PROPOSED FINAL DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The 2025 annual general meeting (the “AGM”) of the Company is scheduled to be held on 10 September 2025. For determining the qualification as shareholders to attend and vote at the AGM, the register of members of the Company will be closed from 5 September 2025 to 10 September 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, investors are urged to lodge all transfers of shares accompanied by the relevant share certificates with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 4 September 2025.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year.

CORPORATE GOVERNANCE

During the year, the Company had followed the principles and complied with all applicable code provisions and certain recommended best practices set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules except the following deviations:

Code provision C.5.1 of the CG Code stipulates that regular Board meetings should be held at least four times a year at approximately quarterly intervals. There were two Board meetings held during the year ended 31 March 2025, which were regular meetings held for (i) approving the final results for the year ended 31 March 2024, and (ii) approving the interim results for the period ended 30 September 2024. The Board considers that two regular meetings were sufficient to deal with matters of the Company. In addition, apart from the regular Board meetings, the Board also took sufficient measures to ensure there is efficient communication among directors that the Board shall also meet on other occasions or seek consent of directors by circulating written resolutions when a Board-level decision on a particular matter is required.

Mr. Chan William (“Mr. Chan”) has been appointed as Chief Executive Officer of the Company on 1 July 2012 and is now both the Chairman and the Chief Executive Officer of the Company, and that the functions of the Chairman and the Chief Executive Officer in the Company’s strategic planning and development process overlap. These constitute a deviation from code provision C.2.1 of the CG Code which stipulates that the roles of the Chairman and the Chief Executive should be separate and should not be performed by the same individual. However, in view of the present composition of the Board, the in-depth knowledge of Mr. Chan of the operations of the Group and of the property development and real estate/asset management business, his extensive business network and the scope of operations of the Group, the Board believes it is in the best interests of the Company for Mr. Chan to assume the roles of Chairman and Chief Executive Officer at this time and that such arrangement be subject to review by the Board from time to time.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions of the directors, senior management and relevant employees (who, because of their office or employment, is likely to possess inside information in relation to the Company or its securities) of the Group (the "Securities Code") with terms no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

Having made specific enquiries, all of the directors and relevant employees of the Group confirmed that they have complied with the Securities Code and the Model Code throughout the year ended 31 March 2025.

AUDIT COMMITTEE REVIEW

The Audit Committee comprises three independent non-executive directors, namely Mr. Ho Kwok Wah, George (Chairman of the Audit Committee), Mr. To King Yan, Adam and Ms. Khan Sabrina, with the chairman possessing the appropriate professional qualifications and accounting expertise. The Company's annual results for the year ended 31 March 2025 have been reviewed by the Audit Committee.

PUBLICATION OF RESULTS ANNOUNCEMENT

This results announcement is available for viewing on the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.rykadan.com>) and the annual report for the year ended 31 March 2025 of the Company 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.

For and on behalf of the Board

Rykadan Capital Limited

宏基資本有限公司

CHAN William

Chairman and Chief Executive Officer

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises Mr. CHAN William (Chairman and Chief Executive Officer) and Mr. LO Hoi Wah, Heywood (Chief Financial Officer) as executive directors, Mr. NG Tak Kwan as a non-executive director and Mr. HO Kwok Wah, George, Mr. TO King Yan, Adam and Ms. KHAN Sabrina as independent non-executive directors.