



敏捷控股
NIMBLE HOLDINGS

NIMBLE HOLDINGS COMPANY LIMITED

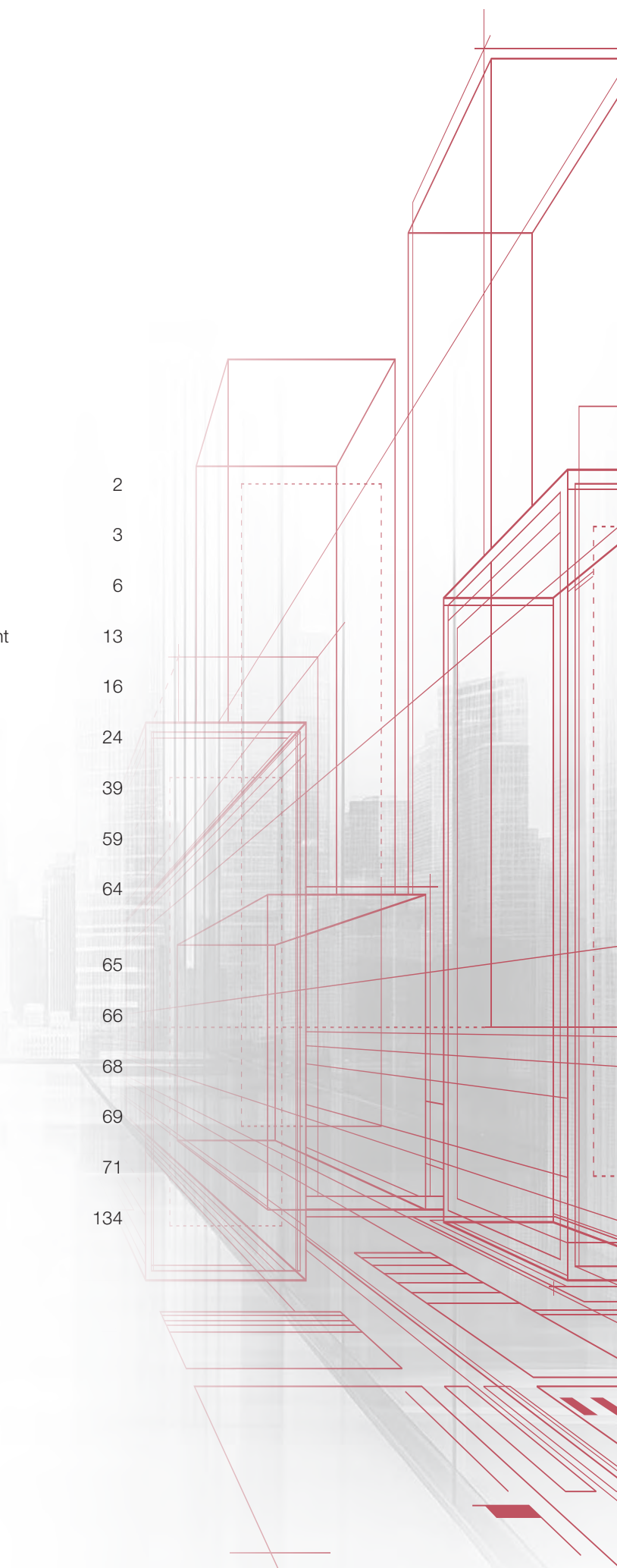
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock code: 186)

ANNUAL REPORT
2024/25

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tan Bingzhao
Mr. Deng Xiangping
Mr. Yan Guohao
Ms. Liang Minling
Mr. Hu Desheng

Independent Non-Executive Directors

Dr. Lin Jinying
Dr. Lu Zhenghua
Dr. Ye Hengqing

AUDIT COMMITTEE

Dr. Lu Zhenghua (*Chairman*)
Dr. Lin Jinying
Dr. Ye Hengqing

REMUNERATION COMMITTEE

Dr. Lin Jinying (*Chairman*)
Dr. Lu Zhenghua
Dr. Ye Hengqing

NOMINATION COMMITTEE

Mr. Tan Bingzhao (*Chairman*)
Dr. Lin Jinying
Dr. Ye Hengqing

COMPANY SECRETARY

Mr. Kwok Pak Shing

ASSISTANT COMPANY SECRETARY

Ms. Linda Longworth
International Managers Bermuda Ltd.

LEGAL ADVISORS

Stephenson Harwood
Johnnie Yam, Jackie Lee & Co.

AUDITOR

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

REGISTERED OFFICE

Wessex House, 5th Floor
45 Reid Street
Hamilton HM 12, Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat C01, 32/F, TML Tower
3 Hoi Shing Road, Tsuen Wan
New Territories
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

186

COMPANY'S WEBSITE

www.nimbleholding.com

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present the annual business review and outlook of Nimble Holdings Company Limited (the “**Company**”) and its subsidiaries (together as the “**Group**”) for the year ended 31 March 2025 (the “**Year**”).

During the Year, in the face of challenges brought about by the macro environment and fluctuations in the industry, the Group overcame all difficulties and proactively adapted market changes. The Group recorded a decrease in revenue to HK\$1,451 million, representing a decrease of approximately HK\$779 million as compared to the revenue of HK\$2,230 million for the year ended 31 March 2024 (the “**Corresponding Year**”), and a year-on-year decrease of approximately 35%. To address the cyclical changes in PRC property market, the Group has slowed down the construction progress of certain property projects, accordingly the area of completed properties and the recognised revenue decreased. Due to this reason, the profit attributable to owners of the Company decreased to HK\$1 million for the Year.

PRC PROPERTY DEVELOPMENT BUSINESS

The Group has a total of six projects under various development phases. All of them have entered into the pre-sale stage and will continue to generate cash flow in the future to support the stable development of the Group's future results. During the Year, the property market in the PRC was still in an alternating period of the market cycle, and exhibited a volatile trend. In 2024, the real estate market witnessed a sustained relaxation of policies as the government intensified efforts to reverse the downturn and stabilise the market, reflected by the ongoing optimisation of policies and measures to support steady and healthy market development. In the second half of 2024, the market began to pick up as the effects of policies gradually emerged. Under such background, the Group responded to the changes in the market in a positive manner by making appropriate adjustments to its development plans, formulating flexible development and sales programs, enriching and improving its ancillary facilities and meticulous management in order to effectively enhance its competitiveness in the market. During the Year, the Group achieved total attributable contracted sales of approximately RMB700 million, with the total attributable contracted sales area of approximately 86,500 square metres, and the average sales price of approximately RMB7,900 per square metre. The contracted sales contributed to the Group's sales performance and stable cash flow, which enabled the stable development of various projects during the Year and also laid a good foundation for the Group's sustainable development.

The Group actively responded to the government's request in ‘guaranteeing property deliveries and safeguarding people's livelihood’ and strictly implemented its corporate responsibility by completing the delivery of all projects in a quality and punctual manner, honouring its delivery commitment through strength and commitment, and delivering a satisfactory resolution to all sectors of the society. To deal with the condition and cyclical changes of the property market in the PRC, the Group has slowed down the construction progress of certain property projects. As a result, the Group's the area delivered was just approximately 166,400 square metres for the Year, representing a year-on-year decrease of 41% as compared to the Corresponding Year; the revenue from property development in the PRC decreased from HK\$2,087 million for the Corresponding Year to HK\$1,341 million for the Year, representing a year-on-year decrease of 36% as compared to the Corresponding Year. As a result of the decrease in revenue for the Year, a profit of HK\$37 million was recorded in the PRC property development segment, after deducting the net impairment loss recognised/reversed in respect of properties under development and completed properties held for sale.

CHAIRMAN'S STATEMENT

PRC HOUSEHOLD APPLIANCES BUSINESS/USA DISTRIBUTION OF HOUSEWARE PRODUCTS AND AUDIO PRODUCTS BUSINESS

During the Year, impacted by the real estate market adjustments in the PRC, the relevant construction volume remained low. The Group's revenue from the PRC household appliances business decreased from HK\$72 million for the Corresponding Year to HK\$26 million for the Year. The Group adapted to the market change by reducing costs and enhancing efficiency. Nevertheless, these measures were not able to wholly offset the effect from the revenue reduction, as a result, the PRC household appliances segment was making a profit of HK\$1 million.

Revenue from Emerson's USA distribution of houseware products and audio products business increased from HK\$71 million for the Corresponding Year to HK\$84 million for the Year due to increased demand for certain audio and houseware products. Since the increase in costs and expenses was in line with the increase in revenue, segment loss of Emerson for the Year was HK\$36 million.

OUTLOOK AND STRATEGY

In 2025, The Central Government Work Report in 2025 emphasised "continuous efforts to promote the stabilisation and recovery of the real estate market", proposed "stabilising the property market" for the first time and incorporated it into the overall requirements and policy orientations for economic and social development, indicating that the stability of the real estate market is directly related to the macroeconomy. The real estate industry will stabilise and reverse the downturn through the support from a number of favourable policies. It is expected that the real estate market will see emerging opportunities for recovery. In long run, the growth potential and resilience of the PRC's economy as well as the purchasing powers of residents will continue to improve. Looking ahead, the Group will focus its efforts on the following areas in order to promote the Group's stable and sustainable development:

- I. Building a strong foundation for development by focusing on the property development business. The Group will adhere to the market-oriented approach, focus on the development and delivery of existing projects, strengthen lean management, accelerate sales returns, make every effort to achieve its annual sales and various operating targets, ensure safe operating cash flow and financial stability. The Group aim at a quality sustainable development, thereby creating value for our shareholders.

CHAIRMAN'S STATEMENT

- II. Coordinating with favourable policies and exploring investment opportunities. Following the favourable policies and the market recovery, the Group will also pay close attention to the land market with a cautiously optimistic attitude and seek for appropriate opportunities in project investments, in order to supplement the land reserve and support the layout of long-term development. Meanwhile the Group will also keep an eye on other opportunities in the property sector to lay the foundation for sustainable and steady development.
- III. Dealing with the change of conditions in both the PRC household appliances business and the USA distribution of houseware products and audio products business. Following with the recovery of the property market in the PRC, the PRC household appliances business shall resume the sale orders and optimize measures of reducing cost and enhancing efficiency to improve operational results. With regard to the operation of Emerson, intensifying international trade barriers will put pressure on its operation. The Group will continue to monitor the trade and political environment and work to mitigate the potential impact of tariffs through elastic pricing strategies, adjusting the structure of supply chains and diversifying suppliers.

I would like to express my sincere gratitude to the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company, the management and all the staff for their unwavering commitment and dedication in contributing to the continuous development of the Group. I would also like to take this opportunity to thank our shareholders, customers and business partners for their full trust and support.

Tan Bingzhao
Chairman

30 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group recorded a revenue of HK\$1,451 million for the Year as compared to HK\$2,230 million for the Corresponding Year, representing a decrease of approximately 35%. The decrease in revenue was mainly due to the decrease in sales revenue of property development business in the Year. During the Year, according to the construction plan, certain phases of the Ningxiang, Yangjiang, Gongyi, Yongzhou and Shantou projects have been completed and property units were delivered to the ultimate customers. Revenue from recognised sales of property development which amounted to HK\$1,341 million was recorded in the Consolidated Statement of Profit or Loss of the Group for the Year. To address the cyclical changes in PRC property market, the Group has slowed down the construction progress of certain property projects, accordingly the area of completed properties and the recognised revenue decreased. The needs of household appliances, wires and cables were reduced due to low construction volume in the market. Revenue generated from the trading of household appliances, wires and cables in the PRC decreased from HK\$72 million for the Corresponding Year to HK\$26 million for the Year, representing a decrease of approximately 64%. Emerson recorded an increase in revenue from HK\$71 million for the Corresponding Year to HK\$84 million for the Year, representing an increase of approximately 18%. Sales of audio and houseware products of Emerson recorded increases, driven by the increase in demand from customers for new models introduced during the Year. The Group recorded an audited profit attributable to the owners of the Company (the “**Owners**”) of HK\$1 million for the Year, comparing to the audited profit attributable to the Owners of HK\$132 million for the Corresponding Year. Comparing to the Corresponding Year, the major changes in the Consolidated Statement of Profit or Loss items were (i) a decrease in revenue from property development resulting in the decreased overall gross profit of the Group; (ii) tighter control in all types of expenses incurred by the Group; and (iii) the impairment loss recognised in respect of completed properties held for sale incurred during the Year.

As at 31 March 2025, the principal business activities of the Group included PRC property development business, Emerson’s operation and the PRC household appliances business.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (continued)

PRC property development business

Sales of properties

During the Year, completed property units of Ningxiang, Yangjiang, Gongyi, Yongzhou and Shantou projects were delivered to the ultimate customers, the area of properties delivered decreased to approximately 166,400 sq.m. (Corresponding Year: approximately 282,200 sq.m.). Sales of properties decreased by approximately 36% from HK\$2,087 million for the Corresponding Year to HK\$1,341 million for the Year. Due to the decrease in revenue, the PRC property development business contributed a segment profit of HK\$85 million to the Group during the Year. The sales of properties revenue by project are summarised as follows:

Name of the project	Approximate amount (after tax) Years ended		Approximate saleable areas delivered Years ended	
	31 March 2025 (HK\$ million)	31 March 2024 (HK\$ million)	31 March 2025 (sq.m.)	31 March 2024 (sq.m.)
Ningxiang Minjie Ziyun Fu [#] (寧鄉敏捷紫雲府)	5	188	2,200	40,300
Gongyi Minjie Jinxiu Yuanzhu [#] (鞏義敏捷錦綉源築)	328	487	50,500	64,500
Yangjiang Minjie Dongyue Fu [#] (陽江敏捷東樾府)	168	263	29,700	45,400
Yongzhou Minjie Jinyue Fu [#] (永州敏捷金玥府)	51	401	10,600	73,900
Shantou Minjie Jinglong Wan [#] (汕頭敏捷璟瓏灣)	789	748	73,400	58,100
Total	1,341	2,087	166,400	282,200

[#] For identification purposes only

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (continued)

PRC property development business (continued)

Contracted sales

All projects under development have been in pre-sales during the Year. The Group's attributable contracted sales during the Year were approximately RMB688 million with approximately 86,500 sq.m. sold and the average selling price was approximately RMB7,900 per sq.m., whereas the Group's attributable contracted sales during the Corresponding Year were approximately RMB886 million with approximately 110,500 sq.m. sold and the average selling price was approximately RMB8,000 per sq.m.. The contracted sales for the two years are summarised as follows:

Name of the project	Approximate attributable total value		Approximate attributable saleable areas sold	
	Years ended		Years ended	
	31 March 2025 (RMB million)	31 March 2024 (RMB million)	31 March 2025 (sq.m.)	31 March 2024 (sq.m.)
Ningxiang Minjie Ziyun Fu [#] (寧鄉敏捷紫雲府)	6	14	1,600	3,800
Gongyi Minjie Jinxiu Yuanzhu [#] (鞏義敏捷錦綉源築)	131	260	21,800	36,500
Yangjiang Minjie Dongyue Fu [#] (陽江敏捷東樾府)	100	116	18,900	21,800
Guangxi Nanning Minjie Huayu Jinxiu Jiangchen [#] (廣西南寧敏捷華宇錦綉江辰) [^]	17	10	2,000	800
Shantou Minjie Jinglong Wan [#] (汕頭敏捷璟龍灣)	388	367	32,400	29,600
Yongzhou Minjie Jinyue Fu [#] (永州敏捷金玥府)	46	81	9,800	16,000
Ningbo Yunyue Xingzhu Huayuan [#] (寧波雲玥星著花園) [*]	–	38	–	2,000
Total	688	886	86,500	110,500

[#] For identification purposes only.

[^] Nanning project has been disposed in May 2024. The figures in the Year represented the contracted sale for April and May of 2024.

