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SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED

華信地產財務有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 252)

**ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2025**

The board of directors (the “Board”) of Southeast Asia Properties & Finance Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (hereby collectively referred to as the “Group”) for the year ended 31 March 2025 as below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025 (in HK Dollars)

	Notes	2025 HK\$	2024 HK\$
Revenue	5	232,260,459	192,687,470
Cost of sales		<u>(160,538,684)</u>	<u>(128,249,430)</u>
Gross profit		71,721,775	64,438,040
Other revenue and other income		11,927,771	6,445,130
Loss arising from change in fair value of investment properties		(36,601,413)	(193,949,870)
Gain/(Loss) arising from financial assets at fair value through profit or loss ("FVTPL")	8	6,479,501	(7,293,756)
Selling and distribution expenses		(4,567,978)	(3,447,675)
Administrative expenses		(48,868,708)	(49,998,861)
Provision for expected credit loss ("ECL") allowance of trade and other receivables and loan receivables	8	(2,054,628)	(362,115)
Other operating expenses		(1,055,468)	(157,607)
Finance costs	6	(18,770,984)	(18,078,407)
Loss on deemed disposal of interest in an associate	14	(15,661,473)	(26,282,302)
Share of results of associates	14	<u>15,975,753</u>	<u>288,910,725</u>
(Loss)/Profit before income tax		(21,475,852)	60,223,302
Income tax expenses	7	<u>(4,345,315)</u>	<u>(4,351,477)</u>
(Loss)/Profit for the year	8	<u>(25,821,167)</u>	<u>55,871,825</u>
(Loss)/Profit for the year attributable to:			
Owners of the Company		(25,568,231)	56,389,855
Non-controlling interests		<u>(252,936)</u>	<u>(518,030)</u>
		<u>(25,821,167)</u>	<u>55,871,825</u>
(Loss)/Earnings per share attributable to owners of the Company			
Basic and diluted (<i>HK cents</i>)	10	<u>(11.3)</u>	<u>25.0</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025 (in HK Dollars)

	<i>Notes</i>	2025 <i>HK\$</i>	2024 <i>HK\$</i>
(Loss)/Profit for the year	8	(25,821,167)	55,871,825
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Financial assets at fair value through other comprehensive income (“FVOCI”) (non-recycling) – net movement in fair value reserves (non-recycling)		4,711,636	26,011,980
Share of other comprehensive income of an associate		26,403,025	–
Revaluation surplus regarding to transfer from property, plant and equipment at cost to investment properties at fair value, net of tax		10,541,626	–
Remeasurement of long service payment obligations		132,370	673,729
		41,788,657	26,685,709
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(855,314)	(5,986,792)
Share of other comprehensive expense of associates		(5,618,912)	(4,076,595)
		(6,474,226)	(10,063,387)
Other comprehensive income for the year		35,314,431	16,622,322
Total comprehensive income for the year		9,493,264	72,494,147
Total comprehensive income attributable to:			
Owners of the Company		9,852,126	73,261,335
Non-controlling interests		(358,862)	(767,188)
		9,493,264	72,494,147

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025 (in HK Dollars)

	<i>Notes</i>	2025 <i>HK\$</i>	2024 <i>HK\$</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		292,052,569	259,641,262
Right-of-use assets		11,233,226	11,801,815
Investment properties		669,251,758	674,706,515
Interests in associates	14	270,186,940	273,314,749
Intangible assets		3,201,501	3,501,501
Other assets		2,700,000	2,700,000
Financial assets at FVOCI (non-recycling)		95,416,457	90,985,137
Loan receivables	11	28,750,351	29,822,385
Prepayment for acquisition of property, plant and equipment		1,354,363	1,109,015
Deferred tax assets		344,659	441,828
		1,374,491,824	1,348,024,207
Current assets			
Inventories		44,756,941	38,892,960
Trade and other receivables	12	58,287,789	101,584,637
Deposits and prepayments		3,968,391	4,703,672
Tax recoverable		1,926,173	2,440,275
Amount due from an associate	14	–	17,365,705
Financial assets at FVTPL		27,052,000	21,646,350
Trust accounts of shares dealing clients		31,490,556	58,818,134
Cash and cash equivalents		74,468,842	41,844,128
		241,950,692	287,295,861

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2025 (in HK Dollars)

	<i>Notes</i>	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Current liabilities			
Trade and other payables	13	68,508,125	106,709,001
Contract liabilities		791,230	1,216,568
Bank loans		290,229,378	58,240,087
Lease liabilities		1,048,284	1,059,254
Amount due to a non-controlling interest		3,460,000	–
Tax payable		3,916,970	2,846,290
		367,953,987	170,071,200
Net current (liabilities)/assets		(126,003,295)	117,224,661
Total assets less current liabilities		1,248,488,529	1,465,248,868
Non-current liabilities			
Bank loans		52,551,077	273,221,012
Amount due to an associate		57,540,664	30,405,128
Amount due to a non-controlling interest		–	3,395,000
Deferred tax liabilities		13,353,023	11,580,308
Long service payment obligations		924,322	931,494
		124,369,086	319,532,942
Net assets		1,124,119,443	1,145,715,926
EQUITY			
Share capital		245,062,941	245,062,941
Reserves		869,311,831	890,549,452
Equity attributable to owners of the Company		1,114,374,772	1,135,612,393
Non-controlling interests		9,744,671	10,103,533
Total equity		1,124,119,443	1,145,715,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025 (in HK Dollars)

1. GENERAL INFORMATION

Southeast Asia Properties & Finance Limited (the “Company”) is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is Units 407–410, 4th Floor, Tower 2, Silvercord, No. 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong and, its principal place of business is Hong Kong and the People’s Republic of China (the “PRC”). The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Company and its subsidiaries (the “Group”) include investment holding, property investment, development and leasing, hotel operation, manufacturing and distribution of plastic packaging materials and securities broking and margin financing.

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

These consolidated financial statements for the year ended 31 March 2025 were approved for issue by the board of directors on 27 June 2025.

2. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

2.1 Amended HKFRS Accounting Standards that are effective for annual period beginning on 1 April 2024

In the current year, the Group has applied for the first time the following amended HKFRS Accounting Standards as issued by the HKICPA, which are relevant to the Group’s operations and effective for the Group’s consolidated financial statements for the annual period beginning on 1 April 2024:

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

Except for those mentioned below, the adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” (“2020 Amendments”) and related amendments to Hong Kong Interpretation 5 and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (“2022 Amendments”)

The amendments clarified the classification of debt and other liabilities as current or non-current, depending on whether an entity has a right to defer settlement of the liability for at least twelve months from the end of the reporting period and this right has to be existed at the end of the reporting period. Any expectations about events after the reporting period do not impact the assessment of the classification of the liabilities make at the end of the reporting period as to the classification of the liability.

Covenants of a loan arrangement that an entity must comply with on or before the reporting date (even if the covenant is only assessed after the reporting date) affect the classification of that liability as current or non-current. Covenants that the entity is required to comply with after the reporting date do not affect the classification at the end of the reporting period.

The amendments also define “settlements” of a liability, which includes transfer of entity’s own equity instrument. However, if the holder’s conversion option in a convertible bond is classified as equity in accordance with HKAS 32, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liability is current or non-current. If the holder’s conversion option is classified as liability, such option must be considered for the determination of current/non-current classification of a convertible bond.

The amendments are applied retrospectively.

Based on the Group’s outstanding liabilities as at 1 April 2024, the application of amendments did not result in reclassification of the Group’s liabilities.

In addition, the adoption of the amendments also resulted in a change in the Group’s accounting policy for the classification of borrowings.

2.2 Issued but not yet effective HKFRS Accounting Standards

At the date of this announcement, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

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

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group’s accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group’s consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “operating profits” and “profits before financing and income tax”), and classifying items into five newly defined categories (namely “operating”, “investing”, “financing”, “income tax” and “discontinued operation”), depending on the reporting entity’s main business activities, in the consolidated statement of profit or loss and consolidated statement of comprehensive income;
- Disclosure of management-defined performance measures (“MPMs”) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements, including the items currently labelled as “other”.

3. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA and the accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include the applicable disclosures requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and comply with the applicable requirements of the Companies Ordinance.

4. SEGMENT INFORMATION

The executive directors of the Company, being the chief operating decision makers, have identified the following operating segments of the Group.

Property investment, development and leasing/hotel operation	Provision of hotel services in Hong Kong and investing, developing and leasing properties in Hong Kong and the PRC
Manufacturing and distribution of plastic packaging materials	Manufacturing and distribution of plastic packaging materials
Broking and securities margin financing	Provision of stock and futures broking and provision of securities margin financing

Hotel operation business in Hong Kong was temporarily suspended from 1 June 2020 for alteration and addition works.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

I) Segment revenue and results

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

	Property investment, development and leasing/hotel operation		Manufacturing and distribution of plastic packaging materials		Broking and securities margin financing		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Segment revenue								
– from external customers	15,409,210	14,032,966	206,932,155	166,579,877	9,919,094	12,074,627	232,260,459	192,687,470
Segment results	1,146,627	(5,977,200)	26,183,198	21,777,380	6,252,440	(6,177,024)	33,582,265	9,623,156
Loss arising from change in fair value of investment properties	(36,601,413)	(193,949,870)	–	–	–	–	(36,601,413)	(193,949,870)
	(35,454,786)	(199,927,070)	26,183,198	21,777,380	6,252,440	(6,177,024)	(3,019,148)	(184,326,714)
Loss on deemed disposal of interest in an associate							(15,661,473)	(26,282,302)
Unallocated finance costs							(18,770,984)	(18,078,407)
Share of results of associates							15,975,753	288,910,725
(Loss)/Profit before income tax							(21,475,852)	60,223,302
Income tax expenses							(4,345,315)	(4,351,477)
(Loss)/Profit for the year							(25,821,167)	55,871,825

II) Geographical segment

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the assets in case of property, plant and equipment (including prepayment of acquisition of property, plant and equipment), right-of-use assets and investment properties, the location of operation to which they are allocated in case of intangible assets, and the location of operation in case of interests in associates.

	Revenue from external customers		Non-current assets	
	2025	2024	2025	2024
	HK\$	HK\$	HK\$	HK\$
Hong Kong (domicile)	48,320,195	50,615,963	906,478,104	876,294,618
Asia (exclude the PRC and Hong Kong)	46,773,374	45,194,594	–	–
Oceania	44,206,874	41,598,116	–	–
The PRC	57,806,376	27,649,143	85,328,315	89,600,453
North America	18,818,445	16,038,262	–	–
Europe	16,335,195	11,591,392	–	–
Philippines	–	–	255,473,938	258,179,786
	<u>232,260,459</u>	<u>192,687,470</u>	<u>1,247,280,357</u>	<u>1,224,074,857</u>

5. REVENUE

The Group's principal activities are disclosed in note 1 to the consolidated financial statements.

The Group's revenue recognised during the year is as follows:

	2025 HK\$	2024 HK\$
Revenue from contracts with customers		
Sales of goods	206,932,155	166,579,877
Brokerage commission	4,413,925	4,084,870
	<u>211,346,080</u>	<u>170,664,747</u>
Revenue from other sources		
Rental and related income	15,409,210	14,032,966
Interest income received from clients	3,894,217	6,615,163
Dividend income from listed equity securities	1,610,952	1,374,594
	<u>20,914,379</u>	<u>22,022,723</u>
Total revenue	<u>232,260,459</u>	<u>192,687,470</u>

6. FINANCE COSTS

	2025 HK\$	2024 HK\$
Interest expenses on:		
Bank loans	18,684,348	15,230,316
Other borrowings	93,565	224,050
Imputed interest expense from amount due to an associate	3,429,460	1,959,685
Finance charges on lease liabilities	25,532	57,102
Finance charges on loan receivables	1,768,267	2,091,150
Bank charges	1,428,053	736,344
Net interest expense on long service payment obligations	64,601	41,636
	<hr/>	<hr/>
Total borrowing costs	25,493,826	20,340,283
Less: Amounts capitalised in the cost of qualifying assets (<i>note</i>)	(6,722,842)	(2,261,876)
	<hr/>	<hr/>
	18,770,984	18,078,407
	<hr/>	<hr/>

Note: The amounts represent the borrowing cost related to specific borrowings.

