德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

ANNUAL RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS
(All in Hong Kong dollars)

	Year ended 31 March	
	2025	2024
Revenue		
Per consolidated statement of profit or loss	**$398 million**	$111 million
Property income and hotel revenue – share of associates and joint ventures	**$470 million**	$581 million
	$868 million	$692 million
Loss for the year attributable to owners of the Company	**$(813) million**	$(645) million
Basic loss per share	**(90) cents**	(71) cents
Net asset value per share	**$2.4**	$3.2

* *For identification purpose only*

The board of directors (the "**Directors**") (the "**Board**") of ITC Properties Group Limited (the "**Company**") is pleased to present the annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2025 (the "**Year**").

BUSINESS REVIEW

The ongoing geopolitical tensions and persistent inflation have led to a slowdown in the global economy and business activities. Furthermore, due to the financial pressures and downturn of the real estate market, the Group continues to review its business model and adjust its agility. As disclosed in the announcement dated 30 May 2025 of the Company, the Group has implemented various plans and measures to improve its liquidity and secure funds to meet its financial obligations and commitments. The measures included disposal of the Group's stock of properties and joint ventures holding properties.

During the Year, the Group sold certain of its stock of properties located in Hong Kong and the United Kingdom, resulting in a 258.4% increase in revenue to HK$398.1 million for the Year (2024: HK$111.1 million). However, this also led to a gross loss (including impairment of stock of properties) of HK$346.3 million (2024: HK$56.7 million).

In addition, the Group disposed of its entire 50% equity interests in a hotel property in Canada and 10% interests in a group of joint ventures, being Assets Builder Investments Limited, 1488 Alberni Development Holdings Limited Partnership and 1488 Alberni Investment Limited Partnership, which resulted in losses on disposal of interests in joint ventures for the Year of HK$220.1 million and HK$101.9 million respectively. Such disposals realised the Group's investment in the projects and recouped the Group's resource for the repayment of indebtedness and necessary payment obligations.

On the other hand, the Group successfully reached an agreement with The People's Government of Sanya City regarding the compensation to the Group in relation to the resumption of a parcel of land located in Sanya City, Hainan Province, the People's Republic of China (the "**PRC**") (the "**Sanya Land**"). It led to a gain on compensation on resumption of land use rights of HK$223.5 million for the Year.

As a result of the above, the Group recorded a net loss attributable to owners of the Company of HK$813.0 million for the Year, as compared with that of HK$644.9 million for the last financial year.

The Board has resolved not to pay any dividend for the Year. Accordingly, no dividend is paid or payable for the whole Year (2024: nil).

Property

Segment loss for the Year of HK$463.7 million was recorded, as compared to that of HK$405.7 million for the last financial year. As disclosed above, the increase in loss was attributable to (i) a gross loss (including impairment of stock of properties) of HK$346.3 million, (ii) loss on partial disposal of interest in joint ventures of the Group of HK$101.9 million, (iii) decrease in fair value of investment properties of HK$52.0 million, (iv) impairment losses of property, plant and equipment of HK$34.3 million, and (v) a share of decrease in fair value of a commercial property located in the PRC, which is held by a joint venture of the Group, of HK$64.6 million, which offset with a gain on compensation on resumption of land use rights in respect of the Sanya Land of HK$223.5 million for the Year.

Macau

Grand Oasis in Cotai South is a luxury residential project developed by an associate of the Group. During the Year, the demand in Macau's property market was boosted by the abolition of punitive stamp duties and the relaxation of loan-to-value ratio ceilings. The contribution from this project to the Group increased to HK$113.0 million for the Year (2024: HK$61.9 million).

Hong Kong

With respect to the redevelopment project located at Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan, as at 31 March 2025, the Group paid the land premium to the Lands Department for the land exchange to residential and commercial land. During the Year, the Group disposed of its 5% interests in this project to an independent third party and thereafter retains 67% interests in this project.

High Peak is a deluxe residential project with 16 units located at No. 23 Po Shan Road, Mid-levels, in which the Group has 20% interests. During the Year, a deluxe residential unit was sold. This project continues to launch for sale and one more deluxe residential unit was sold subsequent to the end of the Year.

The PRC

Dabiao International Centre is a composite tower, comprising a commercial podium, offices and a hotel, situated in Guangzhou City and conveniently connected to the Changgang Metro Station. Its occupancy rate for the Year remained stable.

Overseas

London, United Kingdom

The project at Greycoat Place was redeveloped into a mixed residential and commercial tower and the Group's entire 90.1% interests were disposed to an independent third party during the Year.

Vancouver, Canada

The residential redevelopment project at Alberni Street, in which the Group has 18% interests as at 31 March 2025, is in the course of obtaining the development and building permits from the local authority. During the Year, the Group's interests in this project decreased from 28% to 18% upon the disposal of 10% interests to its existing partners.

Hotel and Leisure

Segment loss of HK$225.3 million was recorded for the Year (2024: HK$230.8 million) due to a loss of HK$220.1 million on disposal of 50% equity interests in a joint venture of the Group, which indirectly owned a hotel "The Westin Bayshore" in Canada.

Rosedale Hotel Beijing Co., Ltd., the PRC

The Group has 20% equity interests in Rosedale Hotel Beijing Co., Ltd.(北京珀麗酒店有限責任公司)("**Rosedale Beijing**"), a sino-foreign joint venture company established in the PRC, which held a piece of land located at No. 8, Jiang Tai Road West, Chaoyang District, Beijing, the PRC (the "**Land**").

As disclosed in the Company's annual report for the year ended 31 March 2024 (the "**2023-2024 Annual Report**"), the Group recognised a full impairment loss of HK$136.2 million on its interest in this associate. This decision was based on several unfavorable factors, including the potential reclamation of the Land, the lack of co-operation from the major shareholder for land redevelopment, and other uncertainties.