^{*} Ningbo project has been disposed in May 2023. The figures in the Year represented the contracted sale for April and May of 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (continued)

PRC property development business (continued)

Projects under development

Projects under development amounted to approximately 318,800 sq.m. attributable gross floor area ("GFA") as at 31 March 2025 (as at 31 March 2024: approximately 617,700 sq.m.), details of which are set out below:

Location	Approximate attributable GFA Years ended		Approximate attributable saleable area Years ended	
	31 March 2025 (sq.m.)	31 March 2024 (sq.m.)	31 March 2025 (sq.m.)	31 March 2024 (sq.m.)
Ningxiang, Hunan	20,100	24,500	19,100	19,100
Gongyi, Henan	48,200	89,400	32,400	74,500
Yangjiang, Guangdong	56,700	95,900	47,200	79,700
Nanning, Guangxi*	–	115,000	–	93,200
Shantou, Guangdong	147,900	244,100	118,500	198,700
Yongzhou, Hunan	45,900	48,800	36,500	38,000
Total	318,800	617,700	253,700	503,200

* Nanning project has been disposed in May 2024.

Properties held for sale

During the Year, properties with a saleable area of approximately 193,600 sq.m. from Yangjiang, Gongyi, Yongzhou and Shantou projects have been certified as completed. Including the unsold completed properties brought forward from 31 March 2024 of approximately 74,400 sq.m., total saleable area of approximately 268,000 sq.m. of properties held for sale was available for the Year. As approximately 166,400 sq.m. in saleable area has been recognized as sales of property development during the Year, the remaining properties held for sale as recorded in the Consolidated Statement of Financial Position as at 31 March 2025 were approximately 101,600 sq.m. in saleable area.

Land bank

As at 31 March 2025, the Group's attributable land bank was approximately 69,300 sq.m. and approximately 55,400 sq.m. in GFA and saleable area respectively (as at 31 March 2024: approximately 72,400 sq.m. and approximately 55,400 sq.m. respectively), distributed across two cities and regions. Details are as below:

Location	Approximate attributable GFA Years ended		Approximate attributable saleable area Years ended	
	31 March 2025 (sq.m.)	31 March 2024 (sq.m.)	31 March 2025 (sq.m.)	31 March 2024 (sq.m.)
Gongyi, Henan	–	3,100	–	–
Yongzhou, Hunan	69,300	69,300	55,400	55,400
Total	69,300	72,400	55,400	55,400

MANAGEMENT DISCUSSION AND ANALYSIS

Emerson operations business

Emerson, a 72.4% owned subsidiary, whose shares are listed on the NYSE in the USA, generated revenue of HK\$84 million for the Year as compared to HK\$71 million for the Corresponding Year, representing an increase of approximately 18%. The increase in revenue was mainly resulting from the increased consumer demand for audio and houseware products. Since the increase in costs and expenses was in line with the increase in revenue, segment loss of Emerson for the Year was HK\$36 million as compared to the segment loss of HK\$26 million for the Corresponding Year.

PRC household appliances business

As impacted by the adjustment of the real estate industry in the PRC, the relevant construction volume remained low. Accordingly, needs of household appliances, wires and cables were reduced. Trading of household appliances, wires and cables in the PRC recorded a revenue of HK\$26 million for the Year, as compared to HK\$72 million for the Corresponding Year, representing a decrease of approximately 64%. Due to the revenue dropped during the Year, the operation has generated a segment profit of HK\$1 million for the Year as compared to the segment profit of HK\$6 million for the Corresponding Year.

Profit Attributable to the Owners for the Year

For the year ended 31 March 2025, the Group recorded a profit attributable to the Owners of approximately HK\$1 million (Corresponding Year: HK\$132 million).

After excluding non-recurring items (including impairment losses, gains on disposal of a subsidiary, gains on settlement of litigation etc.) from the profit attributable to the Owners, the core profit attributable to the Owners for the Year amounted to approximately HK\$24 million (Corresponding Year: HK\$166 million).

LIQUIDITY AND FINANCIAL RESOURCES

The current ratio of the Group as at 31 March 2025 was approximately 1.13 as compared to approximately 1.28 as at 31 March 2024. The decrease in the current ratio was mainly attributable to the increase in the balance of amounts due to related parties, repayable within one year.

During the Year, the Group's working capital requirements were mainly financed by internal resources and external borrowings as the Group continued to generate cash from its PRC property development business.

As at 31 March 2025, the Group had cash and bank balances of HK\$1,052 million (as at 31 March 2024: HK\$1,250 million). Excluding restricted bank deposits of HK\$820 million (as at 31 March 2024: HK\$955 million), the cash and bank balances amounted to HK\$232 million (as at 31 March 2024: HK\$295 million), of which HK\$104 million, HK\$4 million and HK\$124 million (as at 31 March 2024: HK\$126 million, HK\$13 million and HK\$156 million) were denominated in RMB, HK\$ and US\$, respectively.

The Group had no particular seasonal pattern of interest-bearing bank loans. The committed interest-bearing banking facilities available to the Group but not drawn as at 31 March 2025 amounted to approximately HK\$426 million (as at 31 March 2024: approximately HK\$427 million).

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 March 2025, the Group had outstanding interest-bearing bank loans of HK\$198 million (as at 31 March 2024: HK\$218 million), which was repayable on demand or within one year. The bank loan was secured by certain properties under development of the Group and the shares in Shantou Ruijing Real Estate Development Co., Ltd[#] (汕頭市瑞景房地產開發有限公司) (an indirect wholly-owned subsidiary of the Company) and guaranteed by related parties. The effective interest rate of the bank borrowing as at 31 March 2025 was at approximately 4.2%. The borrowing was in RMB and at floating interest rate bench-marked to rates published by the People's Bank of China. During the Year, the Group considered the RMB interest rate environment relatively stable and with the Group's borrowings substantially in RMB that matched income and assets predominantly in RMB, the Group did not consider it necessary to hedge its interest rate exposure.

NET GEARING RATIO

As at 31 March 2025, the Group has net cash position of HK\$631 million (as at 31 March 2024: net cash position of HK\$483 million), expressed as the difference between cash and bank balances and interest-bearing borrowings (including bank loans and amounts due to related parties).

CONTINGENT LIABILITIES

Detail of contingent liabilities of the Group is set out in Note 36 of the Consolidated Financial Statements.

LEGAL CASES

Detail of legal cases of the Group is set out in Note 37 of the Consolidated Financial Statements.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group had contracted, but not provided for, capital expenditure commitments of HK\$560 million (as at 31 March 2024: HK\$1,408 million) in respect of properties under development.

CHARGES ON GROUP ASSETS

As at 31 March 2025, properties under development with aggregate carrying amount of HK\$7 million were pledged to secure bank borrowing facilities for the Group (as at 31 March 2024: HK\$7 million).

TREASURY POLICIES

The Group's revenues are mainly in US dollars and RMB. Since the Hong Kong dollars is linked with the US dollars, the Group is not exposed to significant currency risks in transactions settled in US dollars. However, for transactions settled in RMB, the Group will be exposed to foreign currency risks. The Group offsets the corresponding risks mainly through natural hedging and has not participated in any speculative trading of derivative financial instruments, but will carefully consider whether to conduct currency swaps at an appropriate time to hedge against corresponding risks. The Group will closely monitor and manage its foreign currency exposure and make use of appropriate measures when required. The Group's objective is to maintain a balance between continuity of funding and flexibility through the effective use of its internal financial resources and bank and other borrowings.

[#] For identification purposes only

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 29 May 2024, Guangzhou Junrong Real Estate Co., Ltd.[#] (廣州駿榮房地產有限公司) (“**GZ Junrong**”), an indirect wholly-owned subsidiary of the Company, and Guangzhou Minjun Real Estate Co., Limited[#] (廣州敏駿房地產有限公司) (“**GZ Minjun**”) entered into a sale and purchase agreement, pursuant to which GZ Junrong has conditionally agreed to sell, and GZ Minjun has conditionally agreed to purchase, the entire share capital of Guangzhou Ruihua Property Development Company Limited[#] (廣州市瑞華物業發展有限公司), an indirect wholly-owned subsidiary of the Company, at the consideration of RMB12,000,000 (equivalent to approximately HK\$12,946,800) (the “**2024 Disposal**”). The 2024 Disposal was completed on 30 May 2024.

As at the date of the sale and purchase agreement, GZ Minjun is a majority-controlled company of a family member of Mr. Tan, the Chairman, an executive Director and a controlling shareholder of the Company. Therefore, GZ Minjun is a connected person of the Company pursuant to Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) by virtue of being an associate of Mr. Tan, a connected person of the Company. Accordingly, the 2024 Disposal constitutes a connected transaction for the Company and is therefore subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Further details were disclosed by the Company in its announcement dated 29 May 2024.

Except for the above, the Group had no material acquisition or disposal of subsidiaries nor affiliated companies for the Year.

MATERIAL EVENTS AFTER THE YEAR

Other than those disclosed in this report, there were no other significant events occurred up to the date of this report.

SIGNIFICANT INVESTMENT

The Group did not make any new significant investment during the Year.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not have any concrete plan for material investments or capital assets for the coming 12 months from the date of this report.

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Group as at 31 March 2025 was 73 (as at 31 March 2024: 101). During the Year, the Group’s staff costs (inclusive of Directors’ emoluments) were approximately HK\$44 million (the Corresponding Year: approximately HK\$42 million). The Group remunerates its employees mainly based on industry practice, individual performance and experience. Apart from the basic remuneration, a discretionary bonus may be granted to eligible employees by reference to the Group’s performance as well as to an individual’s performance in the relevant financial year. Other benefits include medical and retirement schemes.

[#] For identification purposes only

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Tan Bingzhao

Mr. Tan Bingzhao (“**Mr. Tan**”), aged 61, has been appointed as an executive Director, the chairman of the Board and the chief executive officer of the Company with effect from 2 December 2017. Mr. Tan is also the chairman of the Nomination Committee of the Company. He serves as a director of certain subsidiaries of the Company since January 2018. He is currently the honorary chairman and was the president of Guangzhou Nimble Investment Limited[#] (“**Guangzhou Nimble**”, 廣州市敏捷投資有限公司) from 2004 to 2014. Guangzhou Nimble is a company established in the PRC in 2004 and principally engaged in property development and investment holding. Mr. Tan possesses extensive experience in property development and investment in the PRC as well as corporate management. Mr. Tan graduated from Guangdong Open University (previously known as “Guangdong Radio and TV University”[#]) in 1987, specialising in industrial building and civil construction. He obtained a degree of Master of Business Administration from The Chinese University of Hong Kong in November 2020.

Mr. Deng Xiangping

Mr. Deng Xiangping (“**Mr. Deng**”), aged 61, has been appointed as an executive Director of the Company with effect from 2 December 2017. He was the assistant to the president of Guangzhou Nimble. He possesses extensive experience in real estate development and construction industries. Mr. Deng graduated from Guangzhou Institute of Technology (previously known as “Guangzhou Workers Amateur University”[#]) in 1989, specialising in economic management. Mr. Deng completed the advanced financial management program organised by School of Business of Sun Yat-Sen University in 2006.

Mr. Yan Guohao

Mr. Yan Guohao (“**Mr. Yan**”), aged 39, has been appointed as an executive Director of the Company with effect from 31 March 2023. He joined the Group in March 2021 and has been appointed as the deputy general manager of Guangzhou Nimble Household Appliances Trading Ltd[#] (廣州敏捷家電貿易有限公司), a wholly-owned subsidiary of the Company in the PRC and Swift Up Limited, a wholly-owned subsidiary of the Company in Hong Kong, since August 2022 and February 2023 respectively. He was the executive assistant of the chief executive officer of Guangzhou Nimble before March 2021. He has extensive experience in real estate development industry. He graduated from South China Agricultural University[#] (華南農業大學) in 2011, majoring in civil engineering management.

Ms. Liang Minling

Ms. Liang Minling (“**Ms. Liang**”), aged 46, has been appointed as an executive Director of the Company with effect from 31 March 2023. She serves as a director of certain subsidiaries of the Company since October 2023. She was a finance manager of Guangzhou Jinxiu Dadi Real Estate Company Limited[#] (廣州錦繡大地房地產有限公司) up to December 2010. She then joined Guangzhou Nimble to act as the deputy financial controller up to June 2014. She was a senior consultant in real estate and finance of Vigers Appraisal and Consulting Limited until February 2023. Ms. Liang has extensive experience in real estate development industry and finance and accounting field. She graduated from Guangzhou Radio and Television University[#] (廣州市廣播電視大學) in 2003, majoring in accounting. She also obtained a bachelor degree from Southwestern University of Finance and Economics[#] (西南財經大學) in 2016, majoring in accounting.

Mr. Hu Desheng

Mr. Hu Desheng (“**Mr. Hu**”), aged 59, has been appointed as an executive Director of the Company effective from 20 March 2024. He was the chairman of Guangzhou Ruixin Pipeline & Cable Installment Engineering Co., Ltd.[#] (廣州睿信管線安裝工程有限公司) until October 2020, and then as the general manager of Guangdong Fengjing Zhilian Cultural Tourism Investment And Development Co., Ltd.[#] (廣東風景智聯文化旅遊投資開發有限公司) from October 2020 to 19 March 2024. Mr. Hu possesses extensive experience in property development and the cultural travel industry.

[#] For identification purposes only

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Lin Jinying

Dr. Lin Jinying (“**Dr. Lin**”), aged 62, has been appointed as an independent non-executive Director with effect from 2 December 2017. She is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee of the Company. Dr. Lin obtained her bachelor’s degree in chemistry from South China Normal University in 1984 and her postgraduate diploma in food engineering in Jiangnan University (previously known as “Wuxi Institute of Light Industry”[#]) in 1987. She received her doctorate degree in food engineering from South China University of Technology (“**SCUT**”) in 2010.

Dr. Lu Zhenghua

Dr. Lu Zhenghua (“**Dr. Lu**”), aged 62, has been appointed as an independent non-executive Director with effect from 2 December 2017. She is also the chairman of the Audit Committee and a member of the Remuneration Committee of the Company. She is currently an associate professor of School of Business Administration of SCUT, engaging in educational work in accounting and finance. Dr. Lu obtained a bachelor’s degree in accounting from Jiangxi University of Finance and Economics in 1986 and a master’s degree in economics from Jinan University in 1998. She received a doctorate degree in business administration from Macau University of Science and Technology in 2008. Dr. Lu is currently a non-practising member of the Chinese Institute of Certified Public Accountants.

Dr. Lu has served as an independent director of Guangzhou Tech-Long Packaging Machinery Co., Ltd. (廣州達意隆包裝機械股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002209) since December 2022; an independent director of Wens Foodstuff Group Co., Ltd. (溫氏食品集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300498) since December 2021; an independent director of Guangzhou Baiyun International Airport Co., Ltd. (廣州白雲國際機場股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600004) since February 2023.

Dr. Lu served as an independent director of Guangzhou Hi-target Navigation Tech Co., Ltd. (廣州中海達衛星導航技術股份有限公司) (a company listed on the Growth Enterprise Market of the Shenzhen Stock Exchange, stock code: 300177) from May 2017 to May 2023; a director of Guangdong Dazhi Environmental Protection Technology Co., Ltd. (廣東達志環保科技股份有限公司) (a company listed on the Growth Enterprise Market of the Shenzhen Stock Exchange, stock code: 300530) from August 2014 to August 2017; an independent nonexecutive director of Guangdong Yueyun Transportation Company Limited (廣東粵運交通股份有限公司) (a company listed on the Main Board of the Hong Kong Stock Exchange, stock code: 3399) from June 2012 to August 2022; an independent director of Super-Dragon Engineering Plastic Co., Ltd. (廣州市聚賽龍工程塑料股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301131) from February 2016 to May 2022.

Dr. Ye Hengqing

Dr. Ye Hengqing (“**Dr. Ye**”), aged 53, has been appointed as an independent non-executive Director with effect from 2 December 2017. He is also a member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He is currently a professor of Department of Logistics and Maritime studies in the Faculty of Business of The Hong Kong Polytechnic University. Prior to joining The Hong Kong Polytechnic University, Dr. Ye taught at the NUS Business School of National University of Singapore. Dr. Ye obtained a bachelor’s degree and master’s degree in applied mathematics from SCUT in 1993 and 1996 respectively. He received his doctorate degree in industrial engineering and engineering management from the Hong Kong University of Science and Technology in 2000.

[#] For identification purposes only

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

For the biographical details of Mr. Tan Bingzhao, please refer to “Executive Directors” in this section.