7. INCOME TAX EXPENSES

	2025 HK\$	2024 HK\$
Hong Kong Profits Tax		
– Current tax	4,019,212	2,358,817
– Under/(Over) provision in prior years	34,429	(6,006)
– Tax concession	(4,500)	(9,000)
	<hr/>	<hr/>
	4,049,141	2,343,811
	<hr/>	<hr/>
PRC Enterprise Income Tax (“EIT”)		
– Current tax	509,366	742,358
– Over provision in prior years	–	(222,625)
	<hr/>	<hr/>
	509,366	519,733
	<hr/>	<hr/>
Deferred tax (credit)/expense	(213,192)	1,487,933
	<hr/>	<hr/>
Total income tax expense	4,345,315	4,351,477
	<hr/>	<hr/>

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2,000,000 are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

The provision for Hong Kong Profits Tax for the year ended 31 March 2025 takes into account a reduction granted by the Hong Kong Government of 100% of the tax payable for the year of assessment 2024/25 subject to a maximum reduction of HK\$1,500 for each business (2024: a maximum reduction of HK\$3,000 was granted for the year of assessment 2023/24 and was taken into account in calculating the provision for the year ended 31 March 2024).

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

8. (LOSS)/PROFIT FOR THE YEAR

(Loss)/Profit for the year is arrived at after charging/(crediting):

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Cost of inventories sold	134,668,183	102,415,839
Direct operating expenses for generating rental income	2,174,399	2,135,743
Auditor’s remuneration:		
– Audit services	920,000	1,030,000
Depreciation:		
– Property, plant and equipment	8,215,896	8,413,335
– Right-of-use assets	1,847,701	1,852,506
	10,063,597	10,265,841
(Gain)/Loss arising from change in fair value of financial assets at FVTPL	(6,479,501)	7,293,756
Provision for ECL allowance of trade and other receivables and loan receivables	2,054,628	362,115
Bad debt written off	8,341	1,255,888
Gain on disposal of property, plant and equipment	(36,817)	–
Loss on deemed disposal of interests in an associate	15,661,473	26,282,302
Provision for impairment loss on intangible asset	300,000	–
Exchange loss/(gain), net	1,055,468	(207,227)

9. DIVIDENDS

- (a) Dividends attributable to the year:

	2025 HK\$	2024 HK\$
Proposed final dividend of HK3 cents per ordinary share (2024: HK3 cents per ordinary share)	<u>6,762,601</u>	<u>6,762,601</u>

The final dividend proposed after the end of the reporting period is subject to approval of the Shareholders at the forthcoming annual general meeting of the Company and has not been recognised as a liability at the end of the reporting period.

- (b) Dividends attributable to the previous financial year, approved and paid during the year:

	2025 HK\$	2024 HK\$
Final dividends in respect of the previous year, of HK3 cents per ordinary share (2024: HK3 cents)	<u>6,762,601</u>	<u>6,762,601</u>

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted (loss)/earnings per share is based on loss attributable to owners of the Company of HK\$25,568,231 (2024: profit of HK\$56,389,855) and on the weighted average number of 225,420,034 (2024: 225,420,034) ordinary shares in issue during the year.

The diluted (loss)/earnings per share for the years ended 31 March 2025 and 2024 were the same as basic (loss)/earnings per share as there were no dilutive potential ordinary shares in existence for both years.

11. LOAN RECEIVABLES

	2025 HK\$	2024 HK\$
Loan to a private company (<i>note (a)</i>)	<u>28,750,351</u>	<u>29,822,385</u>

Notes:

- (a) The balance represents shareholder loans with principal amount of Renminbi (“RMB”) 29,400,000 (equivalent to HK\$31,508,000) (2024: RMB29,400,000 (equivalent to HK\$31,884,000)) to a private company, Dongguan Hanju Shiye Investment Company Limited which are unsecured, interest-free and not repayable within the next 12 months from the end of the reporting period.

- (b) During the year ended 31 March 2024, the Group entered into sale and purchase agreements with an independent borrower (“Party A”) and loans to a staff (“Party B”), pursuant to which the Group has agreed to acquire, and Party A and Party B agreed to sell, residential properties situated in Hong Kong for considerations of HK\$4,180,000 and HK\$3,230,000, respectively. The considerations were arrived at arm’s length negotiations between the Group and Party A and Party B, respectively, after taking into account the recent market transactions for similar properties. The considerations paid were settled by the outstanding loan receivables (including accrued interest receivables) with Party A and Party B, respectively. In the opinion of the management, the repayment of the remaining outstanding loan receivables and accrued interest receivables with Party A and Party B was remote. Therefore, the aggregate carrying amounts of the above remaining outstanding loan receivables and accrued interest receivables with Party A and Party B amounted to HK\$766,048 (net of ECL allowance of HK\$1,236,877) and HK\$489,840 (net of ECL allowance of HK\$1,753,951), respectively, were fully written off and recognised in “Administrative expenses – Bad debt written off” in the consolidated statement of profit or loss during the year ended 31 March 2024.

12. TRADE AND OTHER RECEIVABLES

The Group’s trade receivables arose from (i) property investment, development and leasing, (ii) manufacturing and distribution of plastic packaging materials and (iii) broking and securities margin financing.

	2025 HK\$	2024 HK\$
Trade receivables from broking and securities margin financing:		
– Clearing house and cash clients	7,742,438	10,535,639
– Secured margin clients	31,067,496	71,186,789
Less: ECL allowance	(5,704,852)	(4,966,475)
	<u>33,105,082</u>	<u>76,755,953</u>
Trade receivables from sales of goods and leasing	25,884,269	21,187,491
Less: ECL allowance	(1,630,557)	(314,989)
	<u>24,253,712</u>	<u>20,872,502</u>
Other receivables	1,528,710	4,555,897
Less: ECL allowance	(599,715)	(599,715)
	<u>928,995</u>	<u>3,956,182</u>
	<u>58,287,789</u>	<u>101,584,637</u>

The directors of the Group consider that the fair values of trade and other receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The Group allows a credit period up to the respective settlement dates for securities transactions (normally two business days after the respective trade date for cash clients). Each secured margin client has a credit limit.

At 31 March 2025, trade receivables from cash clients and secured margin clients of HK\$Nil (2024: HK\$8,569,305) were due from the key management personnel.

Trade receivables of manufacturing and distribution of plastic packaging materials fall into the general credit term ranged from 0 to 90 days (2024: 0 to 90 days) except for a credit period mutually agreed between the Group and the customers.