During the Year, the Group proactively sought legal advice from its PRC legal counsel to evaluate the feasibility and appropriateness of initiating legal action to protect its rights under the terms of the《合營合同》(Joint Venture Agreement) of Rosedale Beijing. Relevant documents were submitted to the Chaoyang District People's Court in Beijing (北京市朝陽區人民法院)(the "**PRC Court**"), alleging breaches of the PRC Company Law and requesting access to all statutory documents and accounting records of Rosedale Beijing. The Group has issued a legal letter but no response was received and thus, the Group has formally initiated a legal proceeding against Rosedale Beijing, and the Group has received a court notice for hearing in June 2025 from the PRC Court, and the results of court hearing are pending. Under the current circumstance, it was considered that the Group ceased to have significant influence over Rosedale Beijing and it was classified as an equity investment as at 31 March 2025. After considering the above incidents and ongoing legal proceeding, as the situations of Rosedale Beijing have not improved, the Board is of the view that there were no signs of recovering the cost as at 31 March 2025. Thus, the Group continues to keep the carrying amount of the interest in Rosedale Beijing as nil as at 31 March 2025.

Outlined below is a summary of the Group's interests in properties which are significant to the operations of the Group as at the date of this announcement:

Location	Usage	Group's interests *(%)*	Attributable gross floor area[1] *(sq. ft.)*
Macau			
One Oasis, Sky Oasis and Grand Oasis situated at Estrada de Seac Pai Van, Coloane	Residential/ Commercial	35.5	315,000
Sub-total			**315,000**
Hong Kong			
250 Hennessy situated at No. 250 Hennessy Road, Wanchai	Office/Car parks	100	55,600
Redevelopment project situated at Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan	Residential/ Commercial	67	54,800
High Peak situated at No. 23 Po Shan Road, Mid-levels	Residential	20	15,300
Sub-total			**125,700**
The PRC			
Portions of Dabiao International Centre situated at No. 362 Jiangnan Avenue South and No. 238 Changgang Zhong Road, Haizhu District, Guangzhou City	Commercial/Office/ Hotel/Car parks	45	282,600
Sub-total			**282,600**
Overseas			
Redevelopment project situated at 1444 Alberni Street, 711 Broughton Street and 740 Nicola Street, Vancouver, British Columbia, Canada	Residential/ Commercial	18	110,000
Sub-total			**110,000**
Total			**833,300**

Note:

(1) This represented the area under the existing use.

Securities Investments

The investment markets experienced volatility due to the potential for a global economic recession and the ongoing geopolitical risks. These factors collectively impacted corporate earnings, leading to a decline in the fair value of the Group's investment. Segment loss of HK$12.4 million was recorded for the Year (2024: HK$22.8 million). Such loss represented mainly the unrealised loss arising from the drop in market prices.

As at 31 March 2025, the Group had equity and fund investments in aggregate of HK$47.9 million, 59% being unlisted securities and funds denominated in United States dollars and the remaining 41% being listed securities denominated in Hong Kong dollars.

Finance

As at 31 March 2025, other loan receivables of the Group amounted to HK$79.1 million (2024: HK$121.0 million).

For the Year, the Group saw a segment loss of HK$41.2 million (2024: profit of HK$9.4 million), which was mainly attributable to an interest income of HK$8.5 million (2024: HK$11.0 million) and a loss allowance for expected credit loss of HK$49.7 million (2024: HK$1.4 million) provided on loan receivables (together with the outstanding interest accrued thereon) in accordance with the accounting policies adopted by the Group.

FINANCIAL REVIEW

The Group maintains a prudent funding and treasury policy with regard to its overall business operations.

As at 31 March 2025, the Group had total bank and other borrowings of HK$926.2 million. After netting off cash and cash equivalents of HK$47.7 million and comparing with the shareholders' funds of the Group of HK$2,158.4 million, the Group's net gearing ratio as at 31 March 2025 was 0.41 (2024: 0.46). Bank borrowings of HK$720.1 million carried interest at floating rate and the other borrowings of HK$204.0 million carried interest at fixed rate. The Group will closely monitor and manage its exposure to the interest rate fluctuations and will consider engaging hedging instruments as and when appropriate.

As at 31 March 2025, the Group's total borrowings amounting to HK$759.6 million will be due for repayment in the coming twelve months, of which HK$391.3 million was overdue. The Group is actively seeking new sources of financing and loan facilities, and will continue to closely monitor its liquidity and working capital requirements to ensure appropriate financing arrangements are made when necessary.

For overseas subsidiaries, associates, joint ventures and other investments with cash flows denominated in foreign currencies, the Group endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in the same currencies. In this respect, the borrowings of the Group and its associates and joint ventures, to which the Group has provided guarantees, are denominated in Hong Kong dollars, Canadian dollars and Pound Sterling. For the Year, an unrealised loss on exchange differences of HK$25.3 million was debited as other comprehensive expense, mainly arising from translations of operations in Canada and the PRC due to the depreciation of Canadian dollars and Renminbi. A majority of the Group's cash and cash equivalents are denominated in Hong Kong dollars while the Group's other assets and liabilities are denominated in Hong Kong dollars, Renminbi, Macau Pataca and Canadian dollars. Though no hedging instruments have been engaged, the Group will closely monitor its foreign exchange risk exposure.

For the Year, the Group reported a loss attributable to the owners of the Company of HK$813.0 million and as at 31 March 2025, the Group had net current liabilities of HK$56.5 million. Also, as at 31 March 2025, the Group's aggregate bank and other borrowings amounted to HK$926.2 million while the Group has cash and cash equivalents amounting to HK$47.7 million. These conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. The Company has been undertaking a number of plans and measures, including the following, to improve the Group's liquidity and financial position.

(1) Disposal of properties

The Group will sell its properties as a strategic move in order to realise the tied-up capital and value. This strategy will allow the Group to efficiently manage its assets, potentially enhance its liquidity and provide additional financial resources.

(2) Maintaining business activities

The Group expects to continue to enhance its liquidity and operating cash flows for the next twelve months from sales of stock of properties.

(3) Seeking refinancing

The Group has been actively seeking to refinance the existing facilities before maturity. Up to the date of this announcement, the Group has not received any demand for immediate repayment of its borrowing of HK$391.3 million which was overdue during the Year. The Group continues to negotiate with the lenders of existing borrowings for refinancing and other lenders for new financing.