M. Kwok Pak Shing

Mr. Kwok Pak Shing (郭柏成), aged 41, was appointed as the chief financial officer and company secretary of the Company on 15 January 2025 and is responsible for finance, accounting and company secretary related matters of the Company.

Mr. Kwok obtained a bachelor’s degree of arts in business studies from The Hong Kong Polytechnic University in 2006. He is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwok has over 15 years of experience in accounting, auditing, corporate finance, financial management and corporate governance matters. Prior to joining the Company, Mr. Kwok was the chief financial officer of Times Neighborhood Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 9928). Prior to this role, Mr. Kwok served as a manager in a reputable international accounting firm, and as the company secretary and financial controller/chief financial officer in three companies listed in Hong Kong. He was an independent non-executive director of A Metaverse Company (formerly known as Starrise Media Holdings Limited) from 27 March 2020 to 26 May 2025, a company listed on the Main Board of the Stock Exchange (stock code: 1616).

Mr. Hui Chun Yip

Prior to the appointment of Mr. Kwok, Mr. Hui Chun Yip (許進業) was the chief financial officer and company secretary of the Company, who resigned on 15 January 2025 effectively.

Mr. Hui is a member of The Hong Kong Institute of Certified Public Accountants, and has more than 10 years working experience in the fields of finance, accounting and company secretarial related matters.

REPORT OF THE DIRECTORS

The Directors of the Company are pleased to present the report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and the principal activities of the major subsidiaries are set out in Note 40 to the consolidated financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a fair review of the business and a discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the Year, an indication of likely future development in the Group's business, and a discussion on the Company's environmental policies and performance, can be found in the "Chairman's Statement" section on pages 3 to 5 and the "Management's Discussion and Analysis" section on pages 6 to 12, the "Corporate Governance Report" section on pages 24 to 38, the "Environmental, Social and Governance Report" section on pages 39 to 58 and Note 5 to the consolidated financial statements on pages 88 to 94 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company was incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability whose shares are listed on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). The Group has compliance procedures in place to ensure adherence to applicable laws and regulations which have a significant impact on the Group. During the Year, so far as the Company is aware, the Group has complied with the relevant laws and regulations which have a significant impact on the Group in all material aspects, including the Companies Act 1981 of Bermuda, the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**").

SEGMENT INFORMATION

Details of revenue and segmented information are set out in Notes 6 and 7 to the consolidated financial statements respectively.

GROUP PROFIT

The Group's profit for the Year and the state of the Company's and the Group's financial affairs at that date are set out in the consolidated financial statements on pages 64 to 133 of this annual report.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the Year (Corresponding Year: Nil). No interim dividend was declared for the Year. There is no arrangement under which a shareholder has waived or agreed to waive any dividend.

DONATIONS

The Group made charitable donations approximately RMB10,000 during the Year.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group during the Year and the Corresponding Year, or subsisted as at 31 March 2025 or as at 31 March 2024.

BANK AND OTHER BORROWINGS

Particulars of borrowings of the Group as at the balance sheet date are set out in Notes 29 and 30 to the consolidated financial statements.

REPORT OF THE DIRECTORS

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 134 of this annual report.

PLANT AND EQUIPMENT

Details of movements in the plant and equipment of the Group are set out in Note 15 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in Note 40 to the consolidated financial statements.

SHARE CAPITAL

Details of movement in the share capital of the Company during the Year are set out in Note 31 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2025 and 31 March 2024, the Company did not maintain any reserve available for distribution to shareholders, calculated under the provisions of the Companies Act 1981 of Bermuda.

The Company's share premium account may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's largest customer and five largest customers accounted for approximately 3% and 6%, respectively, of the Group's total revenue for the Year. During the Year, the Group's revenue attributable to the Group's five largest customers was less than 30%.

Purchases from the Group's largest supplier and five largest suppliers accounted for approximately 50% and 83%, respectively, of the Group's total purchases for the Year.

None of the executive Directors, their close associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital (excluding treasury shares)) had any interest in the Group's major customers and suppliers.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes or cases of fatality due to workplace accidents were found during the Year.

The Group values the cooperation relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of procurement.

The Group values the views and opinions of all customers through various means and channels, including the usage of market research, to understand customer trends and needs and regularly analyses customer feedback.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors of the Company during the Year and up to the date of this report were as follows:

Executive Directors

Mr. Tan Bingzhao
Mr. Deng Xiangping
Mr. Yan Guohao
Ms. Liang Minling
Mr. Hu Desheng

Independent Non-Executive Directors

Dr. Lin Jinying
Dr. Lu Zhenghua
Dr. Ye Hengqing

The Company has received confirmations from the independent non-executive Directors of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considered all the independent non-executive Directors as independent.

In accordance with Bye-law 84(1) of the Company's Bye-laws (the "**Bye-laws**"), Mr. Tan Bingzhao, Mr. Yan Guohao and Dr. Lin Jinying will retire by rotation at the forthcoming annual general meeting of the Company (the "**AGM**") and, being eligible, have offered themselves for re-election at the AGM.

The Nomination Committee of the Company (the "**NC**"), after reviewing the composition of the Board, the qualifications, skill and experience, time commitment and contributions of the retiring Directors with reference to the Company's board diversity policy and corporate strategy, has recommended to the Board on the re-election of Mr. Tan Bingzhao, Mr. Yan Guohao and Dr. Lin Jinying as Directors at the forthcoming AGM. The Board accepted the recommendation from the NC and proposes re-election of Mr. Tan Bingzhao, Mr. Yan Guohao and Dr. Lin Jinying as Directors at the forthcoming AGM.

None of the Directors proposed for re-election at the forthcoming AGM has an unexpired service contract with the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

Biographies of the Directors are set out on pages 13 to 15 of this annual report.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in Note 12 to the consolidated financial statements.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENTS OR CONTRACTS

Save as disclosed on page 22 of this annual report and Note 35 to the consolidated financial statements, no Director or an entity connected with a Director was materially interested, either directly or indirectly, in any transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party at any time during the Year or as at the date of this report.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Year and up to the date of this annual report, none of the Directors was interested in any business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group.

SERVICE CONTRACT OF DIRECTORS

Mr. Tan and Mr. Deng Xiangping have entered into employment contracts with a subsidiary of the Company on 2 December 2023 for a fixed term of three years commencing from 2 December 2023 as Directors and subject to re-election.

Mr. Yan Guohao and Ms. Liang Minling have entered into employment contracts with a subsidiary of the Company on 21 February 2023 and 31 March 2023, respectively, for a fixed term of three years commencing from 31 March 2023 as Directors and subject to re-election.

Mr. Hu Desheng has entered into employment contract with a subsidiary of the Company on 20 March 2024, for a term of three years, commencing from 20 March 2024 as Director and subject to re-election.

All the existing independent non-executive Directors have entered into letters of appointment with the Company on 24 October 2023, for a fixed term of three years, commencing from 2 December 2023 as independent non-executive Directors and subject to re-election.

None of the above-mentioned employment contracts and letters of appointment are determinable within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

During the Year, no contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows (Note (i)):

Name of Director	Nature of interests	Number of shares held in the Company				Approximate percentage of total issued share capital
		Corporate interests	Note	Other interests	Note	
Mr. Tan	Long position	3,616,712,779	(ii)	439,180,000	(iii)	73.85%

REPORT OF THE DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Notes:

- (i) As at 31 March 2025, the total number of issued shares of the Company was 5,492,232,889.
- (ii) The 3,616,712,779 shares in which Mr. Tan is deemed to hold interests under the SFO are the shares held by Wealth Warrior Global Limited ("Wealth Warrior"), which is wholly owned by Mr. Tan.
- (iii) The 439,180,000 shares are owned by Merchant Link Holdings Limited and Rise Vision Global Limited, each of which holds 219,590,000 shares and they are indirectly wholly owned by a discretionary trust. Mr. Tan is a director of both Merchant Link Holdings Limited and Rise Vision Global Limited and is the settlor and a beneficiary of the discretionary trust. In this respect, Mr. Tan is deemed to hold interests of these shares under the SFO.

Save as disclosed above, none of the Directors or chief executive of the Company had, or were deemed to hold, any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 March 2025.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their spouse or children under 18 years of age, to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, nor were any such rights exercised by them.

INDEMNITY OF DIRECTORS

The Company has taken out and maintained Directors' liability insurance throughout the Year, which provides appropriate cover for legal actions brought against the Directors. The level of coverage is reviewed annually. Such permitted indemnity provision is currently in force.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 March 2025, so far as known to the Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of substantial shareholder	Capacity	Number of issued ordinary shares of HK\$0.01 each in the Company held	Approximate percentage of the issued share capital
Wealth Warrior	Beneficial owner	3,616,712,779 (L)	65.85%
Sino Bright Enterprises Co., Ltd. ("Sino Bright")	Beneficial owner and person having a security interest in shares	1,023,463,423 (L) (Note 1)	18.63%

REPORT OF THE DIRECTORS

INTERESTS OF SUBSTANTIAL SHAREHOLDERS (Continued)

Name of substantial shareholder	Capacity	Number of issued ordinary shares of HK\$0.01 each in the Company held	Approximate percentage of the issued share capital
LEHD Pte. Ltd. (“ LEHD ”)	Trustee	1,428,769,939 (L) (Notes 1, 2)	26.01%
Airwave Capital Limited (“ Airwave ”)	Interest of controlled corporation	405,306,516 (L) (Note 3)	7.38%
Barrican Investments Corporation (“ Barrican ”)	Beneficial owner and interest of controlled corporation	405,306,516 (L) (Notes 2, 4)	7.38%
Splendid Brilliance (PTC) Limited (“ Splendid Brilliance ”)	Trustee	439,180,000 (L) (Note 5)	8.00%
He Guichai	Interest of controlled corporation	439,180,000 (L) (Note 5)	8.00%

* The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such shares.

Notes:

- (1) Sino Bright, as beneficial owner, owns 23,463,423 shares representing approximately 0.42% of the total issued share capital of the Company. Sino Bright is deemed to be interested in 1,000,000,000 shares pursuant to the legal charge under the share mortgage dated 26 September 2017 in favour of Sino Bright (as mortgagee) granted by Wealth Warrior (as mortgagor) as security for the deferred consideration under the sale and purchase agreement dated 22 September 2017 between Sino Bright (as vendor) and Wealth Warrior (as purchaser).
- (2) LEHD is deemed to have interests in 1,428,769,939 shares as the trustee to the discretionary trust which owns the entire issued share capital of The Ho Family Trust Limited (“**The Ho Family Trust**”). The Ho Family Trust is deemed to be interested in the shares held by Barrican, McVitie Capital Limited (“**McVitie**”) and Sino Bright, which are wholly owned subsidiaries of The Ho Family Trust and directly own 335,260,845 shares, 70,045,671 shares and 1,023,463,423 shares, respectively.
- (3) Barrican is a wholly owned subsidiary of Airwave and owns 100% interests in McVitie. Accordingly, Airwave is deemed to be interested in the shares held by Barrican and McVitie.
- (4) McVitie is a wholly owned subsidiary of Barrican. Accordingly, Barrican is deemed to be interested in the shares held by McVitie.
- (5) Splendid Brilliance, being a party acting in concert with Wealth Warrior, is deemed to have interests in 439,180,000 shares as the trustee to the discretionary trust which indirectly owns the entire issued share capital of Merchant Link Holdings Limited and Rise Vision Global Limited, each of which holds 219,590,000 shares. Mr. Tan is a director of both Merchant Link Holdings Limited and Rise Vision Global Limited and is the settlor and a beneficiary of the discretionary trust. Ms. He Guichai is the sole director and sole shareholder of Splendid Brilliance.

Save as disclosed above, as at 31 March 2025, none of the Directors nor chief executive of the Company was aware of any other person (other than the Directors or chief executive of the Company) or corporation who had an interest or short position in the shares or underlying shares of the Company which were required to be recorded in the register kept by the Company under section 336 of the SFO.

REPORT OF THE DIRECTORS

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities, nor were there any sales of treasury shares of the Company during the Year. There was no treasury shares held by the Company during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws in Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

CONNECTED TRANSACTIONS

During the Year, the Corresponding Year and up to the date of this report, the Group conducted the following transaction which constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

On 29 May 2024, Guangzhou Junrong Real Estate Co., Ltd.* (廣州駿榮房地產有限公司) ("**GZ Junrong**"), an indirect wholly-owned subsidiary of the Company, and Guangzhou Minjun Real Estate Co., Limited* (廣州敏駿房地產有限公司) ("**GZ Minjun**") entered into a sale and purchase agreement, pursuant to which GZ Junrong has conditionally agreed to sell, and GZ Minjun has conditionally agreed to purchase, the entire share capital of Guangzhou Ruihua Property Development Company Limited* (廣州市瑞華物業發展有限公司) ("**GZ Ruihua**"), an indirect wholly-owned subsidiary of the Company, at the consideration of RMB12,000,000 (equivalent to approximately HK\$12,946,800) (the "**2024 Disposal**"). The 2024 Disposal would enable the Group to realise its investment in the GZ Ruihua, and reallocate its financial and other resources to other businesses of the Group.

As at the date of the sale and purchase agreement, GZ Minjun is a majority-controlled company of a family member of Mr. Tan, the Chairman, an executive Director and a controlling shareholder of the Company. Therefore, GZ Minjun is a connected person of the Company pursuant to Chapter 14A of the Listing Rules by virtue of being an associate of Mr. Tan, a connected person of the Company. Accordingly, the 2024 Disposal constituted a connected transaction for the Company and was therefore subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Please refer to the Company's announcement on 29 May 2024 for further information.

Other related party transactions

During the Year, the Group also had certain related party transactions, details of which are disclosed in Note 35 to the consolidated financial statements. These transactions either did not fall under the definition of connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules, or are connected transaction or continuing connected transactions, but are subject to exemptions under Chapter 14A of the Listing Rules and thus are fully exempt from the independent shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, during the Year and up to the date of this report, the Company had maintained the sufficient public float as required under the Listing Rules.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

REPORT OF THE DIRECTORS

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters, including the review of the Group's audited consolidated financial statements for the Year.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 24 to 38 of this annual report.

EVENTS AFTER BALANCE SHEET DATE

Details of significant events that occurred after balance sheet date are set out in Note 39 to the consolidated financial statements.

INDEPENDENT AUDITOR

The consolidated financial statements for the Year have been audited by ZHONGHUI ANDA CPA Limited who will retire and, being eligible, offer themselves for re-appointment as auditor at the forthcoming AGM of the Company.

The Company has changed its auditor in the past three years. Moore Stephens CPA Limited resigned as the auditor of the Company with effect from 21 April 2023, and ZHONGHUI ANDA CPA Limited was appointed on 21 April 2023. For further information, please refer to the announcement of the Company on 21 April 2023.

On behalf of the Board

Tan Bingzhao

Chairman

Hong Kong

30 June 2025

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the Year.

CORPORATE GOVERNANCE CODE

The Company's code on corporate governance practices was adopted by reference to the code provisions of the Corporate Governance Code (the "**Code**") as set out in Part 2 of Appendix C1 to the Listing Rules.

The execution and enforcement of the Company's corporate governance system is monitored by the Board with regular assessments and procedures in place to enable Shareholders to evaluate how the principles of corporate governance are applied.

The Board confirmed that the Company had complied with all principles and code provisions in the Code during the Year, except for the code provisions of the Code as noted hereunder.

Code Provision C.2.1

Mr. Tan has been acting as the chairman of the Board (the "**Chairman**") and the Chief Executive Officer ("**CEO**") of the Company since his appointment as a Director on 2 December 2017, which according to code provision C.2.1, the roles of these two positions should be separate and should not be performed by the same individual.

The Board has considered that the non-segregation would not result in concentration of power in one person and has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently. Furthermore, there were sufficient checks and balances in the Board and the Board comprised three independent non-executive Directors, which was in compliance with the requirement under the Listing Rules.