Aging analysis

The following is an aging analysis of trade receivables of the Group arose from sales of goods and leasing, presented based on the invoice date, which approximates the respective revenue recognition dates and net of ECL allowance:

	2025 HK\$	2024 HK\$
0–30 days	16,735,837	13,311,225
31–60 days	4,346,051	2,922,709
61–90 days	1,307,835	1,960,729
91–120 days	1,146,061	1,224,511
121–365 days	642,012	1,425,400
Over 365 days	75,916	27,928
	<u>24,253,712</u>	<u>20,872,502</u>

Margin loans due from margin clients are repayable on demand. Margin loans are required to be secured by clients' listed securities held by the Group as collateral and bear interest at 8.75% (2024: 9.3%) per annum for the year ended 31 March 2025. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. At 31 March 2025, the total market value of securities pledged as collateral by the customers in respect of the loans to margin clients was HK\$117,924,276 (2024: HK\$199,529,979).

No aging analysis of receivables from cash clients and loans to margin clients is disclosed as in the opinion of the directors, the aging analysis does not give additional value in view of the nature of business.

13. TRADE AND OTHER PAYABLES

The Group's trade payables arose from (i) manufacturing and distribution of plastic packaging materials and (ii) broking and securities margin financing.

	2025 HK\$	2024 HK\$
Trade payables to:		
– Clearing house and cash clients	25,297,967	56,691,458
– Secured margin clients	9,681,834	6,990,478
– Other creditors	5,177,825	6,153,647
	<u>40,157,626</u>	<u>69,835,583</u>
Accrued salaries	5,826,026	6,767,085
Accrued employee benefits	3,950,028	3,087,415
Accrued development expenditure of properties	623,000	10,903,798
Other accrued expenses	11,210,982	12,217,164
Rental deposits received	4,875,825	3,048,436
Advanced payment received from tenants	1,864,638	849,520
	<u>28,350,499</u>	<u>36,873,418</u>
	<u>68,508,125</u>	<u>106,709,001</u>

Trade payables to other creditors represents trade payables in respect of purchases of materials and supplies.

At 31 March 2025, trade payables to cash clients and secured margin clients of HK\$223,262 (2024: HK\$Nil) were due to the key management personnel.

The credit period granted by other creditors is generally within 30 days (2024: 30 days). The following is an aging analysis of trade payables to other creditors based on invoice dates:

	2025 HK\$	2024 HK\$
0–30 days	4,904,752	5,355,926
31–60 days	–	303,876
61–90 days	29,139	243,310
91–120 days	–	8,770
121–365 days	30,436	–
Over 365 days	213,498	241,765
	<u>5,177,825</u>	<u>6,153,647</u>

All amounts are short term and hence the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of fair value.

14. INTERESTS IN ASSOCIATES

	2025 HK\$	2024 HK\$
Cost of investments in associates	7,461,640	6,664,312
Amounts due from associates (<i>note (a)</i>)	16,446,598	33,812,303
Share of post-acquisition profits and other comprehensive income (including reserves), net of dividends received	262,725,300	266,650,437
Less: impairment loss recognised on amounts due from associates (<i>note (b)</i>)	<u>(16,446,598)</u>	<u>(16,446,598)</u>
	270,186,940	290,680,454
Less: Amounts shown under current assets	<u>–</u>	<u>(17,365,705)</u>
	<u>270,186,940</u>	<u>273,314,749</u>

Notes:

- (a) The balances were unsecured, interest-free and had no fixed repayment terms.
- (b) At 31 March 2025, the directors assessed the recoverable amounts of the amounts due from associates by considering profitability, cash flow position, financial position, forecast business development and future prospects of the associates. Based on these assessments, the directors concluded that no impairment loss was reversed (2024: HK\$Nil).

The following list contains only the particulars of associates, all of which are unlisted corporate entities whose quoted market prices are not available, which in the opinion of the directors principally affected the results or net assets of the Group as at 31 March 2025 and 2024.

Name of associates	Country/Place of incorporation/ operation	Issued and fully paid share capital	Proportion of ownership interest held by the Group		Principal activities
			2025 %	2024 %	
Wisestar Holdings Limited ("Wisestar") (note (1))	Hong Kong	HK\$2	47.70	47.70	Dormant
Ongoing Investments Limited ("Ongoing Investments")	British Virgin Islands/ The PRC	United States dollar ("US\$") 100	20.00	20.00	Property investment
Sequin Developments Limited ("Sequin Developments")	British Virgin Islands/ The PRC	US\$100	20.00	20.00	Property investment
Titan Dragon Properties Corporation ("Titan Dragon") (note (2))	Philippines	Peso\$160,000,000 (2024: Peso\$140,000,000)	24.50	28.00	Property investment
Hang Sheng Development Corp. ("Hang Sheng")	Philippines	Peso\$12,000,000	49.00	–	Investment holding

Notes:

- (1) Wisestar was wound up by Court order on 17 July 2019 and in progress of deregistration as at the end of the reporting period. The Group's interest in Wisestar was fully impaired in prior years.
- (2) During the year ended 31 March 2025, the Group's equity interest in Titan Dragon was diluted from 28.00% to 24.50% (2024: 33.22% to 28.00%) by capital injection from an independent third party amounting to Peso\$500,000,000 (equivalent to approximately HK\$67,800,000) (2024: Peso\$500,000,000 (equivalent to approximately HK\$65,991,781)). Therefore, the investment in Titan Dragon was deemed disposed, resulted in a loss on deemed disposal of interest in an associate of HK\$15,661,473 (2024: HK\$26,282,302) recognised in the consolidated statement of profit or loss.

All associates have a reporting date of 31 March.

The Group has not incurred any contingent liabilities or other commitments relating to its investments in associates.

Set out below are the summarised financial information of each of the material associate which are accounted for using the equity method:

(i) Ongoing Investments

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Current assets	445,713	204,817
Non-current assets	43,774,737	45,539,041
Current liabilities	(2,535,600)	(4,287,248)
Non-current liabilities	(5,793,000)	(6,234,000)
	<u>35,891,850</u>	<u>35,222,610</u>
Net assets	<u>35,891,850</u>	<u>35,222,610</u>
Revenue	<u>3,312,992</u>	<u>2,434,213</u>
Profit and total comprehensive income for the year	<u>669,240</u>	<u>657,596</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in Ongoing Investments is set out below:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Net assets of Ongoing Investments	35,891,850	35,222,610
Proportion of the Group's ownership interest in Ongoing Investments	<u>20%</u>	<u>20%</u>
Carrying amount of the Group's interest in Ongoing Investments	<u>7,178,370</u>	<u>7,044,522</u>

For the year ended 31 March 2025, Ongoing Investments did not declare any dividend (2024: HK\$Nil).