(4) Control on administrative and operating costs

The Group will continue to take active measures to control administrative and operating costs through various channels.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from the date of approval of the consolidated financial statements. The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the liquidity needs of the Group will be managed and the financial position of the Group will be improved. Also, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from the date of approval of the consolidated financial statements. Accordingly, the Directors have, at the date of approval of the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements of the Group.

Pledge of Assets

As at 31 March 2025, the Group's general credit facilities granted by the banks and other lender were secured by pledges of the Group's investment properties of HK$417.0 million, property, plant and equipment of HK$120.0 million, interests in associates and amounts due from associates of HK$1,090.0 million, and other receivable of HK$404.5 million.

Contingent Liabilities

As at 31 March 2025, the Group provided corporate guarantees on a several basis with maximum liabilities of (i) HK$84.6 million (2024: HK$91.1 million) and HK$137.0 million (2024: HK$225.7 million) in respect of the banking facilities granted to two joint ventures (which were owned as to 50% and 18% (2024: 50% and 28%) by the Group respectively) with the outstanding amounts attributable to the Group's interests of HK$41.3 million (2024: HK$40.8 million) and HK$84.1 million (2024: HK$138.5 million); and (ii) HK$218.2 million (2024: HK$242.5 million) in respect of the banking facilities granted to an associate (which was owned as to 20% (2024: 20%) by the Group) with the outstanding amount attributable to the Group's interest of HK$218.2 million (2024: HK$242.5 million).

PROSPECTS

The operating environment for the Group's businesses is expected to be both volatile and unpredictable. The Group anticipates continued uncertainties in the global property market due to the change in market demand and slow economic growth affecting the overall operating environment. Additionally, the developments in U.S. political affairs could also bring additional uncertainties, especially regarding its stance on issues such as trade policies towards China, the Russia-Ukraine situation, and the unrest in the Middle East. In response, the Group will continue to adopt a cautious approach, review its business strategies, refine its business model, and improve the efficiency and effectiveness of its operations. We will also focus on stringent cash flow management, selling our property projects to realise tied-up capital and secure the Group's revenue, and reducing operating spending. These actions could enhance our liquidity and financial flexibility, enabling us to better navigate the current challenging business environment. Meanwhile, apart from our businesses in the PRC, Macau and Canada, we will cautiously explore potential property development projects and carefully assess and select attractive opportunities to replenish the Group's portfolio.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	3	**398,064**	111,078
Property income		**389,527**	100,081
Direct cost for property income		**(735,820)**	(156,770)
Gross loss for property income		**(346,293)**	(56,689)
Interest revenue from loan financing		**8,537**	10,997
Net fair value loss on financial instruments	4	**(11,185)**	(21,776)
Other income, gains and losses	5	**(41,570)**	(50,841)
Gain on compensation on resumption of land use rights		**223,544**	–
Impairment losses under expected credit loss model, net		**(28,093)**	(1,409)
Loss on disposal of interest in a joint venture		**(220,073)**	–
Loss on partial disposal of interests in joint ventures		**(101,899)**	–
Loss on disposal of interest in an associate		–	(13,750)
Impairment loss of interest in an associate		–	(136,223)
Decrease in fair value of investment properties		**(52,000)**	(134,000)
Administrative and general expenses		**(186,740)**	(229,187)
Finance costs	6	**(126,159)**	(85,489)
Share of results of associates		**99,896**	40,628
Share of results of joint ventures		**(68,595)**	(78,763)
Loss before taxation		**(850,630)**	(756,502)
Taxation	7	**(59,138)**	74,199
Loss for the year	8	**(909,768)**	(682,303)
Loss for the year attributable to:			
Owners of the Company		**(812,982)**	(644,886)
Non-controlling interests		**(96,786)**	(37,417)
		(909,768)	(682,303)
Loss per share	10		
– Basic (HK dollar)		**(0.90)**	(0.71)
– Diluted (HK dollar)		**(0.90)**	(0.71)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	HK$'000	*HK$'000*
Loss for the year	**(909,768)**	(682,303)
Other comprehensive (expense) income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(25,322)**	(42,892)
Exchange differences arising on translation for associates and joint ventures	**2,160**	(1,843)
Reclassification of cumulative translation reserve upon disposal of foreign operations	**30,535**	4,691
Reclassification of cumulative translation reserve upon reduction of capital of a foreign operation	**49,387**	–
Other comprehensive income (expense) for the year	**56,760**	(40,044)
Total comprehensive expense for the year	**(853,008)**	(722,347)
Total comprehensive expense for the year attributable to:		
Owners of the Company	**(754,599)**	(673,897)
Non-controlling interests	**(98,409)**	(48,450)
	(853,008)	(722,347)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2025

	Notes	**2025** **HK$'000**	2024 *HK$'000*
Non-current assets			
Property, plant and equipment		**133,812**	430,089
Investment properties		**417,000**	469,000
Equity and fund investments		**28,486**	34,942
Interests in joint ventures		**56,885**	366,534
Amounts due from joint ventures		**718,548**	890,350
Interests in associates	*11*	**1,007,916**	908,025
Amount due from an associate		**46,002**	36,802
Other non-current assets		**18,260**	58,334
		2,426,909	3,194,076
Current assets			
Deposits paid for acquisition of leasehold land		–	280,087
Stock of properties		**390,300**	1,001,426
Other loan receivables		**79,105**	120,977
Debtors, deposits and prepayments	*12*	**566,228**	68,573
Amounts due from associates		**35,657**	35,630
Equity and fund investments		**19,463**	24,385
Cash and cash equivalents		**47,652**	24,743
		1,138,405	1,555,821
Current liabilities			
Creditors, deposits and accrued charges		**288,752**	236,678
Amount due to a joint venture		**20,773**	20,323
Tax payables		**117,278**	58,670
Lease liabilities		**8,513**	1,876
Bank and other borrowings		**759,571**	1,037,910
		1,194,887	1,355,457
Net current (liabilities) assets		**(56,482)**	200,364
Total assets less current liabilities		**2,370,427**	3,394,440