The primary role of the Chairman is to provide leadership for the Board and to ensure that it works effectively in the discharge of its responsibilities. The CEO is responsible for the day-to-day management of the Group's business. Their respective roles and responsibilities are set out in writing and have been approved by the Board. As mentioned above, the roles of the Chairman and the CEO have been performed by Mr. Tan. However, if the Board does find a suitable candidate for the position of CEO, the above roles will be separately discharged by different persons at that time.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION

The key principles of good governance require the Company to have an effective Board which is collectively responsible for its success, setting the Company's values and enhancing the shareholders' values. Non-executive Directors have particular responsibilities to oversee the Company's development, scrutinise its management performance, and advise on critical business issues.

The Company has a balanced Board of executive and non-executive Directors so that no individual or small group can dominate its decision-making process. The overall management of the Company's business is vested in the Board and the Directors are collectively responsible for promoting the success of the Company. The Board determines and monitors the Company strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the management of the Group, while the management is responsible for the day-to-day operations of the Group under the leadership of the Board. During the Year, the management has supplied the Board with adequate information, in a timely manner, to enable it to make informed decisions.

To help the Board discharge its duties and make decisions on particular aspects of the Company's affairs, Board committees, including Remuneration Committee ("RC"), NC, and Audit Committee ("AC"), have been established under the Company's Bye-laws. The Board has delegated to these Board committees various responsibilities set out in their respective terms of references, which are published on the websites of the Company and the Stock Exchange. Further details about these Board committees are discussed in the later part of this report.

The management has powers and authorities delegated by the Board and exercises such powers and authorities by the Board from time to time. The delegation arrangements are reviewed periodically to ensure that they remain appropriate to the Company's needs. The management assumes full accountability to the Board for the operation of the Group. There is a formal schedule of matters specifically reserved to and delegated by the Board. The Board has given clear directions to the management that certain matters must be reserved to the Board, including the followings:

- Publication of final and interim results of the Company
- Dividend distribution or other distribution
- Major issues of treasury policy, accounting policy and remuneration policy
- Review on risk management and internal control systems
- Corporate governance functions
- Changes to major group structure or board composition requiring notification by announcement
- Notifiable transaction and non-exempted connected transaction/continuing connected transaction
- Capital restructuring
- Financial assistance to the Directors

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION (continued)

During the Year and as at the date of this report, the Board has eight members composed as follows:

Executive Directors

Mr. Tan Bingzhao
Mr. Deng Xiangping
Mr. Yan Guohao
Ms. Liang Minling
Mr. Hu Desheng

Independent Non-Executive Directors

Dr. Lin Jinying
Dr. Lu Zhenghua
Dr. Ye Hengqing

The biographical details of the Directors and relationships between the members of the Board are set out on pages 13 to 15 of this annual report.

During the Year, the Company was in compliance with the requirement of Rule 3.10 and Rule 3.10A of the Listing Rules, the Company has appointed, at least, three independent non-executive Directors representing more than one-third of the Board, of which one holds professional accounting qualifications. The Company received a confirmation from each of the independent non-executive Directors confirming independence under Rule 3.13 of the Listing Rules. The Company and NC are of the view that all independent non-executive Directors are independent under the requirements of the Listing Rules.

During the Year, Mr. Tan, the Chairman, has led the Board and ensured that the Board worked effectively and that all important matters were discussed in a timely manner. Mr. Tan also worked as the CEO of the Company and was responsible for the day-to-day management, administration and operations of the Group during the Year. The Board has considered that the non-segregation would not result in concentration of power in one person and has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently.

Save as disclosed in this annual report, each Director does not have any financial, business, family or other material/relevant relationships with any Directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors is engaged on a service contract and each of the non-executive Directors (including independent non-executive Directors) are appointed for a specific term of three years. The appointment may be terminated by not less than three months written notice.

In accordance with code provision B.2.2 and the Company's Bye-laws, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed by the Board to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment, and any new Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

CORPORATE GOVERNANCE REPORT

APPOINTMENT AND RE-ELECTION OF DIRECTORS (continued)

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's Bye-laws. The NC is responsible for reviewing the board composition, monitoring the appointment/re-appointment and succession planning of Directors and assessing the independence of independent non-executive Directors.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT FOR DIRECTORS

Each newly appointed Director receives a comprehensive induction covering business operations, policies and procedures of the Company as well as the statutory obligations of being a director to ensure that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and other relevant regulatory requirements.

Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company arranges a wide range of professional development courses relating to the Listing Rules, the Hong Kong Companies Ordinance and corporate governance practices organised by professional bodies and institutions for the Directors continuously in order that they can continuously update and further improve their relevant knowledge and skills in compliance with code provision C.1.4.

The existing Directors have already attended a comprehensive induction training conducted by our corporate lawyer upon their initial appointment date. No separate training course was arranged since their appointment up to the end of the Year. However, materials received from the Stock Exchange or corporate lawyer in relation to the duties of directors have been forwarded to the Directors for their information during the Year.

Peruse regular updates on the Group's business, operations, and financial matters, as well as regulatory updates on applicable legal and regulatory requirements

Executive Directors

Mr. Tan Bingzhao
Mr. Deng Xiangping
Mr. Yan Guohao
Ms. Liang Minling
Mr. Hu Desheng

Independent Non-executive Directors

Dr. Lin Jinying
Dr. Lu Zhenghua
Dr. Ye Hengqing

CORPORATE GOVERNANCE REPORT

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made to all Directors and each of them has confirmed that they have complied with the Model Code during the Year.

The Company has also established written guidelines on no less exacting terms than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by employees of the Company (other than Directors) who are likely to be in possession of inside information of the Company.

There is no incident of non-compliance with the Employees Written Guidelines by the employees that should be brought to the attention of shareholders.

DIRECTORS AND OFFICERS INSURANCE

The Company has arranged appropriate directors’ and officers’ liabilities insurance coverage for the Directors and officers of the Group.

BOARD MEETINGS

Board Practices and Conduct of Meetings

The Board meets at least four times a year with at least 14 days’ notices and additional meetings with reasonable notices are held as and when the Board considers appropriate. Other than regular meetings, the Chairman meets with the independent non-executive Directors without the presence of executive Directors pursuant to code provision C.2.7, to facilitate an open discussion among the independent non-executive Directors on issues relating to the Group. Agenda and accompanying meeting materials are sent to all Directors at least three days in advance of each regular board meeting. Directors may participate in meetings in person, by phone or by other communication means.

The company secretary records all matters considered by the Directors, decisions reached and any concerns raised at the meetings. Draft and final versions of the minutes are sent to all Directors for their comments and records respectively within a reasonable time. Also, Directors may approve various matters by way of passing written resolutions.

Directors may seek independent professional advice in appropriate circumstances at the Company’s expense.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS (continued)

Board Practices and Conduct of Meetings (continued)

Four meetings of the Board were held during the Year and the attendance records of the members of the Board are set out below:

Name of Directors	Number of meetings attended/eligible to attend
Mr. Tan Bingzhao	4/4
Mr. Deng Xiangping	4/4
Mr. Yan Guohao	4/4
Ms. Liang Minling	4/4
Dr. Lin Jinying	4/4
Dr. Lu Zhenghua	4/4
Dr. Ye Hengqing	4/4
Mr. Hu Desheng	4/4

Moreover, there were an AGM held during the Year, the attendance records of the members of the Board are set out below:

Name of Directors	Number of meetings attended/eligible to attend Annual General Meeting
Mr. Tan Bingzhao	1/1
Mr. Deng Xiangping	1/1
Mr. Yan Guohao	1/1
Ms. Liang Minling	1/1
Dr. Lin Jinying	1/1
Dr. Lu Zhenghua	1/1
Dr. Ye Hengqing	1/1
Mr. Hu Desheng	1/1

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established three Board committees, namely, the NC, the RC, and the AC. All committees have respective terms of references clearly defining their powers and responsibilities delegated by the Board. All committees should report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.

Nomination Committee

Currently, the NC is chaired by Mr. Tan and comprises two additional members, namely Dr. Lin and Dr. Ye. All of them were appointed as members of the NC with effect from 2 December 2017. The majority of the NC comprises of independent non-executive Directors.

The NC is responsible for (a) reviewing and monitoring the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (b) identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (c) assessing the independence of independent non-executive Directors annually, bearing in mind the circumstances set out in Rule 3.13 of the Listing Rules; (d) making recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors, in particular the Chairman and CEO; (e) deciding whether a Director is able to and has adequately carried out his duties as a Director of the Company, in particular where the Director concerned has multiple board representations. Where possible, the NC shall formulate internal guidelines that can address the competing time commitments that are faced when Directors serve on multiple boards; (f) deciding on how the Board's performance may be evaluated and proposing objective performance criteria; (g) reviewing the diversity of Board members periodically which can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience; and (h) assisting the Board in the development and review of the Board's diversity policy (the **"Board Diversity Policy"**) and directors' nomination policy (the **"Nomination Policy"**), as appropriate; and review the measurable objectives for the implementation of the Board Diversity Policy and monitor progress towards the achievement of such. Such performance criteria, that allow comparison with its industry peers, should be approved by the Board and address how the Board has enhanced long term shareholders' value.

Summary of the work performed by the NC during the Year is as follows:

- reviewed the nomination policy and procedures for directorship during the Year;
- assessed the independence of independent non-executive Directors; and
- made recommendations to the Board on relevant matters relating to the retirement and re-election of Directors.

During the Year, the NC held one meeting, attended by all NC members.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (continued)

Remuneration Committee

Currently, the RC is chaired by Dr. Lin and comprises two additional members, namely Dr. Lu and Dr. Ye. All of them were appointed as members of the RC with effect from 2 December 2017. All members of the RC are independent non-executive Directors.

The major duties of the RC include (a) assessing, reviewing and making recommendations, once a year or as and when required, to the Board in respect of the remuneration packages and overall benefits for the Directors of the Board and the senior management of the Company; (b) making recommendations to the Board in relation to all consultancy agreements and service contracts, or any variations, renewals or modifications thereof, entered into between the Company and the Directors of the Board or any associate company of any of them; (c) considering what details of the Directors' and senior management's remuneration/benefits should be reported in addition to those required by law in the Company's annual report and accounts and how those details should be presented; (d) making recommendations to the Board on the Company's policy and structure for all Directors' (including non-executive Directors and independent non-executive Directors) and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, and placing recommendations before the Board concerning the total remuneration and/or benefits granted to the Directors from time to time; (e) determining the remuneration packages of individual executive Directors and senior management, or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights, and compensation payments (including any compensation payable for loss or termination of their office or appointment); (f) making recommendations to the Board on the remuneration of non-executive Directors; (g) reviewing and approving compensation payable to the executive Directors and senior management or any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; (h) considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; (i) ensuring that no Director or any of his associates is involved in deciding his own remuneration; (j) catering for the Company to be in a position to offer and maintain competitive and attractive overall benefits to recruit and maintain high quality personnel at the Board level; and (k) conforming to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or applicable laws.

The remuneration paid to the senior management and Directors during the Year is disclosed in Note 12 to the consolidated financial statements.

Summary of the work performed by the RC during the Year is as follows:

- reviewed the remuneration policy and remuneration package of the executive Directors and senior management of the Company, and considered their remuneration package to be reasonable; and
- assessed the performance of the executive Directors and approved the terms of the executive Directors' service contracts.

As the Company does not have any share schemes under Chapter 17 of the Listing Rules, there were no matters relating to share schemes under Chapter 17 of the Listing Rules for the RC to review nor approve during the year ended 31 March 2025.

During the Year, the RC held one meeting, attended by all RC members.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (continued)

Audit Committee

Currently, the AC is chaired by Dr. Lu and comprises two additional members, namely Dr. Lin and Dr. Ye. All of them were appointed as members of the AC with effect from 2 December 2017, in accordance with Rule 3.21. All members of the AC are independent non-executive Directors.

The primary duties of the AC include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the internal auditor or external auditor before their submission to the Board, including:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from audit;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with accounting standards; and
 - (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting.
- To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of the external auditor.
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards.
- To discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences.
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control and risk management systems and associated procedures.

Summary of the work performed by the AC during the Year is as follows:

- reviewed the audited consolidated financial statements for the Corresponding Year and the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2024 with recommendation to the Board for approval;
- reviewed and approved the annual audit and non-audit services fees for the Year;
- recommended the re-appointment of ZHONGHUI ANDA CPA Limited as the external auditor of the Company to the Board for approval;
- reviewed the effectiveness of the risk management and internal control systems of the Group; and
- reviewed the internal audit reports in respect of the effectiveness of the financial, operational and compliance controls and risk management of the Group.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (continued)

Audit Committee (continued)

During the Year, the AC held two meetings, attended by all AC members. The external auditor was invited to the AC meetings without the presence of executive Directors to discuss the AC issues in relation to the audit and financial reporting matters. The annual results of the Company for the Year have been reviewed by the AC. There is no disagreement between the Board and the AC in respect of the re-appointment of the external auditor.

BOARD DIVERSITY

The Board has adopted the Board Diversity Policy which sets out the approach to achieve a diverse Board in order to enhance performance quality. “Diversity” would be considered from various aspects, including gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, etc. Board appointments are based on meritocracy and candidates will be assessed against objective criteria, having due regard for the benefits of diversity. The NC monitors the implementation of the Board Diversity Policy, and for the purpose of ensuring its effectiveness, will further review the Board Diversity Policy and recommend any revisions to the Board for consideration and approval, when necessary.

As at 31 March 2025, the Board had three female members. The Board targets to maintain at least the current level of female representation at all times. The Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified. In considering the Board’s succession, the NC would engage independent professional search firm(s) to help identify potential candidates suitably qualified to join the Board as and when appropriate. The Board considered that the Company’s Board Diversity Policy was consistently implemented. As at the date of this annual report, the Board comprises eight Directors. Three of them are independent non-executive Directors who do not have any executive or management role in the Company nor have they been under the employment of any member of the Group, thereby promoting critical review and control of the management process. The Board, after considering the NC’s view, considers that the independent views and inputs in relation to the Company’s affairs have been maintained. The Board is also characterised by significant diversity, whether considered in terms of gender, age, experience, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; other factors relating to the Company’s business model and its specific needs will also be considered in the course of the selection of candidates. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board as well as having regard to the benefit of diversity of the Board.

Gender Ratio in the Workforce

From the Group’s perspective, as at 31 March 2025, the male-to-female ratio of the Group’s employee (including senior management) is approximately 49.3%:50.7%, reflecting a gender equality principle generally adhered by the Group. The Group is determined to maintain gender diversity and equality in terms of the whole workforce and expects the above is achievable with suitable effort in promoting the gender diversity culture, which the Group has been advocating for so. Further details on the information of the Group’s employees are disclosed in the Group’s Environmental, Social and Governance Report.

CORPORATE GOVERNANCE REPORT

NOMINATION POLICY

The Board has adopted the Nomination Policy setting out the principles guiding the NC to identify and evaluate a candidate for nomination to the Board for appointment or to the shareholders for election as a Director.

The Nomination Policy includes certain factors, by reference to which the NC considers nominations. These factors include the candidate's skills and experience, diversity perspectives set out in the Board Diversity Policy, the candidate's time commitment and integrity, and the independence criteria under Rule 3.13 of the Listing Rules where the candidate is proposed to be appointed as an independent non-executive Director.

The Nomination Policy further specifies the nomination procedures that the NC (a) will adopt appropriate measures to identify and evaluate a candidate; (b) may consider a candidate recommended or offered for nomination by a shareholder; and (c) will, upon the recommendation, submit the candidate's personal profile to the Board for consideration.

The Nomination Policy is reviewed periodically to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the Year which give a true and fair view of the state of affairs of the Company and the Group, and the Group's loss and cash flow in accordance with Hong Kong Financial Reporting Standards, the Hong Kong Companies Ordinance and the Listing Rules. In preparing financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently. The Directors also made judgements and estimates that are prudent and reasonable and prepared the financial statements on a going concern basis.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information and position of the Company put to the Board for approval. During the Year, the management provided all members of the Board with quarterly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT (continued)

Internal Control and Risk Management

During the Year, the Company has followed the rules and regulations as stated in the internal control manual to perform internal control and risk management. The Board is overall responsible for evaluating and determining the nature and extent of the risks that it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company has established and maintained appropriate and effective risk management and internal control systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and the Company's assets and reviewing the effectiveness of such system on an annual basis, including any changes in the nature and extent of sign to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions. The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group.