(ii) Sequin Developments

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Current assets	1,914,244	3,346,156
Non-current assets	42,647,151	44,366,009
Current liabilities	(1,237,236)	(1,179,961)
Non-current liabilities	(5,651,000)	(6,079,999)
	<u>37,673,159</u>	<u>40,452,205</u>
Net assets	<u>37,673,159</u>	<u>40,452,205</u>
Revenue	<u>3,342,307</u>	<u>3,035,189</u>
Profit and total comprehensive income for the year	<u>702,874</u>	<u>1,202,619</u>
Dividends received from Sequin Developments	<u>696,384</u>	<u>286,624</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in Sequin Developments is set out below:

	2025 HK\$	2024 HK\$
Net assets of Sequin Developments	37,673,159	40,452,205
Proportion of the Group's ownership interest in Sequin Developments	20%	20%
Carrying amount of the Group's interest in Sequin Developments	<u>7,534,632</u>	<u>8,090,441</u>

(iii) Titan Dragon and its subsidiaries ("Titan Dragon Group")

	2025 HK\$	2024 HK\$
Current assets	3,620,095	59,430,736
Non-current assets	1,296,641,785	1,165,335,130
Current liabilities	(8,500,590)	(9,394,272)
Non-current liabilities	(248,966,409)	(293,300,932)
Net assets	<u>1,042,794,881</u>	<u>922,070,662</u>
Revenue	<u>–</u>	<u>–</u>
Gain arising from change in fair value of investment properties	<u>86,659,041</u>	<u>1,092,203,783</u>
Profit for the year	72,763,159	877,274,753
Other comprehensive expense	(23,093,435)	(12,271,508)
Total comprehensive income for the year	<u>49,669,724</u>	<u>865,003,245</u>
Profit for the year attributable to Titan Dragon	<u>64,143,827</u>	<u>877,274,753</u>
Total comprehensive income attributable to Titan Dragon	<u>41,050,392</u>	<u>865,003,245</u>

Notes:

- (a) The Group shared 24.5% of profit for the year ended 31 March 2025 of HK\$15,715,238 (2024: The Group shared 33.22% of profit for the period from April 2023 to January 2024 of HK\$291,893,208 and 28.00% of loss of HK\$389,855 for the period from February 2024 to March 2024, respectively).

- (b) For the year ended 31 March 2025, Titan Dragon underwent the following group reorganisation (the “Reorganisation”):

Hang Sheng was incorporated in the Philippines in September 2024, with the Group holding a 49% equity interest. Embassy Hills Properties Inc. (“Embassy Hills”) was incorporated in the Philippines in October 2024, with Titan Dragon holding a 90% equity interest. The consideration paid was satisfied by a combination of cash and a portion of land in the Philippines. Additionally, Hang Sheng subscribed for a 5% equity interest in Embassy Hills. Upon completion of the Reorganisation, Embassy Hills became the subsidiary of Titan Dragon.

- (c) For the year ended 31 March 2025, Titan Dragon did not declare any dividend (2024: HK\$Nil).

Reconciliation of the above summarised financial information to the carrying amount of the interest in Titan Dragon Group is set out below:

	2025 HK\$	2024 HK\$
Net assets of Titan Dragon Group	1,042,794,881	922,070,662
Adjustment [^]	(111,168,299)	–
	931,626,582	922,070,062
Proportion of the Group’s ownership interest in Titan Dragon	24.50%	28.00%
	228,248,513	258,179,786
Amount due from Titan Dragon	–	17,365,705
Carrying amount of the Group’s interest in Titan Dragon Group	<u>228,248,513</u>	<u>275,545,491</u>

[^] The amount represented the non-controlling interests in the subsidiary of Titan Dragon.

As Titan Dragon reported profits, during the year ended 31 March 2024, the Group resumed recognising its share of those profit after its share of the previously unrecognised losses of HK\$2,964,671 in Titan Dragon.

Note: A piece of land located in the Philippines was acquired by Titan Dragon in 1989 and held for development purposes (the “Subject Property”).

The Regional Trial Court (“RTC”) made its decision on 21 October 2016 and its Writ of Execution on 24 April 2017 ruled in favour of a specific performance claim filed in 2015 by Ms. Veloso-Galenzoga (“Galenzoga”), who claimed that Titan Dragon had sold the Subject Property to her in 1997. Then Titan Dragon had filed Motion for Reconsideration to appeal. The Court of Appeals of the Philippines made its decision on 1 June 2018 and its Resolution on 26 February 2019 dismissing Titan Dragon’s Petition for Certiorari and denying Titan Dragon’s Motion for Reconsideration of said dismissal, respectively, and asserting that Titan Dragon utilised the wrong remedy of certiorari and should file a Petition for Annulment of Judgement. Titan Dragon’s Petition for Certiorari sought the annulment of the proceedings in a Philippines civil court which ruled in favour of Galenzoga. Titan Dragon had filed for a review of the court’s decision as well as made a criminal complaint in relation to Galenzoga’s purported forgery of various documents to implement her fraudulent scheme to unlawfully take possession of the Subject Property. The Court of Appeals’ Decision and Resolution were reached in spite of the fact that the advices of the Philippine lawyers of Titan Dragon were that the arguments raised by Titan Dragon had merits. Although Titan Dragon has filed its Petition for Review on Certiorari before the Supreme Court of the Philippines and, in the opinion of the Philippine lawyers of Titan Dragon, the arguments raised by Titan Dragon in its Petition for Review have merit and its position is strong, it is considered prudent that Titan Dragon should meanwhile fully impair the carrying amount of the Subject Property as it is difficult to predict how the Supreme Court will rule on the issues raised in the Petition for Review.

As a result, Titan Dragon had fully impaired the investment in the land and an impairment loss allowance of Peso\$1,379,134,000 (equivalent to approximately HK\$206,111,576) was recognised in the financial statements of Titan Dragon in 2019.