	2025	2024
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**2,251**	1,422
Bank and other borrowings	**166,670**	324,258
	168,921	325,680
	2,201,506	3,068,760
Capital and reserves		
Share capital	**9,072**	9,072
Reserves	**2,149,362**	2,921,034
Equity attributable to owners of the Company	**2,158,434**	2,930,106
Non-controlling interests	**43,072**	138,654
	2,201,506	3,068,760

Notes:

1. BASIS OF PREPARATION

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 consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

Going concern assessment

In preparing the consolidated financial statements, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity, the financial position, and the available sources of financing of the Group in assessing the Group's ability to continue as a going concern. Based on plans and measures undertaken by the Group during the year ended 31 March 2025, the Group has improved considerably its liquidity position. However, as a result of recognising gross loss for property income of HK$346,293,000, decrease in fair value of investments properties of HK$52,000,000, loss on partial disposal and disposal of its interests in joint ventures of HK$321,972,000 in aggregate, impairment loss of property, plant and equipment of HK$34,305,000, gain on compensation on resumption of land use rights of HK$223,544,000, net of tax of HK$59,114,000, and together with other items as disclosed in the consolidated financial statements, during the year ended 31 March 2025, the Group reported a loss of HK$909,768,000 and, as of that date, the Group's current liabilities exceeded its current assets by HK$56,482,000. As at 31 March 2025, the Group's aggregate bank and other borrowings amounted to HK$926,241,000, of which balance of HK$759,571,000 were due for settlement within twelve months and were classified as current liabilities while the Group had cash and cash equivalents amounting to HK$47,652,000. As at 31 March 2025, certain of the Group's bank borrowings with carrying amounts of HK$391,300,000 was overdue.

In view of the above circumstances, in order to continue mitigating the Group's liquidity risk and its financial position, the Group has taken the following plans and measures on an ongoing basis:

(i) Disposal of properties

The Group will sell its properties as a strategic move in order to realise the tied-up capital and value. This strategy will allow the Group to efficiently manage its assets, potentially enhance its liquidity and provide additional financial resources.

(ii) Maintaining business activities

The Group expects to continue to enhance its liquidity and operating cash flows for the next twelve months from sales of stock of properties.

(iii) Seeking refinancing

The Group has been actively seeking to refinance the existing facilities before maturity. Up to the date of approval of the consolidated financial statements, the Group has not received any demand for immediate repayment of its borrowing of HK$391,300,000 which was overdue during the year ended 31 March 2025. As at 31 March 2025, such bank borrowing was secured by the Group's properties of HK$537,000,000. The Group continues to negotiate with the lenders of existing borrowings for refinancing and other lenders for new financing.

(iv) Control on administrative and operating costs

The Group will continue to take active measures to control administrative and operating costs through various channels.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from the date of approval of the consolidated financial statements. The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the liquidity needs of the Group will be managed and the financial position of the Group will be improved. Also, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from the date of approval of the consolidated financial statements. Accordingly, the Directors have, at the date of approval of the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements of the Group.

Significant uncertainties exist as to whether the Group will be able to achieve its plans and measures as described above. If the above-mentioned plans and measures could not be implemented successfully as planned, the Group would be unable to finance its operations or meet its financial obligations as and when they fall due during its ordinary course of business. The above events and conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current liabilities as current liabilities with consideration of the contractual terms, or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

3. SEGMENT INFORMATION

The Group's reportable and operating segments, based on internal information that is regularly reviewed by the executive directors, the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment of performance, are as follows:

Property	– development of, selling of and investment in properties
Hotel and leisure	– investment in hotels
Securities investments	– trading and investment of securities
Finance	– provision of loan financing services

Information regarding these segments is reported below:

For the year ended 31 March 2025

	Segment revenue *HK$'000* (note (a))	Operating loss *HK$'000*	Gain on compensation on resumption of land use rights *HK$'000*	Loss on disposal of interest in a joint venture *HK$'000*	Loss on partial disposal of interests in joint ventures *HK$'000*	Share of results of associates *HK$'000*	Share of results of joint ventures *HK$'000*	Finance costs *HK$'000*	Segment results: loss before taxation *HK$'000* (note (b))
Property (note (c))	**389,527**	**(526,791)**	**223,544**	**–**	**(101,899)**	**99,896**	**(56,922)**	**(101,536)**	**(463,708)**
Hotel and leisure	**–**	**(11)**	**–**	**(220,073)**	**–**	**–**	**(5,203)**	**–**	**(225,287)**
Securities investments	**–**	**(12,374)**	**–**	**–**	**–**	**–**	**–**	**–**	**(12,374)**
Finance	**8,537**	**(41,226)**	**–**	**–**	**–**	**–**	**–**	**–**	**(41,226)**
SEGMENT TOTAL	**398,064**	**(580,402)**	**223,544**	**(220,073)**	**(101,899)**	**99,896**	**(62,125)**	**(101,536)**	**(742,595)**
Unallocated	**–**	**(76,942)**	**–**	**–**	**–**	**–**	**(6,470)**	**(24,623)**	**(108,035)**
GROUP TOTAL	**398,064**	**(657,344)**	**223,544**	**(220,073)**	**(101,899)**	**99,896**	**(68,595)**	**(126,159)**	**(850,630)**

For the year ended 31 March 2024

	Segment revenue *HK$'000* (note (a))	Operating (loss) profit *HK$'000*	Loss on disposal of interest in an associate *HK$'000*	Impairment loss of interest in an associate *HK$'000*	Share of results of associates *HK$'000*	Share of results of joint ventures *HK$'000*	Finance costs *HK$'000*	Segment results: (loss) profit before taxation *HK$'000* (note (b))
Property (note (c))	100,081	(321,693)	–	–	64,248	(90,309)	(57,896)	(405,650)
Hotel and leisure	–	(67,096)	(13,750)	(136,223)	(23,620)	9,928	(8)	(230,769)
Securities investments	–	(22,753)	–	–	–	–	–	(22,753)
Finance	10,997	9,426	–	–	–	–	–	9,426
SEGMENT TOTAL	111,078	(402,116)	(13,750)	(136,223)	40,628	(80,381)	(57,904)	(649,746)
Unallocated	–	(80,789)	–	–	–	1,618	(27,585)	(106,756)
GROUP TOTAL	111,078	(482,905)	(13,750)	(136,223)	40,628	(78,763)	(85,489)	(756,502)

Notes:

(a) Segment revenue as set out above comprised income from leases, income from sales of properties, properties commission income, building management fee income and loan financing income. All segment revenue is from external customers.