The Company has established risk management procedures to address and handle significant risks associated with the businesses of the Group and it attaches great importance to the prevention of fraud risk. The management would identify the risks associated with the businesses of the Group by considering both internal and external factors and events which include political, economic, technological, environmental, social and interpersonal. Each of the risks is assessed and prioritised based on its relevant impacts and occurrence opportunities. The relevant risk management strategy would be applied to each type of risks according to the assessment results. Key risk management strategies are summarised as follows:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risk;
- Risk avoidance: change business progress or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market;
- Risk transfer: transfer ownership and liability to a third party.

Further, to establish an effective risk management framework, the Board should be satisfied that adequate controls and procedures are in place in respect of the following functions:

- approving a group definition for different types of risk (e.g. operational risk);
- identifying, understanding and assessing different types of risk inherent in the Group's business activities or major investments;
- laying down the risk management strategies;
- approving a risk management framework consistent with the Company's business strategies and risk appetite;

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT (continued)

Internal Control and Risk Management (continued)

- determining that the risk management framework is properly implemented and maintained;
- reviewing the risk management framework periodically to ensure that it remains adequate and appropriate under the prevailing business environment; determining that there are clear reporting lines and responsibilities for the risk management function;
- maintaining continued awareness of any changes in the Company's risk profile; and
- approving the provision of adequate resources for risk management purposes.

The Company has a policy on insider trading which is fully disclosed in its internal control manual and the Company carries out regular reviews on the effectiveness of this policy, to ensure that it can meet and deal with the dynamic and ever-changing business environment.

The Group has established an internal audit department to perform regular financial and operational reviews and recommend necessary actions to the relevant management. The works carried out by the internal audit department ensure the risk management and internal control systems are in place and function properly as intended. The results of the internal audit and reviews are reported to Executive Directors and AC of the Company.

The Company's risk management and internal control systems are reviewed annually. During the year ended 31 March 2025, the AC has conducted an annual review of the risk management and internal control systems. The results of the review were reported by the Audit Committee to the Board, based on which the Directors concluded that, for the year ended 31 March 2025, the risk management and internal control systems were effective and adequate and the Group has complied with the provisions in the CG Code regarding risk management and internal control.

Company Secretary

The company secretary is a full-time employee of the Company and has day-to-day knowledge of the Company's affairs. The company secretary is responsible for advising the Board on compliance and corporate governance matters to ensure the effective conduct of meetings and proper procedures to be in place and followed. During the Year, the company secretary has taken no less than 15 hours of relevant professional training.

External Auditor and Auditor's remuneration

The financial statements have been audited by ZHONGHUI ANDA CPA Limited who will be subject to re-appointment as the auditor of the Company at the forthcoming AGM. The audit and non-audit fees during the Year were approximately HK\$1,560,000 and 20,000 respectively. The provision of these services by external auditor to the Company and the Group were cost effective and efficient due to their knowledge and understanding of the operations of the Company and the Group.

Constitutional Documents

There has been no changes in the Bye-laws during the Year.

CORPORATE GOVERNANCE REPORT

INVESTOR RELATIONS

The Directors recognise the importance of long-term support from the shareholders of the Company. The Board highly respects the shareholders' rights to express their views and appreciates their suggestions to the Company.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

- the holding of an AGM on 30 August 2024 respectively, which provides an opportunity for the shareholders to communicate directly with, and raise questions to the Board;
- the publication of announcements, interim reports, annual reports and/or circulars on a timely basis via the Company's and the Stock Exchange's websites; and
- the availability of the latest information of the Group on the Company's website.

The Company reviewed the Group's shareholders and investor engagement and communication activities conducted during the Year. Having considered the steps taken at the general meeting and the multiple channels of communication as set out above, the Directors were satisfied with the implementation and effectiveness of the shareholders' communication policies of the Group.

SHAREHOLDER RIGHTS

Procedures for Shareholders to Convene a General Meeting

Shareholders shall have the right to request the Board to convene a special general meeting of the Company. Pursuant to Bye-law 58 of the Bye-laws, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

Shareholders may at any time send their enquiries to the Board, addressed to the Company Secretarial Department with contact details set out below:

Office address:	Flat C01, 32/F, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong
Telephone:	(852) 3950 4600
Facsimile:	(852) 2469 8806
E-mail:	enquiries@nimbleholding.com

Procedures for Shareholders to Put Forward a Proposal at a General Meeting

Shareholders holding not less than one-twentieth of the total voting rights of all shareholders having a right to vote at the general meeting or not less than 100 shareholders can, at their own expenses, submit a written request stating a resolution to be moved at the AGM or a statement of not more than 1,000 words with respect to a matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting. The written request or statement should be signed by the relevant Shareholders and deposited at the Company's registered office in Bermuda and principal place of business in Hong Kong for the attention of the company secretary of the Company, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company has adopted a dividend policy (the **"Dividend Policy"**), pursuant to which the Company may declare and distribute dividends to the shareholders, provided that the profit of the Company shall be enough for both self-development and returns to the shareholders.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the shareholders. In proposing any dividend payout, the Board shall take into account, inter alia, the Company's current and future operations and earnings, business development strategies, financial position, capital requirements and surplus, contractual restrictions, the applicable laws and regulations, and other factors that the Board deems relevant.

The Board will review the Dividend Policy from time to time and may exercise at its sole and absolute discretion to update, amend and modify the Dividend Policy at any time as it deems fit and necessary.

CORPORATE GOVERNANCE FUNCTIONS

The Board recognizes that corporate governance should be the collective responsibility of Directors and their corporate governance duties include those set out in code provision A.2.1:

- (a) to develop, review and implement the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and the senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the Code and disclosure in the corporate governance report.

During the Year and up to the date of this report, the Board reviewed and performed the above-mentioned corporate governance functions.

CORPORATE CULTURE

Our core value "integrity, dedication and people-oriented" remained the foundation and the vision of the Group.

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Company to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen. The Company is committed to developing a positive and progressive culture that is built on its purpose and vision.

Alignment of Core Culture with Business Strategies and Operating Practices

Our core value is reviewed, aligned and endorsed by the Board or its Board Committees on a regular basis. The Board acts as a role model and cascades the Company's culture to all levels via various internal communication platforms and systems.

The Company's talent acquisition, onboarding, performance management and talent development processes for our employees are all aligned with our core values. Our core values have been mandated to all new joiners during their onboarding. Our core values are reinforced during day-to-day work.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

The Group hereby presents its Environmental, Social and Governance (“**ESG**”) Report (this “**ESG Report**”) for the Year, to provide an annual update over the Group’s performance in regard to the ESG aspects in a transparent and an open manner. This report covers the period from 1 April 2024 to 31 March 2025 (the “**Year**”).

This ESG Report is included as a part of this annual report and supplements information disclosed elsewhere in this annual report.

OUR PHILOSOPHY IN ESG

Corporate social responsibilities are embedded in our corporate culture, forming an integral part of our business strategies. The Group is committed to cultivating its responsible corporate citizenship and integrating ESG concerns into the business operations for the purposes of aligning the interest and benefits of our stakeholders, society at large and environment as a whole as well as for the long-term development of the Group.

REPORTING SCOPE

This ESG Report summarises the performance of the Group in respect of corporate social responsibility, covering its principal operating activities. During the Year, the Group’s principal operating activities were composed of the distribution of houseware products and audio products; trading of household appliances in the PRC; and property development in the PRC.

TERMS AND SHORT NAMES

For the convenience of expression and reading, “**the Company**” and “**Company**” used herein shall refer to Nimble Holdings Company Limited. “**The Group**”, “**Group**” and “**we**” shall refer to Nimble Holdings Company Limited and its subsidiaries.

DATA SOURCES AND RELIABILITY STATEMENT

The data and cases used herein mainly come from the statistical reports and relevant documents of the Company. The Company guarantees that the report does not contain any false information and misleading statements and undertakes responsibilities for the contents of the report as to its authenticity, accuracy, and completeness.

ACKNOWLEDGEMENT AND APPROVAL

Upon confirmation by the management, this report was passed by the Board on 30 June 2025.

REPORTING STANDARDS

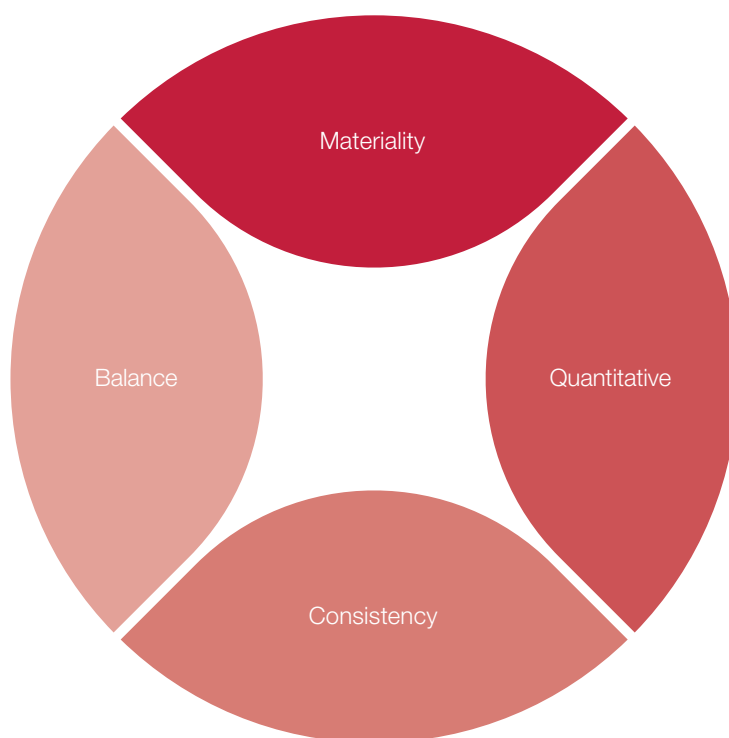
This ESG Report is prepared in accordance with Appendix C2 to the Listing Rules, the “Environmental, Social and Governance Reporting Guide” (the “**ESG Guide**”), and is compliant with the “comply or explain” provisions therein.

The Board is responsible for the ESG strategy and reporting, evaluating and determining the ESG-related risks as well as ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Group has engaged in business functions to identify relevant ESG issues and to assess their materiality to our businesses as well as to our stakeholders, through reviewing the Group’s operations and holding internal discussions. The management has provided a confirmation to the Board on the effectiveness of our ESG risk management and internal control systems for the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING STANDARDS (continued)

The Board prepares, compiles and determines the presentation of the content of this ESG Report based on the four reporting principles of materiality, quantitative, balance and consistency of the Listing Rules to ensure true, accurate and meaningful information to be delivered to the readers. This ESG Report outlines the Group's sustainability initiatives and selects key performance indicator(s) ("KPI(s)") that are material to the Group and our stakeholders on the ESG issues for the Year.



Four Reporting Principles

Materiality	The Board gives consideration to the ESG issues significantly important to the operation, investors and stakeholders of the Group, in determining the ESG issues to be reported.
Quantitative	All departments and business lines of the Group use appropriate tools to record the relevant ESG KPIs on a recurring and continuing basis and Hong Kong management of the Group is further responsible for the supervision of gathering and preparation of all the relevant information in this ESG Report in compliance with the ESG Guide.
Balance	The Group reports the relevant data and contents on an objective and a fair basis, without biasing the content of this ESG Report to any factors.
Consistency	Consistent data statistics and conversion methods are adopted by the Group and the relevant data of the ensuing years will be disclosed in the subsequent ESG report, so as for the stakeholders to grasp and compare the ESG performance of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONSIBLE GOVERNANCE

The Group has always regarded good corporate governance as the cornerstone of steady progress and sustainable development. We adhere to the concept of sustainable development and deeply integrate it into the operation and development of various businesses, continue to improve the ESG governance structure, enhance the Board's participation and supervision effectiveness in ESG matters; build a stable and efficient stakeholder communication mechanism to fully protect the legitimate rights and interests of all stakeholders; strengthen integrity and compliance governance, and are committed to promote the high quality and sustainable development of the Group.

Board Statement

The Board of the Company understands the importance of ESG work to the Company's development and attaches great importance to ESG management. In accordance with the requirements of the Stock Exchange, the Company has gradually improved the ESG governance mechanism, strengthened the Board's participation and supervision of ESG matters, and actively fulfilled its corporate social responsibility, to promote the Company's long-term and solid development.

- **ESG work supervision**

The Board regularly reviewed the development of ESG work and smoothened the communication mechanism for ESG work. The Board authorised the office of the president to deploy ESG action plans. Various functional departments and subsidiaries carry out relevant work according to the action plans and provided feedback on the work progress in a timely manner. During the year, the Board listened to, reviewed and confirmed the results of our work, including the ESG Report of the Group, and made recommendations on actions to be taken to improve the work.

- **ESG Risk Management**

The Company gives high priority to ESG risks that may have a significant impact on the Group. In combination with industry ESG risks, regulatory requirements, and macro policies, we regularly update the ESG issue database and evaluate material ESG issues through stakeholder surveys, expert evaluations, and Board discussions.

- **ESG Target Management**

The Company has strictly followed the ESG Reporting Guide of the Stock Exchange, formulated key ESG targets based on the actual situation of the Group, and continuously followed up on the progress of the targets. The Board regularly reviews and discusses the ESG targets and periodically reviews the achievement of targets in light of the latest development of the external environment and the Group's business to ensure the sustainability and adaptability of the ESG targets.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONSIBLE GOVERNANCE (continued)

Sustainable Development Governance Structure

An effective and robust management framework is the key to driving sustainable governance. The Group has built a sustainable development governance structure and has gradually improved the governance system, so as to safeguard the sustainable development of the Group in a comprehensive manner involving every staff and each aspect and lay a solid foundation for more efficient ESG management of the Group.

The Board: the highest decision-making body for ESG matters in the Company, responsible for guiding the direction of the Group's sustainable development and assuming overall responsibility for the Group's ESG matters;

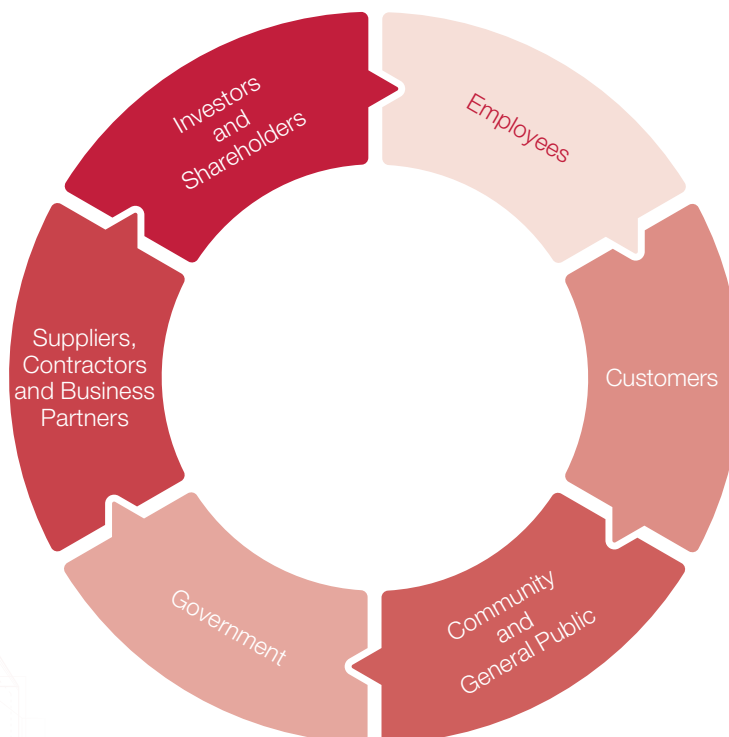
The office of the president: responsible for the coordination and planning of the sustainable development management work of the Group, decision making and formulating plans regarding the annual sustainable development, as well as the planning and approval for the ESG management system and ESG reports, etc.;

Functional departments and branches in different cities: responsible for the cooperation with the office of the president, execution of relevant development plans, and collection of ESG-related information.