In 2022, the Supreme Court ruled that the decision dated 21 October 2016 of RTC and the Writ of Execution dated 24 April 2017 are null and void. Thus, the issuance of transfer certificate of title of the Subject Property under Galenzoga’s name and her subsequent possession thereof which were made pursuant to the said issuances of the RTC are likewise null and void. Thus, title over the Subject Property and possession thereof must be reverted to the Company as if no proceeding was conducted before the RTC. Galenzoga has filed Motion for Reconsideration while it was officially denied by the Supreme Court. The Supreme Court’s decision was final and conclusive upon entry of the decision in the book of entries of judgements.

The RTC made its decision and its Resolution on 23 June 2023 to grant Titan Dragon’s Motion for Reversal and direct Galenzoga to immediately vacate the Subject Property. It also directed the cancellation of the previous transfer certificate of titles (the “TCTs”) of Galenzoga over the Subject Property and the reinstatement of the derivative TCTs. On 11 July 2023, Galenzoga filed a Motion for Reconsideration of the Resolution dated 23 June 2023 but the same was denied. On 8 August 2023, the Registry of Deeds of Quezon City of the Philippines duly cancelled the TCTs of Galenzoga and reinstated the derivative TCTs of Titan Dragon over the Subject Property. On 25 October 2023, Titan Dragon successfully recovered the possession of the Subject Property. In January 2024, Galenzoga filed Motion for Reconsideration while the RTC issued a resolution to deny it. Subsequently, Galenzoga filed the Notice of Appeal.

Meanwhile, Galenzoga filed a Petition for Certiorari assailing the Resolution dated 23 June 2023, which was denied by the Court of Appeals. Thus, Galenzoga filed a Motion for Reconsideration on the denial of the Petition, as well as a Motion to Inhibit, which are still pending resolution with the Court of Appeals.

In the view of the directors and the advices of the Philippine lawyers of Titan Dragon, the derivative TCTs of Titan Dragon over the Subject Property have been reinstated, and its possession thereof restored through the implementation of the Writ of Execution.

As at 31 March 2025, Titan Dragon Group has revaluated the Subject Property by an independent professional qualified valuer at Peso\$8,654,772,000 (equivalent to approximately HK\$1,173,587,000) (2024: Peso\$7,880,768,000 (equivalent to approximately HK\$1,096,215,000)) which is ascertained by reference to asking comparables as listed in the local market as land transaction market in Philippine is not transparent, no public transaction records are available.

(iv) Hang Sheng

	2025 HK\$
Current assets	20,646
Non-current assets	55,590,750
Current liabilities	(7,311)
Non-current liabilities	(41,993)
	<hr/>
Net assets	55,562,092
	<hr/> <hr/>
	For the period from 27 September 2024 (date of incorporation) to 31 March 2025 HK\$
Revenue	–
Loss for the period	(28,383)
Other comprehensive income	53,963,275
	<hr/>
Total comprehensive income for the period	53,934,892
	<hr/> <hr/>

Reconciliation of the above summarised financial information to the carrying amount of the interest in Hang Sheng is set out below:

	2025 HK\$
Net assets of Hang Sheng	55,562,092
Proportion of the Group's ownership interest in Hang Sheng	49%
	<hr/>
Carrying amount of the Group's interest in Hang Sheng	27,225,425
	<hr/> <hr/>

For the year ended 31 March 2025, Hang Sheng did not declare any dividend.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Review

For the year ended 31 March 2025, the Group recorded revenue of HK\$232.3 million, representing an increase of HK\$39.6 million, or 20.5% as compared with HK\$192.7 million for the year ended 31 March 2024. The Group recorded loss for the year attributable to owners of the Company of HK\$25.6 million, representing a turnaround from profit to loss as compared to a profit of HK\$56.4 million in the last financial year. The turnaround from profit to loss was mainly attributable to significant decrease in share of results of associates in current year compared with last corresponding year of HK\$272.9 million, due to a substantial one-off gain arising from change in fair value of the land of the Group's associate, Titan Dragon after reverting the title and re-possession of the Subject Property in last corresponding year, net-off by decrease in loss arising on change in fair value of the Group's investment properties in current year as compared with last corresponding year of HK\$157.3 million.

Note: A piece of land located in the Philippines was acquired by Titan Dragon in 1989 and held for development purposes (the "Subject Property").

Property Investment, Development and Leasing/Hotel Operation

This segment comprises property investment, development and leasing in Hong Kong and the People's Republic of China (the "PRC") and also operating a hotel in Hong Kong. For the year ended 31 March 2025, this segment recorded revenue of HK\$15.4 million, representing an increase of HK\$1.4 million or 9.8% as compared with HK\$14.0 million for the year ended 31 March 2024. Without considering the effect on change in fair value of investment properties, segment results recorded profit of HK\$1.1 million, representing a turnaround of results as compared with loss of HK\$6.0 million in last year. The increase was mainly attributable to the additional imputed interest income from amount due to an associate in current financial year.

(i) Property Investment, Development and Leasing

Most of the Group's investment properties were leased out to generate steady rental income for the Group. For the year ended 31 March 2025, the total rental income and rental related income amounted to HK\$15.4 million, representing an increase of HK\$1.4 million, or 9.8% as compared with HK\$14.0 million for the year ended 31 March 2024. It was mainly attributable to the increase in occupancy rate in WorkCave Hong Kong serviced office.

(ii) Hotel Operation

Our hotel operation was suspended since 1 June 2020 for alteration and addition works. No revenue was generated from hotel accommodation for the years ended 31 March 2025 and 2024.

Manufacturing and Distribution of Plastic Packaging Materials

For the year ended 31 March 2025, this segment recorded a revenue of HK\$206.9 million, an increase of 24.2% as compared with HK\$166.6 million in the preceding year. The segment profit was HK\$26.2 million, an increase of 20.2% from the preceding year (2024: HK\$21.8 million). The profit growth was primarily due to effective control of operating costs and improved production efficiency.

During the year, polyethylene prices have been relatively stable; however, the Red Sea crisis and China's export rush before U.S. Section 301 Tariff deadline have disrupted shipping routes and restricted shipping capacity, exacerbated global container shortages and caused ocean freight rates to soar. To aggravate the global trade situation further, Trump's reciprocal tariffs have significantly heightened uncertainty in global trade, disrupting established supply chains and left businesses struggling to plan investments and pricing strategies.