(b) The aggregate of the segment results as set out above comprised the (loss) profit before taxation from each segment without allocation of certain other income, gains and losses, certain administrative and general expenses, share of results of certain joint ventures and certain finance costs.

(c) The segment revenue of property segment included income from leases, income from sales of properties, properties commission income and building management fee income. During the year ended 31 March 2025, the segment result of property segment included decrease in fair value of investment properties of HK$52,000,000 (2024: HK$134,000,000), impairment losses of certain property, plant and equipment of HK$34,305,000 (2024: HK$46,407,000) and share of decrease of fair value of investment properties, net of tax, of RMB59,813,000 (equivalent to HK$64,592,000) of a joint venture included in share of results of joint ventures (2024: decrease in fair value of investment properties, net of tax, of RMB89,100,000 (equivalent to HK$97,805,000)).

The CODM assesses the performance of the operating segments based on the (loss) profit before taxation of the group entities engaged in the respective segment activities which represents the segment results. Segment results are analysed before taxation whereas tax payable is allocated to operating segment liabilities. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

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

	Segment assets		**Segment liabilities**	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Property	**3,255,597**	4,145,040	**963,248**	1,211,936
Hotel and leisure	**67,938**	302,930	**1,993**	6,583
Securities investments	**47,953**	59,327	**951**	951
Finance	**111,683**	152,863	**48**	48
Segment total	**3,483,171**	4,660,160	**966,240**	1,219,518
Unallocated:				
Cash and cash equivalents	**47,652**	24,743	**–**	–
Bank and other borrowings	**–**	–	**364,351**	436,451
Others	**34,491**	64,994	**33,217**	25,168
Total	**3,565,314**	4,749,897	**1,363,808**	1,681,137

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

- all assets are allocated to operating segments other than certain property, plant and equipment, certain other non-current assets, certain debtors, deposits and prepayments of the corporate offices, interests in certain joint ventures, amounts due from certain joint ventures and cash and cash equivalents; and

- all liabilities, including tax payables, are allocated to operating segments other than certain lease liabilities, certain bank and other borrowings and certain creditors, deposits and accrued charges and certain tax payables.

Geographical information

The Group's revenue from external customers based on location of properties and/or goods delivered or services delivered, and information about its non-current assets, excluding financial assets, by physical location of the assets are detailed as below:

	Revenue from external customers		**Carrying amount of non-current assets**	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**23,280**	63,033	**799,781**	1,172,374
Macau	**–**	–	**821,548**	707,857
United Kingdom	**372,763**	–	**–**	–
The PRC	**–**	45,215	**10,610**	13,182
Canada	**2,021**	2,830	**1,934**	299,303
Others	**–**	–	**–**	39,266
	398,064	111,078	**1,633,873**	2,231,982

Information about major customers

During the year, the Group had one (2024: two) customer(s) with whom transactions have exceeded 10% of the Group's total revenue.

	2025	2024
	HK$'000	*HK$'000*
Customer A – Property	**369,424**	–
Customer B – Property	**–**	45,000
Customer C – Property	**–**	45,000

4. NET FAIR VALUE LOSS ON FINANCIAL INSTRUMENTS

	2025	2024
	HK$'000	*HK$'000*
Net decrease in fair values of financial assets at fair value through profit or loss ("**FVTPL**"):		
– held at the end of the reporting period	**(11,185)**	(21,835)
– disposed during the year	**–**	59
	(11,185)	(21,776)

5. OTHER INCOME, GAINS AND LOSSES

	2025	2024
	HK$'000	*HK$'000*
Other income:		
Bank interest income	**749**	1,257
Interest income on amounts due from joint ventures	**17,745**	19,575
Others	**1,538**	2,383
	20,032	23,215
Other gains and losses:		
Loss on tax indemnity asset written off (Note (a))	**–**	(66,744)
Decrease in fair value of an amount due from a joint venture (Note (b))	**(6,415)**	(7,957)
Net foreign exchange (loss) gain	**(5,800)**	645
Exchange loss upon reduction of capital of a foreign operation	**(49,387)**	–
	(61,602)	(74,056)
	(41,570)	(50,841)

Notes:

(a) During the year ended 31 March 2024, a reversal of HK$66,744,000 was recognised as the relevant accounting tax provision was made in prior years that is beyond the statutory time bar period.

(b) During the year ended 31 March 2025, a decrease in fair value of HK$6,415,000 (2024: HK$7,957,000) has been recognised on an amount due from a joint venture and the fair value of such amount has been measured with reference to a quoted price of the underlying asset held by the joint venture in a market that is not active.

6. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**125,342**	90,911
Interest on lease liabilities	**817**	235
Total borrowing costs	**126,159**	91,146
Less: amounts capitalised in qualifying assets	**–**	(5,657)
	126,159	85,489

7. TAXATION

	2025	2024
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
Current tax	**–**	–
Overprovision in prior years	**–**	(26)
	–	(26)
PRC Enterprise Income Tax:		
Current tax	**59,114**	–
Overprovision in prior years	**–**	(74,286)
	59,114	(74,286)
Canadian Corporate Tax:		
Current tax	**24**	113
	59,138	(74,199)

Hong Kong Profits Tax of the qualified entity of the Group was calculated in accordance with the two-tiered profits tax rates regime (i.e. the first HK$2 million of profits of a qualifying group entity to be taxed at 8.25%, and profits above HK$2 million to be taxed at 16.5%), while the profits of group entities not qualifying for the two-tiered profits tax rates regime continued to be taxed at a flat rate of 16.5%.

Taxation arising in other jurisdictions was calculated at the rates prevailing in the relevant jurisdictions.

During the year ended 31 March 2025, tax provision of HK$59,114,000 was recognised arising from taxation in the PRC in relation to the taxation on gain on compensation on resumption of land use rights.

During the year ended 31 March 2024, reversal of tax provisions of HK$66,744,000 and HK$7,542,000 were recognised as relevant accounting tax provisions were made in prior years that are beyond the statutory time bar period.