STAKEHOLDER ENGAGEMENT

Our approach to stakeholder engagement is to ensure that the stakeholders' perspectives over and expectations of the Group are fully grasped, in order to properly define and continuously improve our sustainability strategies.

Considerations are given to the interests of all stakeholders so as to beef up our tie with them and respond to their needs and expectations in our day-to-day operations. During the Year, our stakeholders included employees, investors and shareholders, suppliers, contractors and business partners, government, customers as well as community and general public.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT (continued)

Categories of stakeholders	Engagement channels of stakeholders
Employees	• Internal communications within the Group intranet • Staff activities and interviews • Staff training and evaluation • Performance review
Investors and Shareholders	• Annual and interim reports • AGM and special general meetings • Press releases, announcements and circulars • The Group's website • Road-shows, investor relations conferences
Suppliers, Contractors and Business Partners	• Business meetings • Industry forums and seminars • Supplier audits and evaluations • The Group's website
Government	• Press releases, announcements and circulars • Public consulting • Site investigation
Customers	• Customer service hotline • Sales and promotion • The Group's website • Customer satisfaction surveys
Community and General Public	• Charity and social investment • Environmental responsibilities • The Group's website

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

Under the disclosure requirements set out in the ESG Guide and based on the business features and operation of the Group, the Group has identified a total of 18 issues which are considered to have impacts on the environment and the society in the course of our operations for the Year. In future, we will focus more on the discussion of relevant issues by giving full consideration to opinions from all stakeholders, communicating with them constantly and practically enhancing our long-term development strategies in order to deal with the matters concerned by our stakeholders in an effective manner.

Below is the list of issues relevant to the sustainable development of the Group for the Year.

ESG aspects		No.	ESG issues
A. Environmental	Aspect A1: Emissions	1	Emissions of air pollutants
		2	Greenhouse gas (“GHG”) emissions
		3	Waste management
	Aspect A2: Use of Resources	4	Energy consumption
		5	Water consumption
	Aspect A3: Environmental and Natural Resources	6	Management of risks associated with environmental and natural resources
B. Social	Aspect B1: Employment	8	Equal opportunity and employee benefits
	Aspect B2: Health and Safety	9	Occupational health and safety
	Aspect B3: Development and Training	10	Employees development and training
		11	Prevention of child labour and forced labour
	Aspect B5: Supply Chain Management	12	Selection and evaluation of suppliers and contractors
		13	Control and management on environmental and social risks along the supply chain
		14	Product quality and safety
	Aspect B6: Product Responsibility	15	Customer data privacy and data security
		16	Product responsibility
	Aspect B7: Anti-corruption	17	Anti-corruption
	Aspect B8: Community Investment	18	Community investment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL

A1. Emissions

The Board is dedicated to formulating and implementing various environmental policies in all aspects pertaining to the operating activities of the Group, in order to pinpoint and minimize the impacts on the environment which arise from these operating activities. These environmental policies include but not limited to:

- Observing relevant laws and regulations and aiming to comply with all requirements;
- Monitoring and taking appropriate measures to reduce air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes;
- Making efficient use of resources, including energy, water and other raw materials;
- Minimising the impact of the Group's activities on the environment and natural resources; and
- Engaging our staff, customers, suppliers and contractors to promote environmentally sustainable business practices and constantly re-assessing our process to minimise environmental impact.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL (continued)

A1. Emissions (continued)

Air Pollutants Emission

During the Year, the Group was principally engaged in the distribution of houseware products; trading of household appliances in the PRC; and property development in the PRC. During the Year, the Group's business activities, other than property development in the PRC, bore relatively low impact on air pollutants emission, GHG emission and waste generation because these operating activities were predominately office-based.

The principal source of emissions arising out of the Group's property development operation in the PRC was petrol and diesel consumed by vehicles. In response, the Group has actively taken the following measures to control air emissions:

- Encourage the use of public transport;
- Optimise the operation procedure to improve the laden ratio of motor vehicles and lower the vacancy rate;
- Conduct electronic meeting rather than physical meeting to reduce travelling; and
- Perform quarterly or yearly maintenance on vehicles to ensure optimal engine performance and fuel use to reduce fuel consumption in an effective manner, thereby reducing carbon emissions and air emissions.

During the Year, the Group was in compliance with all relevant environmental laws and regulations in all material aspects and was not aware of any non-compliance.

Furthermore, for mitigation of the environmental impacts and protection of employees' health, proper air emission control has a pivotal role to play. For our whole operating activities, responsible practices are persistently encouraged to be adopted to dwindle air pollutants emission. Moreover, the Group conducts various monitoring procedures to ensure that all operating activities are carried on in strict compliance with the relevant national laws and regulations.

The air pollutant emission data for the Year and the Corresponding Year are summarised as follows:

Air Pollutants	Unit	2025	2024
Sulfur dioxide	kilograms	620	1,677
Nitrogen oxides	kilograms	629	1,249
Particulate matter	kilograms	1	1

We aim to reduce the air pollutant emission by 20% when compared to 2024 by 2030.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL (continued)

A1. Emissions (continued)

Greenhouse Gas Emission

The Group recognizes the risks posed by climate change to its businesses and therefore is dedicated to mitigating its repercussion. During the Year, the principal sources of GHG emissions of the Group were generated from direct GHG emissions from petrol consumed by vehicles and diesel consumed by backup generators (Scope I) and energy, and indirect GHG emissions from purchased electricity (Scope II) in the course of the Group's business operations.

In response, apart from the measures mentioned in the sections headed "Air Pollutants Emission" and "Energy Management", various management systems for the use of vehicles have been put in place. In future, the Group will keep track of the development of climate change and our business activities, thereby formulating and implementing sustainable and environmental friendly GHG reduction strategies.

The GHG emission data for the Year and Corresponding Year are summarised as follows:

GHG Emission	Unit	2025	2024
CO ₂ -e (Scope I)	tonnes	133	269
CO ₂ -e (Scope II)	tonnes	1,017	2,050
Total CO ₂ -e emission	tonnes	1,150	2,319
CO ₂ intensity	tonnes per staff	15.8	22.9

We aim to reduce the GHG emission per staff by 20% when compared to 2024 by 2030.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL (continued)

A1. Emissions (continued)

Waste Management

The Group recognizes the significance of waste reduction. Waste management measures have been in place to mitigate the amount of waste produced in the course of the operating activities of the Group and its impact on the environment. We also take a proactive attitude to strictly monitor, properly handle and reduce the hazardous waste generated from our business as a way to lower the waste generation as well as the risks of accidental spill and leakage. During the Year, the hazardous waste produced in the course of our business operation was immaterial and was handled in compliance with the relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste. Reference will be made to relevant professional guidelines for management and disposal of hazardous wastes, in case there is any hazardous waste generated. For example, engagement of qualified chemical waste collectors to handle these hazardous waste.

As for non-hazardous waste, the waste predominately involves office paper, bottles and food waste generated in the course of our operations. The Group takes initiative to reduce the waste amount by implementing following different measures:

- encourage our employees to participate in waste separation and place recycling containers in our offices to collect recyclable materials;
- reduce the use of disposable items;
- encourage the usage of e-documents for both internal and external communication; and
- in case there is any non-recyclable non-hazardous waste generated, it will be handled and disposed of properly.

Regardless of the types of waste, the Group closely monitors and reviews our performance in waste management and is amendable to any waste prevention suggestions to reduce the waste generation. In future, we will continue to aim at strengthening our recycling practices and reducing waste generation for promotion of environmental sustainability.

The hazardous waste and non-hazardous waste generated by the Group for the Year and Corresponding Year are summarised as follows:

Waste	Unit	2025	2024
Non-hazardous	waste tonnes	1.02	2.53
Hazardous	waste tonnes	0.04	0.08
Waste intensity	waste tonnes per staff	0.01	0.03

We aim at reducing the non-hazardous and hazardous waste per staff by 15% when compared to 2024 by 2030.

The Company is not a production-oriented company, and the data of packaging is not applicable to the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL (continued)

A2. Use of Resources

Energy Management

The Group has advocated the concept of energy saving and emission reduction into the entire process of its development and operation. To pursue our environmental commitment, we implement various initiatives throughout our operations to achieve the objective of energy consumption reduction by reducing electricity consumption, specifically including:

- install efficient lighting system in the office area, encourage employees to conserve electricity by switching off idle lighting, air conditioning and other energy-consuming equipment;
- control the air-conditioners to a temperature that is recommended by the relevant governmental authority; and
- encourage paperless office to reduce paper consumption.

By actively monitoring and managing the use of resources, we aim to reduce our operating costs as well as our carbon footprint and natural resources consumption.

The energy consumption for the Year and the Corresponding Year are summarised as follows:

Energy Consumption	Unit	2025	2024
Direct Energy Consumption			
Fuel Consumption – Gasoline and Diesel	litres	9,325	14,000
Energy intensity	litres per staff	127.7	138.6
Indirect Energy Consumption			
Electricity purchased	GJ	3,644	7,728
Energy intensity	GJ per staff	49.9	77

We aim at reducing the energy consumption per staff by 15% when compared to 2024 by 2030.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL (continued)

A2. Use of Resources (continued)

Water Consumption

Water is another important natural resource. Hence, a series of water conservation measures have been in place to reduce water consumption in our operations. The measures include:

- practising water conservation by promoting the water-conserving philosophy through posting slogans;
- encouraging the reutilization of waste water as the use of reclaimed water enables less consumption of tap water, so as to eventually alleviate the environmental pollution due to waste water disposal; and
- conducting regular checks and maintenance of water pipes to prevent leakage and identify opportunities for reducing water consumption.

The water consumption data for the Year and the Corresponding Year are summarised as follows:

Water Resources	Unit	2025	2024
Total water consumption	tonnes	58,859	129,044
Water consumption intensity	tonnes per staff	806	1,278

We aim at reducing the water consumption per staff by 20% when compared to 2024 by 2030.

During the Year, the Group did not encounter any issue in sourcing water that is fit for purpose.

A3. The Environment and Natural Resources

Although most of the core businesses of the Group have remote impacts on the environment and natural resources, as an ongoing commitment to good corporate citizenship, the Group recognises the responsibility in minimising the negative environmental impact of our business operations, in order to achieve a sustainable development for generating long term values to our stakeholders and the community as a whole.

We regularly assess the environmental risks of our businesses, and review our environmental policies from time to time, to implement appropriate eco-friendly measures and practices to enhance environmental sustainability, reduce operating risks as well as ensure compliance with relevant laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL

B1. Employment

Employees are our valuable assets, driving continued business success. The Group strives to attract and retain talent and reconciles economical imperatives with well-beings, aiming at reinforcing satisfaction, loyalty and commitment of human capital. We have developed a written group company handbook to govern the recruitment, promotion, dismissal, compensation, discipline, working hours, leave and other benefits of our employees, in accordance with the relevant laws and regulations.

The level of compensation of our employees is reviewed annually on a performance basis with reference to the market standard. A wide range of benefits including comprehensive medical and life insurance, and retirement schemes are also provided to employees.

The Group respects cultural and individual diversity. We believe that no one should be treated less favourably on his/her personal characteristics (i.e. gender, pregnancy, marital status, disability, family status, and race, etc.). Opportunities for employment, training and career development are equally open to all qualified employees.

As at 31 March 2025, the Group employed a total of 73 employees (2024: 101), the breakdowns of which are as follows:

Indicators		As at 31 March	
		2025	2024
Number of employees		73	101
By gender:	Male	36	52
	Female	37	49
By types of employment:	Permanent	71	97
	Contract/Other Staff	2	4
By age group:	66–75	5	0
	56–65	12	11
	46–55	6	13
	36–45	24	33
	26–35	26	44
	18–25	0	0
By geographical region:	PRC	40	67
	Hong Kong	24	24
	Overseas	9	10

During the Year, the Group's employee turnover rate was 29.9%. The details are as follows:

	By gender		By age group			By region	
	Male	Female	Below 35	35–55	Above 55	PRC	Other regions
Employee turnover rate*	27.3%	19.6%	34.0%	12.8%	18.2%	31.1%	8.1%

* Employee turnover rate = Number of departed employees during the year/(number of employees at the beginning of the year + new recruits during the year)*100%

There were no non-compliance cases noted in relation to the relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare for the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL (continued)

B2. Health and Safety

We are committed to providing and maintaining a safe, healthy, and hygienic workplace for all employees, and all other persons likely to be affected by our operations and activities.

Health and safety standards are given prime consideration in our operations, and regulatory compliance is strongly supported. Employees at every level are committed to and accountable for the delivery of the safety initiatives contained in the group company handbook, with a view to maintaining a vigorous and injury-free culture. Appropriate measures are taken to continuously improve the safety and health aspects in the workplace. Electrical installations are checked by a licensed vendor annually to ensure they are working safely. A fire drill is conducted annually to enable employees to evacuate safely.

The Group did not record any accidents that resulted in death or serious injury, and there were no non-compliance cases noted in relation to the relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards during 2023, 2024 and the Year. The total number of lost working days caused by work-related injuries was zero during the Year.

B3. Development and Training

We acknowledge the importance of training for the development of our employees. We encourage and support our employees in personal and professional training, through sponsoring training programs, seminars, conferences, peer learning and on-the-job coaching, as well as reimbursement for external training courses to enhance their competencies in performing their job effectively and efficiently. We believe this is a mutually beneficial practice for achieving both personal and corporate goals as a whole.

Staff stationed in PRC and Hong Kong attended training courses amounting to 303 hours in total for the Year and the Corresponding Year. Among which, profession-related training was the main focus for general staff and administration-related training for management, with all staff participating in varying degrees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL (continued)

B3. Development and Training (continued)

		2025	2024
Employees' trained			
By gender:	Male	92.7%	62.5%
	Female	91.9%	53.8%
By employee category:	Management	100%	100%
	General Staff	90%	46.8%
Total training hours			
By gender:	Male	141	144
	Female	162	169
By employee category:	Management	185	176
	General staff	118	137
Average training hours			
By gender:	Male	3.9	3.6
	Female	4.4	4.3
By employee category:	Management	5.6	10.4
	General Staff	3	2.2

B4. Labour Standards

We prohibit any child and forced labour in any of our operations and services. The Group has in place a well-established recruitment process to review the background information of job candidates, and also conducts monitoring on a regular basis. Any breach or suspected breach will be investigated and followed up in a timely manner. Labour who is forced to work by means of physical punishment, abuse, involuntary servitude, peonage or trafficking is strictly forbidden. A child who is below the age as set by the local labour law should not be employed. We also avoid engaging vendors of administrative supplies and services and contractors that are known to employ children or forced labour in their operations. If it is found that an employee has provided false information or violated Group regulations, the labour contract will be immediately terminated or dissolved in accordance with internal policies, and appropriate measures will be taken based on the specific circumstances.

There were no non-compliance cases noted in relation to the laws and regulations relating to preventing child and forced labour during the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL (continued)

B5. Supply Chain Management

Supply chain management is an indispensable part of enterprise business, and sustainable supply chain is the guarantee of the Group to provide quality products in a continuous manner. Therefore, we encourage suppliers and contractors to maintain a high standard of business ethics and conduct, with satisfactory environmental and social performance. During the selection and evaluation processes of suppliers and contractors for our business activities, we adopt a fair basis with defined assessment criteria to ensure that only qualified suppliers and contractors are engaged with no conflict of interest. As of the end of the current reporting period, the Group had a total of 92 suppliers, of which 73 were located in the PRC and 19 were located in Hong Kong. During the Year, the Group implemented relevant management systems for major suppliers.

To support sustainability, we apply strict environmental, social and ethical criteria to the suppliers and contractors of our businesses and we place basic standards on suppliers and contractors with basic principles as below:

- Operating as an equal opportunity employer and recognising the right to collective bargaining as well as minimum and prevailing wages and benefits;
- Maintaining probity and accountability standards;
- Minimising discrimination against small and medium-sized enterprises or local vendors;
- Providing a healthy and safe working environment, not employing forced or child labour, and refraining from harassment or abuse of employees; and
- Supporting sustainable development, acting responsibly with regard to the environment, observing environmental criteria to conserve resources, minimising the negative environmental effects of the production, application and disposal of products, and reducing the use of hazardous products as much as possible.