Broking and Securities Margin Financing

The Hong Kong stock market has experienced significant fluctuation during the financial year of 2024–2025. The Hang Seng Index opened at 16,926 and reached a year high of 24,874 at mid-March 2025, marking an increase of nearly 8,000 points through the financial year indicating market is optimistic. However, the market atmosphere setbacks due to the concerns over new tariffs imposed by the United States on Chinese goods recently.

During the year, Hong Kong IPO market recovered at a faster pace as compared with the previous period, and the first quarter of 2025 has already seen a notable amount of IPO activities. Recent stock market average daily turnover rebounds to HK\$200–300 billion. This reflects increase in investor activity and market confidence.

For the year ended 31 March 2025, the brokerage commission was HK\$4.4 million, an increase of HK\$0.3 million or 8.1% as compared with HK\$4.1 million of the previous period. Meanwhile, the interest received from clients on margin financing was HK\$3.9 million, as compared with HK\$6.6 million recorded in last year, there was a decrease of HK\$2.7 million or 41.1% due to clients' reduce stock holding in the unstable market during the year. The segment recorded profit from operation of HK\$6.3 million for this financial year while there was a loss from operation of HK\$6.2 million in last year, representing a turnaround from loss to profit. It was mainly attributed to the gain arising from financial assets at fair value through profit and loss of HK\$6.5 million as compared with loss of HK\$7.3 million in last year.

Strategic and Prospects

Looking ahead, as there are uncertainties surrounding geopolitical tensions, we will cautiously review and adjust our business strategies from time to time.

Property Investment, Development and Leasing/Hotel Operation

(i) Property Investment, Development and Leasing

Seeing the interest rate trends and structural shifts in demand during the year and in the near future, we will take a pragmatic approach in its business development to mitigate the risks and maintain healthy growth. We will monitor the market closely and consider different challenges and opportunities in order to make use of different strategies to our property portfolio to generate favourable return.

For WorkCave Hong Kong serviced office, our first and second phase office spaces have been operating for over eight years. During this time, we have continuously improved our hardware and software. We are committed to ensuring that our office facilities and services meet changing market demands. The economic recovery in 2024 has positively impacted the market. Although it has been slower than expected, we have seen a steady increase in occupancy rates for our serviced offices and co-working spaces since the second half of the year. Despite the uncertainty from the US-China tariff war in 2025, which has made small and medium enterprises more cautious about office demand, we expect our business to grow in the second half of the year as the tariff situation improves. We remain cautiously optimistic about our business outlook for the upcoming year.

Gainful Sky Hong Kong Limited, a subsidiary of the Company has submitted an application and proposal for Land Sharing Pilot Scheme for redeveloping the site into a residential development cum Residential Care Home for the Elderly in May 2023 to the Development Bureau (DEVB) for vetting. The application was supported and endorsed in principle in December 2023 afterwards. It is proposed that the overall plot ratio of the redevelopment shall be approximately at 6.2 with domestic gross floor area of about 60,000 square meters and 1,216 additional housing units, and no less than 70% of the increased domestic gross floor area are set aside for public housing or Starter Homes development. We are now finalising the technical issues raised by the government for taking forward the required statutory and land administration procedures.

(ii) Hotel Operation

Hotel Benito has carried out a major alteration and addition works. Upon completion of the construction works, the occupation permit of the building was obtained in December 2024. Hotel licence for the hotel has been applied and is targeted to be obtained in due course.

Manufacturing and Distribution of Plastic Packaging Materials

The prolonged uncertainty surrounding Trump's reciprocal tariffs continues to cast a shadow over the global economic outlook, fueling volatility in trade and financial markets, making long term investment planning increasingly difficult for businesses.

Nevertheless, the future is about reindustrialization, circular economy, green business models and digital economy. We will strengthen the level of automation and digital transformation; establish a sound recycling system and improve resource recycling rate; strengthen green consumption education and adhere to the Recycled Claim Standard (RCS) guidance for green products and services; and support the development of green industries such as renewable energy and energy-saving technologies.

Broking and Securities Margin Financing

For the outlook of the coming year is still challenging. The market needs time to consolidate and closely monitoring on the move of tariffs which influence the market behavior, it may raise fears of inflation and slowdown of macro economic growth. The escalation of trade tensions, particularly due to increased tariffs imposed by the United States, has heightened uncertainty in the global economy and the profitability of the Chinese companies which provides a crucial support system for Hong Kong. These negative factors would dampen the investment atmosphere.

The overall turnover of the market is a major element influencing our business behavior, we would perform better when the market becomes more active.

We are implementing cost strategy to improve efficiency of our resources to the greatest extent. We would adopt prudent strategy in risk management, as usual, to operate our business during in a volatile market.

Liquidity and Financial Resources

The Group takes a consistent capital management strategy, providing adequate liquidity to meet the requirement of the Group's developments and operations and monitors its capital on the basis of net debt to equity ratio.

As at 31 March 2025, the Group's net current liabilities was HK\$126.0 million (2024: net current assets HK\$117.2 million). It was mainly due to a committed loan from a bank for the amount of HK\$251.0 million will be matured within one year and has been reclassified from non-current liabilities to current liabilities during the year. In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group in light of the fact that, as of 31 March 2025, the Group's current liabilities exceeded its current assets by HK\$126.0 million.

The directors have reviewed the current performance and cash flow forecast prepared by management as part of their assessment of the Group's ability to continue as a going concern, and after carefully considering the matters described below, the directors have a reasonable expectation that the Group is able to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its obligations, as and when they fall due, having regard to the following:

- (i) the Group had strong and positive net cash inflow from operating activities for the year ended 31 March 2025 and bank balances and cash of HK\$74.5 million as at 31 March 2025 which enable the Group to meet its payment obligations; and
- (ii) Subsequent to the year ended 31 March 2025, the Group had obtained new bank facility of HK\$285.0 million and it is available to settle the bank borrowings upon maturity.

Consequently, the directors have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the consolidated financial statements to restate the values of the assets to their net realisable amounts, to reclassify non-current assets as current assets, and to provide for any further liabilities which might arise. The effect of these potential adjustments has not been reflected in the financial statements.

As at 31 March 2025, cash and cash equivalents were HK\$74.5 million (2024: HK\$41.8 million) and trade and other receivables were HK\$58.3 million (2024: HK\$101.6 million). Trade and other payables were HK\$68.5 million (2024: HK\$106.7 million).