8. LOSS FOR THE YEAR

	2025	2024
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging (crediting):		
Cost of inventories recognised as an expense (including write-down of stock of properties of HK$170,527,000 (2024: impairment loss of deposits paid for acquisition of leasehold land of HK$59,928,000))	**720,607**	149,928
Depreciation of property, plant and equipment	**16,028**	24,556
Impairment loss of property, plant and equipment (included in administrative and general expenses)	**34,305**	46,407
Loss (gain) on disposal of property, plant and equipment	**302**	(36)

9. DISTRIBUTION

The Group has not declared or paid any interim and final dividends during the years ended 31 March 2025 and 2024.

The Board decided not to declare a dividend for the year ended 31 March 2025.

10. LOSS PER SHARE

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

	2025	2024
	HK$'000	*HK$'000*
Loss:		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(812,982)**	(644,886)

	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**907,198,410**	908,951,459

The effect of the exercise of the Company's share options was not taken into consideration for computing the diluted loss per share for the years ended 31 March 2025 and 2024 as the exercise price of those share options was higher than the average market price for shares.

11. INTERESTS IN ASSOCIATES

	2025	2024
	HK$'000	*HK$'000*
Cost of investment in associates, unlisted	**512,147**	780,129
Share of post-acquisition results and other comprehensive income, net of dividend or other return	**495,769**	264,119
Impairment loss (Note)	**–**	(136,223)
	1,007,916	908,025

Note:

The Group was unable to obtain financial information of Rosedale Beijing to assess the financial performance of Rosedale Beijing during the year ended 31 March 2024 and financial position of Rosedale Beijing as at 31 March 2024. Therefore the Group did not account for any results of Rosedale Beijing shared by the Group for the year ended 31 March 2024.

In addition, given the situations including (i) a prolonged property market slowdown together with the uncertainties surrounding the assets of Rosedale Beijing which may no longer be utilised efficiently or effectively and (ii) the ongoing material issues in relation to a major shareholder holding 80% interest in Rosedale Beijing (the "**Major Shareholder**") and management of Rosedale Beijing, the Group determined that a full impairment of HK$136,223,000 should be recognised in relation to the Group's interest in Rosedale Beijing during the year ended 31 March 2024 with this resulting in the carrying amount of its interest in Rosedale Beijing being reduced to nil in the consolidated statement of financial position as at 31 March 2024, and a full impairment loss of HK$136,223,000 being recognised in profit or loss for the year ended 31 March 2024.

During the year ended 31 March 2025, the Group has issued a legal letter but no response was received. Thus, the Group has formally initiated a legal proceeding against Rosedale Beijing and the Major Shareholder and submitted the relevant documents to the PRC Court for breach of the relevant provisions of the Company Law of the PRC, and demanded for all statutory documents and accounting records. The legal proceeding was duly filed and a case in the PRC Court has been established subsequent to the end of the reporting period. The Group re-assessed its ability to exercise significant influence over Rosedale Beijing. After re-assessment, it was concluded that the Group has lost significant influence as its repeated requests to receive financial information from Rosedale Beijing have been ignored by both Rosedale Beijing and the Major Shareholder. Therefore, the Group considered its significant influence over Rosedale Beijing has been constrained and considered the Group can no longer exercise significant influence. As a result, Rosedale Beijing ceased to be classified as an associate. Instead, it is accounted for as an equity investment measured at FVTPL. As the situations of Rosedale Beijing have not improved, the Group determined that the carrying amount of the interest in Rosedale Beijing remained as nil as at the date of derecognition when the Group ceased to have significant influence over Rosedale Beijing.

The Group recognised Rosedale Beijing as financial assets measured at FVTPL. In determining the fair value of Rosedale Beijing, the Directors are of the opinion that, taking into account litigations and disputes involving Rosedale Beijing and the Major Shareholder, and other factors, the fair value is insignificant as at 31 March 2025.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group's credit terms are negotiated at terms determined and agreed with its trade customers. The Group allows an average credit period of 60 days (2024: 60 days) to its trade customers. The following is an aged analysis of trade debtors, net of loss allowance, presented based on the invoice date at the end of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Trade debtors aged:		
0 – 60 days	**615**	1,811
61 – 90 days	**300**	–
	915	1,811

OTHER INFORMATION

Annual General Meeting

The forthcoming annual general meeting of the Company (the "**Annual General Meeting**") will be held on Wednesday, 3 September 2025. A circular containing the notice of the Annual General Meeting and information regarding, inter alia, the re-election of the retiring Directors and the granting of the general mandates to the Directors to issue new shares of the Company (the "**Shares**") and to repurchase Shares (the "**Circular**") will be published and despatched to the shareholders of the Company (the "**Shareholders**") in due course.

Closure of Register of Members and Record Date

For the purpose of ascertaining the entitlement of Shareholders (except for holders of treasury shares of the Company, if any) to attend, speak and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 29 August 2025 to Wednesday, 3 September 2025 (both dates inclusive), during which period no transfer of Shares will be registered, and the record date is Wednesday, 3 September 2025. In order to be eligible to attend, speak and vote at the Annual General Meeting, Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Thursday, 28 August 2025.

Number of Employees and Remuneration Policies

As at 31 March 2025, the total number of employees of the Group was 119 (2024: 130). Employees are remunerated according to their qualifications and experience, job nature and performance, and under the pay scales aligned with market conditions. Other benefits to employees include discretionary bonus, medical scheme, insurance coverage, share options and retirement benefit schemes.

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.

Movement in Issued Shares

During the Year, the Company did not issue nor cancel any Shares. As at 31 March 2025, there were 907,198,410 Shares in issue and no treasury shares of the Company.

Compliance with the Corporate Governance Code

The Company is committed to maintaining high standard of corporate governance practices and procedures and complying with the statutory and regulatory requirements with an aim to maximising the values and interests of the Shareholders as well as enhancing the transparency and accountability to the stakeholders.