In the assessment process, we communicate with suppliers and contractors on their environmental and social responsibilities. The environmental friendliness of suppliers' and contractors' practices and products are examined. Selected suppliers' and contractors' performance is monitored through on-site assessments, quality reviews of products and customer feedback. Areas that do not adhere to the standards are evaluated with the suppliers and contractors to identify opportunities to improve their current environmental and social practices.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL (continued)

B6. Product Responsibility

The Company's goal is to maximise shareholders' value in the medium to long term. We believe that ESG factors have an influence on the overall performance of individual companies, in both positive and negative ways. Hence, in the process of creating returns, ESG is integrated into not only our operations but also the selection process of our suppliers and contractors for long term value creation. As a responsible distributor and property developer, we aim to incorporate ESG aspects in our analysis and selection decisions, and continue to monitor the ESG performance of our suppliers and contractors, and encourage them to make improvements on ESG issues. The Group closely monitors the development projects at every stage to ensure that project development, construction process and product quality are in compliance with Construction Law of the PRC and other applicable laws and regulations, and requires contractors to immediately resolve any defects or non-compliance incidences, where necessary. The Group has also established property acceptance procedures to ensure that the properties are ready for delivery to our customers in pursuant to the sales agreements.

For any complaints from customers concerning product quality, our dedicated quality control team conducts a thorough analysis of the complaint details and the corresponding products. The team aims to determine the reasons for any defects or issues, and take safeguard measures to rectify the problem and prevent its recurrence in the future. During the Year, the Group did not receive any material complaints regarding its products and services (2024: None).

During the Year, there were no non-compliance issues relating to health and safety, advertising, labelling and privacy matters relating to services provided by the Group and there were no reported cases of non-compliance of Construction Law of the PRC and other applicable law and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. During the Year, the Group did not recall any products sold for safety or health reasons (2024: None).

Intellectual Property

The Group attaches great importance to the protection of intellectual property and has applied for trademarks for its brands, and applies for renewal in a timely manner for avoidance of illegitimate use of its self-owned intellectual property. Meanwhile, the Group also respects the intellectual property rights of others. During the reporting period, the Group did not receive any incidents or complaints of violation of customers' privacy and intellectual property rights.

Data Privacy

We ensure strict compliance with the statutory requirements to fully adhere to and meet a high standard of security and confidentiality of personal data privacy protection. We highly respect personal data privacy and are firmly committed to preserving the data protection principles as follows:

- We only collect personal data that we believe to be relevant and required to conduct our business;
- We will use personal data only for the purposes for which the data is collected or for directly related purposes unless consent with a new purpose is obtained;
- We will not transfer or disclose personal data to any entity that is not a member of the Group without consent unless it is required by law or it is previously notified; and
- We maintain appropriate security systems and measures designed to prevent unauthorised access to personal data.

There were no non-compliance cases noted in relation to our supplier selection process and data privacy during the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL (continued)

B7. Anti-corruption

We aim to maintain the highest standard of openness, uprightness and accountability and all our staff are expected to observe the highest standard of ethical, personal and professional conduct. We do not tolerate corruption, bribery, extortion, money laundering and other fraudulent activities in connection with any of our business operations. We also provide regular anti-corruption training to directors and staff which covers relevant legal information and promotes a culture of integrity.

In addition to the code of conduct on anti-bribery and anti-corruption mentioned in the group company handbook, we have issued relevant whistle-blowing procedures in setting up a private communication channel on reporting suspicious or fraudulent actions to the Company's management directly. All reported cases will be investigated in a timely and confidential manner and confirmed cases will further be reported to the AC to ensure that appropriate remedial actions are to be taken. The Company has also adopted an internal control manual with an annual review in order to set up guidelines and standards for staff's behaviours and activities. All employees are required to fully comply and familiarize themselves with these guidelines and standards at all times and, in case of any breach, will be subject to internal disciplinary action. Ongoing review of the effectiveness of the internal control systems as well as relevant publicity and trainings are conducted on a regular basis to prevent the occurrence of corruption activities.

During the Year, there were no non-compliance cases noted in relation to either corruption and/or the relevant laws and regulations relating to bribery, extortion, fraud and money laundering, nor were there any corruption lawsuits involving the Group or its employees (2024: None).

B8. Community Investment

As a corporate citizen, we promote social contributions throughout members of the Group to the local communities in which we operate. We place great emphasis on cultivating social responsibility awareness amongst our staff and encourage them to better serve our communities at work and during their personal time. Development of the community is an area which the Group supports.

The Group has actively fulfilled its corporate social responsibilities by making donations to the Charity Association of Yangdong District, Yangjiang City during the reporting period. During the Year, we have donated approximately RMB10,000 (2024: approximately RMB10,000) to the community. We will try to maximise our social investment as much as possible in order to create a more favourable environment for our communities and our businesses.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ADDRESSING CLIMATE CHANGE

To actively respond to the policy of “carbon peak and carbon neutrality” of China and address the issue of climate change, the Group discloses its efforts in identifying the potential risks and opportunities brought by climate change to the Group's business from four aspects, namely governance, risk management, strategies, indicators and targets, based on the recommendations from the TCFD (Task Force on Climate-Related Financial Disclosures) framework.

Governance

The Board of the Company fully oversees and manages ESG work and holds regular work meetings. The Board is responsible for formulating ESG strategies, reviewing strategy execution regularly, identifying and assessing ESG risks, and preparing contingency plans, which covers the issue of climate change risks.

Risk Management

The Group has identified the potential risks and opportunities arising from climate change. We have included climate change as part of the risk management of the Group. After the assessment, the major climate risks faced by the Group include: transition risks – policy and regulatory risks – policies and regulations related to green and environmental protection; transition risks – market risks – cost and supply of raw materials; transition risks – market risks – changes in the preference of customers; physical risks – acute risks – extreme weather.

Strategy

- Constantly tracking, interpreting and studying policies, laws and regulations related to the operation of the Group, formulating corresponding measures to relevant policy, and actively investing in the innovation and application of green design technology to keep abreast of the latest developments.
- Striving to create fair, transparent, green and sustainable supply chains, identifying possible risks and formulating mitigation measures.
- Understanding consumer demands, constantly regulating service standards, improving products and service quality, thereby enhancing consumer satisfaction.
- Establishing a long-term risk response mechanism in the emergency plan to reduce the impact of such events on the normal construction of projects, and dynamically monitoring the weather forecast information of the Group, its branches in different cities and project departments, and make early warning and preparation for high temperature and severe cold weather in advance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ADDRESSING CLIMATE CHANGE (continued)

Metrics and Targets

We have set relevant environmental management targets such as exhaust emissions, greenhouse gas emissions, solid wastes, energy usage and water resources consumption. Fulfillment of the targets will be reviewed under the leadership of the Board at the end of each year.

Exhaust emissions: Exhaust emissions by the Group mainly come from petrol and diesel consumed by vehicles. In order to reduce exhaust emissions, we will continue to take steps to encourage the use of public transport; and to improve the laden ratio and fuel consumption efficiency of motor vehicles, so as to reduce our exhaust emission intensity per staff on average.

Greenhouse gas emissions: Greenhouse gas emissions by the Group mainly come from the petrol consumed by vehicles and electricity purchased from external sources. We will keep lowering our greenhouse gas emission intensity per staff on average through improvements in management systems for the use of vehicles.

Hazardous waste: Hazardous waste by the Group is mainly office paper, bottles and food waste sourced from the course of our operations, and we continue to reduce the density of hazardous waste emissions per staff on average through the promotion of green office.

Non-hazardous waste: We continue to reduce the density of non-hazardous waste emissions per staff on average through reducing solid waste generation at source and implementing waste classification management to effectively increase the recycling rate of recyclable waste.

Energy usage: We will ensure a gradual decline in energy consumption intensity per staff on average through energy conservation and higher energy efficiency.

Water resources consumption: We will reduce our intensity of water resources consumption per staff on average through practising water conservation and encouraging the reutilization of waste water.

During daily operation, the greenhouse gas emissions of the Group mainly originate from the consumption of electricity purchased from external sources and fuel consumed (such as vehicle fuel). During the year, the greenhouse gas generated by the Group was 1,150 tons with the emission intensity of 15.8 ton/staff.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF NIMBLE HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Nimble Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 64 to 133, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) 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 opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Assessment of net realisable value of properties under development and completed properties held for sale

Refer to Note 22 to the consolidated financial statements

The Group tested the amount of properties under development and completed properties held for sale for impairment. This impairment test is significant to our audit because the balance of properties under development and completed properties held for sale of approximately HK\$1,538 million and HK\$281 million, respectively, as at 31 March 2025 are material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Evaluating the management's valuation assessment and the external valuation reports prepared by independent property valuer and on which the management's assessment of the net realisable value of properties under development and completed properties held for sale was based;
- Assessing the competence, capabilities and objectivity of the external valuer performing the valuation;
- Assessing the reasonableness of the selling prices which were estimated based on the prevailing market conditions and comparing the estimated selling prices to the recent market transactions, such as the Group's selling prices of the pre-sale units in the development project or the prevailing market prices of the comparable properties with similar size, usage and location;
- Evaluating the reasonableness of the estimated future costs to completion for properties under development and reconciling the estimated costs to completion to the budgets approved by management and examining, on a sample basis, the signed construction contracts; and
- Conducting site visits to properties under development for sale, and discussing with management the progress of each property development project and the development budgets reflected in the latest forecasts for each property development project.

We consider that the Group's impairment test for properties under development and completed properties held for sale are supported by the available evidence.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Revenue recognition for property development projects ("PDP")

Refer to Note 7 to the consolidated financial statements

Revenue arising from sales of property units in PDP accounted for approximately 92% of the Group's revenue for the year ended 31 March 2025.

Such revenue is recognised at a point in time basis when all of the following criteria have been met:

- The sale and purchase agreement has been signed;
- The related deposit has been received and the arrangements for the settlement of the remaining proceeds have been confirmed; and
- The property is accepted by the customer, or deemed as accepted according to the sale and purchase agreement, whichever is earlier.

We identified the recognition of revenue for PDP property units as a key audit matter because of its significance to the Group and because small errors in recognition of revenue for each PDP, in aggregate, could have a material impact on the Group's (loss)/profit for the year.

Our audit procedures included, among others:

- Evaluating the design and implementation of key internal controls over the recording of revenue for PDP property units;
- Inspecting the terms of the standard sale and purchase agreements for sales of PDP property units to assess the Group's revenue recognition policies for sales of PDP property units, with reference to the requirements of the prevailing accounting standards;
- Inspecting, on a sample basis for sales of PDP property units recognised during the year, documents which evidenced that the properties were accepted by the customer, or deemed as accepted and assessing whether the related revenue has been recognised in accordance with the Group's revenue recognition accounting policies; and
- Inspecting, on a sample basis, documents which evidenced that the properties were accepted by the customers, or deemed as accepted, before and after the end of the financial period to assess whether the related revenue has been recognised in the appropriate financial period.

We consider that the Group's revenue recognition for PDP is supported by the available evidence.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company (the “**Directors**”) are responsible for the other information. The other information comprises all the information in the Company’s annual report, but does not include the consolidated financial statements and our auditor’s report thereon. The other information is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA’s will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA’s website at:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre>

INDEPENDENT AUDITOR'S REPORT

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Lee Chi Sum

Audit Engagement Director

Practising Certificate Number P08391

Hong Kong, 30 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	Notes	2025 HK\$ million	2024 HK\$ million
Revenue	7	1,451	2,230
Cost of sales		(1,286)	(1,825)
Gross profit		165	405
Other income, gains or losses	8	(22)	(22)
Selling and distribution costs		(59)	(91)
Administrative expenses		(73)	(77)
Finance costs	9	(1)	(1)
Profit before taxation	10	10	214
Income tax expenses	11	(28)	(75)
(Loss)/profit for the year		(18)	139
(Loss)/profit for the year attributable to:			
Owners of the Company		1	132
Non-controlling interests		(19)	7
		(18)	139
Profit per share	14	HK cents	HK cents
Basic and diluted		0.02	2.40

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 HK\$ million	2024 HK\$ million
(Loss)/profit for the year	(18)	139
Other comprehensive income/(expenses), net of tax		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas/PRC subsidiaries	3	(10)
<i>Items that were reclassified to profit or loss:</i>		
Exchange differences reclassified to profit or loss upon disposal of a subsidiary	(4)	(1)
Other comprehensive expenses for the year	(1)	(11)
Total comprehensive (expenses)/income for the year	(19)	128
Total comprehensive (expenses)/income for the year attributable to:		
Owners of the Company	—*	121
Non-controlling interests	(19)	7
	(19)	128

* The amount is less than HK\$1 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$ million	2024 HK\$ million
Non-current assets			
Plant and equipment	15	2	2
Right-of-use assets	16	4	3
Deferred income tax assets	17	1	1
Brands and trademarks	18	–	–
Goodwill	18	–	–
Investment in a joint venture	19	–	–
Other assets	20	1	–*
		8	6
Current assets			
Inventories	21	38	55
Properties under development	22	1,538	2,361
Completed properties held for sale	22	281	392
Accounts receivable	23	33	37
Prepayments, deposits and other receivables	24	142	154
Cash and bank balances	25	1,052	1,250
		3,084	4,249
Current liabilities			
Accounts payable	26	714	871
Contract liabilities	27	975	1,660
Accrued liabilities and other payables	28	91	126
Amounts due to related parties	29	698	388
Interest-bearing bank loans	30	198	218
Lease liabilities	16	2	1
Tax liabilities		57	62
		2,735	3,326
Net current assets		349	923
Non-current liabilities			
Amounts due to related parties	29	–	549
Lease liabilities	16	3	2
Tax liabilities		–*	5
		3	556
NET ASSETS		354	373

* The amount is less than HK\$1 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$ million	2024 HK\$ million
CAPITAL AND RESERVES			
Share capital	31	55	55
Share premium	31	386	386
Reserves	31	(132)	(132)
Equity attributable to the owners of the Company		309	309
Non-controlling interests		45	64
TOTAL EQUITY		354	373

The consolidated financial statements on pages 64 to 133 were approved and authorised for issue by the Board of Directors on 30 June 2025 and are signed on its behalf by:

Tan Bingzhao
Director

Yan Guohao
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital HK\$ million	Share premium HK\$ million	Contributed reserve* (note 31) HK\$ million	Statutory reserves* (note 31) HK\$ million	Exchange fluctuation deficits* (note 31) HK\$ million	Other reserve* (note 31) HK\$ million	Accumulated deficits* HK\$ million	Equity attributable to the owners of the Company HK\$ million	Non- controlling interests HK\$ million	Total equity HK\$ million
At 1 April 2024	55	386	193	4	(12)	22	(339)	309	64	373
Loss for the year	-	-	-	-	-	-	1	1	(19)	(18)
Other comprehensive expenses for the year:										
- Exchange differences arising on translation of financial statements of overseas/PRC subsidiaries	-	-	-	-	3	-	-	3	-*	3
- Exchange differences reclassified to profit or loss upon disposal of a subsidiary	-	-	-	-	(4)	-	-	(4)	-	(4)
Total comprehensive expenses for the year	-	-	-	-	(1)	-	1	-	(19)	(19)
Appropriation to statutory reserves	-	-	-	-*	-	-	-*	-	-	-
At 31 March 2025	55	386	193	4	(13)	22	(338)	309	45	354
At 1 April 2023	55	386	193	4	(1)	22	(471)	188	57	245
Profit for the year	-	-	-	-	-	-	132	132	7	139
Other comprehensive expenses for the year:										
- Exchange differences arising on translation of financial statements of overseas/PRC subsidiaries	-	-	-	-	(10)	-	-	(10)	-*	(10)
- Exchange differences reclassified to profit or loss upon disposal of a subsidiary	-	-	-	-	(1)	-	-	(1)	-	(1)
Total comprehensive income for the year	-	-	-	-	(11)	-	132	121	7	128
Appropriation to statutory reserves	-	-	-	-*	-	-	-*	-	-	-
At 31 March 2024	55	386	193	4	(12)	22	(339)	309	64	373

* These accounts comprise the deficits of approximately HK\$132 million (2024: HK\$132 million) in the consolidated statement of financial position.