As at 31 March 2025, the Group's bank loans were HK\$342.8 million (2024: HK\$331.5 million), in which the short term borrowings amounted to HK\$290.2 million (2024: HK\$58.3 million) and long term borrowings amounted to HK\$52.5 million (2024: HK\$273.2 million). The Group's current year net debt to equity ratio was 24.2% (2024: 25.6%), calculated on the basis of the Group's total debts less restricted cash and cash and cash equivalents divided by total equity attributable to owners of the Company. The net debt to equity ratio decreased compared to last year due to decrease in net debt during the year.

Capital Structure

As at 31 March 2025, the total equity attributable to owners of the Company amounted to HK\$1,114.4 million (2024: HK\$1,135.6 million). The Group's consolidated net assets per share was HK\$5.0 (2024: HK\$5.1).

Foreign Exchange Exposure

The Group operates in Hong Kong and the PRC and majority of transactions are denominated in HK\$, United States dollar (“US\$”) and Renminbi (“RMB”). Foreign exchange risk arises from commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group entities.

The Group currently does not have a foreign currency hedge policy. In order to mitigate the foreign currency risk, management closely monitors such risks and will consider hedging significant foreign currency exposure should the need arise.

The Group is not exposed to significant foreign exchange risk in respect of HK\$ against the US\$ as long as this currency is pegged.

Material Acquisitions and Disposals

During the year ended 31 March 2025, a new investor exercised a share option to subscribe for new shares of Titan Dragon. With the new share issues of Titan Dragon, the Group’s interest in Titan Dragon was reduced from 28% as at 31 March 2024 to 24.5% as at 31 March 2025. These transactions have resulted in the deemed partial disposal of the Group’s investment in Titan Dragon, and resulted in a deemed disposal loss of HK\$15.7 million mainly because of the decrease in the net asset value per share of Titan Dragon immediately after subscription of shares by the new investor.

During the year ended 31 March 2024, a new investor exercised a share option to subscribe for new shares of Titan Dragon. With the new share issues of Titan Dragon, the Group’s interest in Titan Dragon was reduced from 33.22% as at 31 March 2023 to 28% as at 31 March 2024. These transactions have resulted in the deemed partial disposal of the Group’s investment in Titan Dragon, and resulted in a deemed disposal loss of HK\$26.3 million mainly because of the decrease in the net asset value per share of Titan Dragon immediately after subscription of shares by the new investor.

Other than as disclosed above, the Group did not have any material disposals of subsidiaries and associated companies during the years ended 31 March 2025 and 2024.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 246 employees as at 31 March 2025 (2024: 244 employees). Employees were remunerated according to nature of the job and market trend.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK3 cents per ordinary share (2024: HK3 cents per ordinary share) in respect of the year ended 31 March 2025 to all Shareholders whose name appear on the register of members of the Company on 29 August 2025. Subject to the approval of Shareholders at the forthcoming annual general meeting (the “AGM”), the payment of the final dividend will be made on 3 October 2025.

ANNUAL GENERAL MEETING

The AGM will be convened to be held on Friday, 22 August 2025. The Notice of AGM will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and sent to the Shareholders, together with the Company’s 2024/25 Annual Report, in due course.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from Tuesday, 19 August 2025 to Friday, 22 August 2025, both days inclusive, during which period no share transfers can be registered. In order to be eligible to attend and vote at the AGM, all transfer, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar, Union Registrars Limited at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, not later than 4:00 p.m. on Monday, 18 August 2025.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The register of members of the Company will be closed from Thursday, 28 August 2025 to Friday, 29 August 2025, both dates inclusive, during which period no share transfers can be registered. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar, Union Registrars Limited at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, not later than 4:00 p.m. on Wednesday, 27 August 2025.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, the Company has complied with all those code provisions set out in the Code on Corporate Governance Practices (“Code”) contained in Appendix 14 of the Listing Rules except the following deviations:

Pursuant to Code C.1.6, independent non-executive directors and non-executive directors, as equal board members, should attend general meetings of the Company. During the year, Mr. Chan Man Hon, Eric and Ms. Vivian Chua were unable to attend the annual general meeting of the Company held on 23 August 2024 as they had other business engagements.

Pursuant to Code C.2.1, the roles of chairman and chief executive officer should be performed by different individuals. Currently, the two roles are performed by the same individual. After reviewing the management structure, the Board is of the opinion that Board decisions are collective decisions of all Directors made by way of voting and not decisions of the Chairman of the Board alone. Further, there is a clear division of responsibilities with independent operations between the Board members and the management of the day-to-day business of the Company. As such, the power of management of the Company is not concentrated in any one individual. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group.

Pursuant to Code Provision C.2.7, the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the year ended 31 March 2025, a formal meeting could not be arranged between the chairman and the independent non-executive directors without the presence of other directors due to the tight schedules of the chairman and the independent non-executive directors. Although such meeting was not held during the year, the chairman has delegated the company secretary of the Company to gather any concerns and/or questions that the independent non-executive directors might have and report to him for setting up follow-up meetings, whenever necessary.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ DEALING IN SECURITIES

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (“Model Code”) as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by Directors of the Company. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard laid down in the Model Code.

AUDIT COMMITTEE

The audit committee, comprising four independent non-executive directors of the Company, and two non-executive directors of the Company, has reviewed the financial reporting process, risk management and internal control system of the Group. The annual results of the Group for the year ended 31 March 2025 have been reviewed by the Audit Committee, prior to their approval by the Board.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2025 have been agreed by the Company's auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance and consequently no opinion or assurance conclusion has been expressed by Grant Thornton Hong Kong Limited on the preliminary announcement.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.seapnf.com.hk. The Company's annual report for 2024/2025 will be despatched to the Shareholders of the Company and available on the above websites in due course.

On behalf of the Board
Southeast Asia Properties & Finance Limited
Chua Nai Tuen
Chairman and Executive Director

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises: (1) Mr. Chua Nai Tuen (Chairman), Mr. Nelson Junior Chua (Managing Director) and Mr. Richard Sy Tan as executive directors; (2) Mr. Chan Man Hon, Eric, Mr. Jimmy Siy Tiong, Mr. Tsai Han Yung and Ms. Vivian Chua as non-executive directors; and (3) Mr. Chan Siu Ting, Mr. Tsui Ka Wah, Dr. Luk Siu Chuen and Mr. Kam Cheuk Sun as independent non-executive directors.