Throughout the Year, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules and applied the principles contained therein, except that (i) the role of the "chief executive" is vacant; and (ii) the going concern issue with respect to the consolidated financial statements for the year ended 31 March 2024 of the Company (the "**2023-2024 Going Concern Issue**") was not discussed in the corporate governance report (the "**2023-2024 CG Report**") contained in the 2023-2024 Annual Report. The responsibilities for the operations and business development of the Group are shared by the executive Directors. The Board is of the view that as there is a clear division of responsibilities amongst the executive Directors, the current structure is effective in facilitating the operations and business development of Group and enabling the Board to discharge its responsibilities satisfactorily. In addition, the independent non-executive Directors contribute valuable views and proposals independently for the Board's deliberation and decisions. Further, as disclosed in the 2023-2024 CG Report, the management's views on the 2023-2024 Going Concern Issue were already discussed in the section headed "Management's views on the Disclaimer of Opinion in relation to going concern" in the Management Discussion and Analysis of the 2023-2024 Annual Report. The Board is of the view that making a cross-reference is sufficient and disclosing the discussion repeatedly in the 2023-2024 CG Report would result in particulars of excessive length.

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct for Directors in their dealings in the securities of the Company. In response to specific enquiries made by the Company, all the Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Year.

Review of Annual Results

The audit committee of the Company has reviewed with the management and the auditor of the Company (the "**Auditor**") the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the annual results of the Group for the Year.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this 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 this announcement.

Extract of Independent Auditor's Report

The following is the extract of the Independent Auditor's Report on the consolidated financial statements of the Group for the Year.

"Opinion

Qualified Opinion on the Consolidated Financial Performance

In our opinion, except for the possible effects of the matters described in the Basis for Opinions, Including Basis for Qualified Opinion on the Consolidated Financial Performance section of our report, the consolidated financial statements give a true and fair view of the consolidated financial performance of the Group for the year ended 31 March 2025 in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Opinion on the Financial Position and Consolidated Cash Flows

In our opinion, the consolidated statement of financial position gives a true and fair view of the consolidated financial position of the Group as at 31 March 2025 and of its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the HKICPA and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinions, Including Basis for Qualified Opinion on the Consolidated Financial Performance

The Group held a 20% equity interest in Rosedale Hotel Beijing Co., Ltd. ("**Rosedale Beijing**") as at 31 March 2024 and 2025.

The Group's interest in Rosedale Beijing was classified as an associate in the consolidated financial statements as at 31 March 2024. Given the circumstances as detailed in Note 19(a) to the consolidated financial statements, the Group did not account for any results of Rosedale Beijing shared by the Group for the year ended 31 March 2024 and recognised a full impairment of HK$136,223,000 in relation to its interest in Rosedale Beijing in profit or loss during the year ended 31 March 2024, in which the carrying amount of its interest in Rosedale Beijing was reduced to nil in the consolidated statement of financial position as at 31 March 2024. As set out in our auditor's report dated 28 June 2024 on the Group's consolidated financial statements for the year ended 31 March 2024, we have previously qualified our opinion due to the limitation on the scope of our audit as we were unable to obtain sufficient appropriate audit evidence to assess the financial performance and financial position of Rosedale Beijing and assess impairment on interest in Rosedale Beijing, and we were unable to determine whether any adjustments to interest in Rosedale Beijing as at 31 March 2024, any share of the results of Rosedale Beijing and impairment loss of Rosedale Beijing for the year ended 31 March 2024 recorded in the consolidated financial statements of the Group for the year ended 31 March 2024 were necessary. In addition, we were also unable to determine whether the related disclosures in the consolidated financial statements of the Group for the year ended 31 March 2024 were sufficient and appropriate.

During the year ended 31 March 2025, the Group has initiated legal actions against Rosedale Beijing and the Major Shareholder (as defined in Note 4 to the consolidated financial statements) as detailed in Note 19(a) to the consolidated financial statements, and given the situations of Rosedale Beijing have not improved, the Group determined that the carrying amount of its interest in Rosedale Beijing remained as nil as at the date of derecognition of Rosedale Beijing as an associate (the "**Date of Derecognition**") when the Group ceased to have significant influence over Rosedale Beijing. The Group's interest in Rosedale Beijing was accounted for as an equity investment measured at fair value through profit or loss upon derecognition of Rosedale Beijing as an associate and as at 31 March 2025, as detailed in Notes 4 and 17 to the consolidated financial statements. Given the lack of sufficient appropriate audit evidence to support the carrying amount of the Group's interest in Rosedale Beijing classified as an associate as at 31 March 2024 in the previous year's management's assessment, as of the date of this report, we were unable to determine whether any adjustments were necessary to the opening balance of the Group's interests in associates as at 1 April 2024, which would consequentially impact whether (a) share of results of Rosedale Beijing during the period from 1 April 2024 to the Date of Derecognition or (b) any gain or loss arising on derecognition of Rosedale Beijing as an associate or (c) any fair value change on Rosedale Beijing accounted for as financial assets measured at fair value through profit or loss for the period upon the Date of Derecognition to the year ended 31 March 2025 should be recognised in the consolidated financial statements of the Group for the year ended 31 March 2025. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves concerning the loss for the year ended 31 March 2025. In addition, we were also unable to determine whether the related disclosures in the consolidated financial statements of the Group for the year ended 31 March 2025 were sufficient and appropriate.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the consolidated financial position and our qualified opinion on the consolidated financial performance.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements, which indicates that during the year ended 31 March 2025, the Group reported a loss of HK$909,768,000 and, as of that date, the Group's current liabilities exceeded its current assets by HK$56,482,000. As at 31 March 2025, the Group's aggregate bank and other borrowings amounted to HK$926,241,000, of which balance of HK$759,571,000 were due for settlement within twelve months and were classified as current liabilities while the Group had cash and cash equivalents amounting to HK$47,652,000. As at 31 March 2025, certain of the Group's secured bank and other borrowings with carrying amounts of HK$391,300,000 was overdue. The Group's ability to continue as a going concern is highly dependent on its ability to have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. To continue mitigating the liquidity risk of the Group and to improving the financial position of the Group, the Group has taken plans and measures on an ongoing basis, including disposal of properties, maintaining business activities, seeking refinancing and control on administrative and operating costs, with details as described in Note 1 to the consolidated financial statements, in order to ensure that the Group has sufficient financial resources to finance its operations and to meet its financial obligations as and when they fall due at least twelve months from the date of approval of the consolidated financial statements. The directors of the Company have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors of the Company continue to adopt the going concern basis of accounting in preparing the consolidated financial statements of the Group. However, these conditions, along with other matters as set forth in Note 1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

The aforesaid "Note 1 and Notes 4, 17 and 19(a) to the consolidated financial statements" are disclosed as Note 1 and Note 11 respectively, in this announcement.

Management's Views on Basis for Opinions, Including Basis for Qualified Opinion on the Consolidated Financial Performance

The Group holds a 20% equity interest in Rosedale Beijing and was accounted for its interests in Rosedale Beijing as an interest in an associate by using equity method as at 31 March 2024. Since the Group has not received any financial information from Rosedale Beijing or the Major Shareholder, and after considering all circumstance and unfavourable factors, including the potential reclamation of the Land, the lack of co-operation from the Major Shareholder for land redevelopment, and other uncertainties, the Group recognised a full impairment loss of HK$136.2 million for the year ended 31 March 2024.

Thus, the Auditor has to issue a qualified opinion in the Independent Auditor's Report for the Year, addressing matters related to the opening balance of the Group's interest in an associate, the share of result of the associate and the gain or loss arising from derecognition. This qualification was issued due to the Auditor's inability to verify the opening balance for the Group's investment in Rosedale Beijing, and thus raising uncertainty about the appropriateness of the reported profit or loss impact arising from Rosedale Beijing for the Year.

However, under the current circumstance as mentioned in Note 11 in this announcement, it was considered that the Group ceased to have significant influence over Rosedale Beijing and it was classified as an equity investment as at 31 March 2025. After considering the above incidents and the ongoing legal proceeding, as the situations of Rosedale Beijing have not improved, the Board is of the view that there were no signs of recovering the cost as at 31 March 2025 and therefore keep the carrying amount of the investment in Rosedale Beijing as nil as at 31 March 2025, and the audit issue for the opening balance and the corresponding raising uncertainty about impact on consolidated statement of profit or loss will be removed in next financial year.

Management's Views on Material Uncertainty in relation to Going Concern

The Board has given careful consideration to the material uncertainty in relation to going concern as described in the section headed "Material Uncertainty Related to Going Concern" in the "Extract of Independent Auditor's Report" section of this announcement, and has had ongoing discussion with the Auditor when preparing the Group's consolidated financial statements.

As disclosed in the "Financial Review" section of this announcement, the Board is of the opinion that taking into account the plans and measures mentioned below, the liquidity needs of the Group will be managed and the financial position of the Group will be improved. Also, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from the date of approval of the consolidated financial statements for the Year. Accordingly, the Board has, at the date of approval of the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Regarding the significant doubt about the Group's ability to continue as a going concern, as outlined in the section headed "Material Uncertainty Related to Going Concern" in the "Extract of Independent Auditor's Report" section of this announcement, the Board has taken and is taking the following steps to address its concerns:

(i) Disposal of properties

The Group will sell its properties as a strategic move in order to realise the tied-up capital and value. This strategy will allow the Group to efficiently manage its assets, potentially enhance its liquidity and provide additional financial resources;

(ii) Maintaining business activities

The Group expects to continue to enhance its liquidity and operating cash flows for the next twelve months from sales of stock of properties;

(iii) Seeking refinancing

The Group has been actively seeking to refinance the existing facilities before maturity. Up to the date of this announcement, the Group has not received any demand for immediate repayment of its borrowing of HK$391,300,000 which was overdue during the Year. The Group continues to negotiate with the lenders of existing borrowings for refinancing and other lenders for new financing; and

(iv) Control on administrative and operating costs

The Group will continue to take active measures to control administrative and operating costs through various channels.

The Board believes that through the implementation of these plans and measures, the Group will effectively address its liquidity needs and enhance its financial position. Accordingly, it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Adoption of New Bye-Laws

The Board has proposed to seek the confirmation and approval of the Shareholders by way of a special resolution at the Annual General Meeting to amend the existing bye-laws of the Company (the "**Existing Bye-Laws**") and to adopt a new set of bye-laws incorporating the proposed amendments (the "**Proposed Amendments**"). The primary objectives of the Proposed Amendments are as follows:

(i) to bring the Existing Bye-Laws in line with the latest regulatory requirement in relation to (a) the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules and (b) the recent amendments to the Listing Rules relating to treasury shares;

(ii) to provide flexibility to the Company in relation to the conduct of general meetings; and

(iii) to make other housekeeping amendments to the Existing Bye-Laws, including making consequential amendments in connection with the Proposed Amendments, and amendments to enhance clarity and ensure consistency with other provisions of the Existing Bye-Laws where it is considered desirable and to better align the wording with those of the Listing Rules and the applicable laws of Bermuda.

Details of the Proposed Amendments will be set out in the Circular.

Publication of Annual Results Announcement and Annual Report

This annual results announcement is published on both the website of the Stock Exchange at **www.hkexnews.hk** and the website of the Company at **www.itcproperties.com**. The annual report of the Company for the Year containing all information required by the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

I would like to take this opportunity to express my appreciation to the Shareholders for their support, to the fellow Board members, management and staff for their dedicated efforts to the Group and to our clients, consultants and business partners for all their valuable assistance offered during the Year.

By order of the Board
ITC Properties Group Limited
Cheung Hon Kit
Chairman

Hong Kong, 27 June 2025

As at the date of this announcement, the Directors are as follows:

Executive Directors:
Mr. Cheung Hon Kit *(Chairman)*, Dr. Chan Kwok Keung, Charles *(Joint Vice Chairman),* Mr. Chan Yiu Lun, Alan, Mr. Law Hon Wa, William *(Chief Financial Officer)*

Non-executive Director:
Ms. Chau Mei Wah

Independent Non-executive Directors:
Hon. Shek Lai Him, Abraham, *GBS, JP (Joint Vice Chairman)*, Mr. Ip Hon Wah, Mr. Pang, Anthony Ming-tung

In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.