* The amount is less than HK\$1 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK\$ million	2024 HK\$ million
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10	214
Adjustments for:		
Interest income	(15)	(24)
Depreciation of plant and equipment	2	19
Depreciation of right-of-use assets	2	3
Provision of expected credit losses ("ECL") on accounts receivable	6	1
Impairment loss reversed/(recognised) in respect of properties under development	(8)	59
Impairment loss recognised in respect of completed properties held for sale	56	36
Impairment loss recognised in respect of amount due from a joint venture	–	4
Gain on disposal of a subsidiary	(15)	(28)
Gain on settlement of litigation	–	(24)
Finance costs	1	1
Operating cash flows before working capital changes	39	261
Change in completed properties held for sale	52	(243)
Change in properties under development	825	1,594
Change in inventories	16	(26)
Change in accounts receivable	(2)	19
Change in prepayments, deposits and other receivables	25	33
Change in accounts payable	(148)	165
Change in contract liabilities	(672)	(1,081)
Change in accrued liabilities and other payables	(34)	(61)
Cash generated from operations	101	661
Income tax paid	(52)	(35)
Net cash generated from operating activities	49	626
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire plant and equipment	(2)	(9)
Advance to amount due from a joint venture	–	(4)
Net cash inflows/(outflows) from disposal of a subsidiary	13	(337)
Interest received	15	24
Change in restricted bank deposits	126	342
Net cash generated from investing activities	152	16

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK\$ million	2024 HK\$ million
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(2)	(3)
Advances from amounts due to related parties	92	7
Advances from interest-bearing bank loans	–	225
Repayments to amounts due to related parties	(332)	(804)
Repayments of bank loans and interest	(26)	(101)
Net cash used in financing activities	(268)	(676)
Net decrease in cash and cash equivalents	(67)	(34)
Cash and cash equivalents at beginning of year	295	333
Effect of foreign exchange rate changes, net	4	(4)
Cash and cash equivalents at end of year	232	295
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	232	295

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

Nimble Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the Companies Law of Bermuda. The address of its registered office is Wessex House, 5th Floor, 45 Reid Street, Hamilton HM12, Bermuda. The principal place of business is Flat C01, 32nd Floor, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The shares of the Company (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

In the opinion of the directors of the Company (the “**Directors**”), the Company’s immediate holding company is Wealth Warrior Global Limited (the “**Wealth Warrior**”), a company incorporated in the British Virgin Islands (the “**BVI**”). The beneficial owner and the sole director of Wealth Warrior is Mr. Tan Bingzhao (“**Mr. Tan**”). As such, the ultimate controlling shareholder of the Company is Mr. Tan, who is the chairman of the board of directors and an executive director of the Company.

The Company is an investment holding company. The principal activities of the Company’s major subsidiaries are property development in the People’s Republic of China (the “**PRC**”), distribution of houseware products and audio products in the United States of America (the “**USA**”) and the trading of household appliances in the PRC.

The consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**”), the functional currency of the Company, and all values are rounded to the nearest million (“**HK\$ million**”) unless otherwise stated.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the Directors to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the consolidated financial statements, are further disclosed in note 4 to the consolidated financial statements.

The material accounting policies applied in the preparation of the consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive expenses for the year between the non-controlling shareholders and owners of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in consolidated statement of profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has joint control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of a joint venture's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of a joint venture that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that joint venture and (ii) the Group's share of the net assets of that joint venture plus any remaining goodwill relating to that joint venture and any related accumulated foreign currency translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currency translation

a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is Hong Kong Dollars (the "HK\$"). The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency.

b) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

c) *Translation on consolidation*

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in consolidated profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Leasehold improvement	Over the shorter of the term of the lease or 3 years
Furniture and fixtures	3 years
Office equipment	3 – 5 years
Vehicles	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in consolidated profit or loss.

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Properties and equipment	Over the lease terms
--------------------------	----------------------

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in consolidated profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Brands and trademarks

The brands and trademarks with indefinite useful lives are carried at cost less accumulated impairment losses.

Any conclusion that the useful life of brands and trademarks is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives.

Properties under development

Properties under development are stated at the lower of cost and net realisable value. Costs include acquisition costs, prepaid land lease payments, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Net realisable value is determined by reference to sale proceeds received after the reporting period less selling expenses, or by estimates based on prevailing market condition. On completion, the properties are reclassified to completed properties held for sale at the then carrying amount.

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Costs of properties include acquisition costs, prepaid land lease payments, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Net realisable value is determined by reference to sale proceeds received after the reporting period less selling expenses, or by estimates based on prevailing market condition.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost of finished goods and work in progress comprises direct materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under financial assets at amortised cost.

Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“**lifetime expected credit losses**”) for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade and other receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

Bank deposits which are restricted to use are classified as “restricted bank deposits”. Restricted bank deposits are excluded from cash and cash equivalents in the consolidated statement of cash flows.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowing

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially recognised at fair value and subsequently measured at the higher of:

- the loss allowance; and
- the amount initially recognised less cumulative amortisation recognised in consolidated profit or loss over the terms of the guarantee contracts.

Other financial liabilities

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 Financial Instruments. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sales of goods

Distribution of houseware products and audio products in the USA and trading of household appliances, wires and cables in the PRC. Revenue is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(ii) Licensing business on a worldwide basis

The Group has entered into agreement with individual licensee ("Licensee") under which the Group grants the Licensee rights to use the Group's intellectual properties (being the brands for produced electronic products ranging from audio-visual equipment to household appliances). In return, the Group is entitled to minimum annual payments, which generally are paid by Licensee before the commencement of the annual license periods.

HKFRS 15 requires an entity to determine whether an entity's promise to grant a license is a right to access the entity's intellectual property (with consideration being recognised as revenue over time) or a right to use the entity's intellectual property (with consideration being recognised as revenue at a particular point in time). Based on the specific requirements under HKFRS 15, an entity's promise to grant a license is a right to access the entity's intellectual property when all of the following criteria are met:

- (a) the contract requires, or the customer reasonably expects, that the entity will undertake activities that significantly affect the intellectual property to which the customer has rights;
- (b) the rights granted by the licence directly expose the customer to any positive or negative effects of the entity's activities identified in (a) above; and
- (c) those activities do not result in the transfer of a good or a service to the customer as those activities occur.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

(ii) **Licensing business on a worldwide basis (Continued)**

Having assessed the terms of the related agreement and the specific facts and circumstances, the Directors concluded that not all of the abovementioned criteria are satisfied and hence the Directors concluded that the minimum annual payments should be recognised at a particular point in time (being the commencement of each annual license period).

The Group recognises revenue for the sales-based royalty when those subsequent sales occur (i.e. excess of actual sales occurred).

(iii) **Sales of properties**

Revenue from development of properties for sale in the ordinary course of business is recognised when the property is accepted by the customer, or deemed as accepted according to the contract, whichever is earlier, which is the point in time when the Group satisfies its performance obligations under the contracts and the customer has the ability to direct the use of the property. Deposits received from sale of properties prior to meeting the criteria for revenue recognition are recorded as contract liabilities (and described as “**Sale of properties**”) in the consolidated statement of financial position.

Other revenue

Interest income is recognised using the effective interest method.

Employee benefits

a) **Employee leave entitlements**

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

b) **Pension obligations**

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

c) **Termination benefits**

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A related party is a person or entity that is related to the Group.

- (A) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (B) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (A);

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(B) An entity is related to the Group if any of the following conditions applies: (Continued)

- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Taxation and deferred taxation

As an investment holding company, the Company is subject to income tax in Hong Kong and the Group is subject to various taxes in other jurisdictions. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and certain tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax charge in the periods in which such estimate is changed.

Deferred tax assets of HK\$1 million (2024: HK\$1 million) in relation to credit loss allowance has been recognised in the Group's consolidated statement of financial position as at 31 March 2025. The realisation of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in the consolidated statement of profit or loss for the period in which such a reversal takes place. Further details are set out in note 17.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) **Impairment of non-financial assets (other than goodwill)**

Determining whether there is an impairment requires an estimation of recoverable amounts of the plant and equipment, right-of-use assets, intangible assets or the respective cash-generating units (the “CGU”) in which these related assets belong, which is the higher of value in use and fair value less costs of disposal. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the CGU to which the asset belongs. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the assets of CGUs and a suitable discount rate in order to calculate the present value. The discount rate represents a rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. Where the actual future cash flows or the revision of estimated future cash flows are less than the original estimated future cash flow, then a material impairment loss may arise. Further details are set out in note 18.

(ii) **Write down of inventories**

The Group performs regular review of the carrying amounts of inventories with reference to aged inventories analysis, expected future sales and management judgement. Based on this review, write down of inventories will be made when the carrying amount of inventories declines below the estimated net realisable value. However, actual sales may be different from estimation and the profit or loss could be affected by differences in this estimation.

(iii) **Provision of ECL for accounts receivable**

The Group makes provision for impairment of accounts receivable based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further details are set out in notes 5 and 23.

(iv) **Net realisable value of properties under development and completed properties held for sale**

Properties under development and completed properties held for sale are stated at the lower of the cost and net realisable value. Based on the experience of the Directors and the nature of the subject properties, the Directors determine the net realisable value of properties under development and completed properties held for sale by reference to the estimated market prices of the properties under development and completed properties held for sale, which takes into account a number of factors including the recent prices of similar property types in the same project or by similar properties, and the prevailing real estate market conditions in the PRC. During the year ended 31 March 2025, approximately HK\$48 million (2024: HK\$95 million) has been written down in the consolidated statement of profit or loss. Further details are set out in note 22.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(v) PRC land appreciation taxes

The Group is subject to land appreciation taxes (“LAT”) in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its PRC land appreciation taxes calculation and payments with the local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation and its related taxes. The Group recognised these PRC land appreciation taxes based on management’s best estimates according to the understanding of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the taxation and tax provisions in the years in which such taxes have been finalised with local tax authorities.

5. FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

a) Foreign currency risk

i) Exposure to currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States Dollar and Renminbi (“RMB”).

The following table details the Group’s exposure at the end of the reporting period to currency risk arising from recognised monetary assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong Dollar, translated using the spot rate at the year-end date.

	United States Dollar		RMB	
	2025	2024	2025	2024
	HK\$	HK\$	HK\$	HK\$
	million	million	million	million
Cash and bank balances	—*	—*	—*	3

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

a) Foreign currency risk (Continued)

ii) Sensitivity analysis

The Group's major financial assets and liabilities are denominated in United States Dollar, RMB and Hong Kong Dollar. It is assumed that the pegged rate between the Hong Kong Dollar and the United States Dollar would be materially unaffected by any changes in movement in value of the United States Dollar against other currencies.

Other than as disclosed above, majority of its transactions are denominated in the functional currencies of the respective group entities and there were only insignificant balances of financial assets and liabilities denominated in foreign currencies (other than functional currencies of the respective group entities) at the end of the reporting period, the Directors considered that the Group's exposure to currency risk is not significant and accordingly, no sensitivity analysis has been presented.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

b) Credit risk and impairment assessment

As at 31 March 2025 and 2024, the financial assets' carrying amounts best represent the maximum exposure to credit risk. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the customer;
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

b) Credit risk and impairment assessment (Continued)

Financial assets are written off when there is no reasonable expectation of recovery, such as a customer failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

The Group's internal credit risk grading assessment comprises the following categories:

Types of customer	Internal credit rating	Description	Accounts receivable	Other financial assets/ other items
Private sector – listed companies – private companies	Low risk	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Private sector – listed companies – private companies	Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL – not credit-impaired	12-month ECL
Private sector – listed companies – private companies	Doubtful	There is evidence indicating significant increase in credit risk	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Private sector – listed companies – private companies	Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Private sector – listed companies – private companies	Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Accounts receivable arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model annually on trade balances individually or based on provision matrix. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group applies the simplified approach under HKFRS 9 to provide for ECL using the lifetime ECL provision for all accounts receivable. To measure the ECLs, accounts receivable has been grouped based on shared credit risk characteristics and the days past due.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

b) Credit risk and impairment assessment (Continued)

Accounts receivable arising from contracts with customers (Continued)

The estimated ECL loss rates are estimated with reference to the credit spread for each of the groupings (which taking into consideration of historical credit loss experience, average actual date of receipt, customers' background, listing status and size as groupings of various debtors), which reflect the credit risk of the debtors, over the expected life of the debtors and are adjusted for forward looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management to ensure debtors are appropriately grouped for ECL assessment purpose.

On that basis, the loss allowance as at 31 March 2025 and 2024 was determined as follows for accounts receivable:

2025	Average	Gross	Loss	Net
Internal credit rating	loss rate	HK\$	allowance	HK\$
		million	HK\$	million
			million	
Private sector (watch list)				
– listed companies	41%	22	9	13
– private companies	9%	22	2	20
Total		44	11	33

2024	Average	Gross	Loss	Net
Internal credit rating	loss rate	HK\$	allowance	HK\$
		million	HK\$	million
			million	
Private sector (watch list)				
– listed companies	15%	13	2	11
– private companies	10%	29	3	26
Total		42	5	37

The following are the movements of allowance of ECL on accounts receivable during the year ended 31 March:

	2025	2024
	HK\$	HK\$
	million	million
At the beginning of the reporting period	5	4
Change in ECL allowance	6	1
At the end of the reporting period	11	5

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

b) Credit risk and impairment assessment (Continued)

Deposits and other receivables

The management of the Group considers that the credit risk arising from the deposits and other receivables to be low as the Group did not experience any material default by these miscellaneous debtors.

Bank balances/restricted bank deposits

The credit risks on bank balances and restricted bank deposits are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Financial guarantee

As disclosed in note 36, for properties that are presold but development have not been completed, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties for an amount up to 80% of the purchase price of the individual property. If a purchaser defaults on the payment of its mortgage during the period of guarantee, the bank that holds the mortgage may demand the Group to repay the outstanding loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the sales deposit received and re-sell the repossessed properties. Therefore, the Directors consider the Group would be able to recover any loss incurred arising from the guarantee by it and the Group's credit risk is significantly reduced.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, the Group has a certain level of concentration of credit risk as 21% (2024: 27%) and 48% (2024: 64%) of the total accounts receivable, arose from the Group's largest customer and the three (2024: three) largest customers, respectively, in which the balances were due from customers related to the PRC household appliances operating segment and Emerson operating segment. For existing customers, the Group has established long-term trading relationship and that have good credit history with the Group and were past due within 6 months. For new customers, the Group has assessed and monitored the financial background and creditability on those debtors on an ongoing basis. The Group keeps monitoring the level of exposures to ensure that follow up actions and/or corrective action are taken promptly to lower the risk exposure or to recover the overdue balances.

c) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the Company's board approval when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

c) Liquidity risk (Continued)

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash. The Group monitors and maintains a level of bank balances deemed adequate to finance the Group's operations.

The maturity profile of the Group's non-derivative financial liabilities as at 31 March 2025 and 2024, based on the contracted undiscounted payments, is as follows:

	Within 1 year or on demand HK\$ million	More than 1 year but less than 2 years HK\$ million	More than 2 years but less than 5 years HK\$ million	Total contractual undiscounted cash flows HK\$ million	Carrying amount HK\$ million
At 31 March 2025					
Accounts payable	714	-	-	714	714
Accrued liabilities and other payables	15	-	-	15	15
Interest-bearing bank loans	201	-	-	201	198
Lease liabilities	2	3	-*	5	5
Amounts due to related parties	698	-	-	698	698
Financial guarantee (note 36)	1,728	-	-	1,728	-
	3,358	3	-*	3,361	1,630

	Within 1 year or on demand HK\$ million	More than 1 year but less than 2 years HK\$ million	More than 2 years but less than 5 years HK\$ million	Total contractual undiscounted cash flows HK\$ million	Carrying amount HK\$ million
At 31 March 2024					
Accounts payable	871	-	-	871	871
Accrued liabilities and other payables	16	-	-	16	16
Interest-bearing bank loans	227	-	-	227	218
Lease liabilities	1	2	-	3	3
Amounts due to related parties	388	565	-	953	937
Financial guarantee (note 36)	1,914	-	-	1,914	-
	3,417	567	-	3,984	2,045

* The amount is less than HK\$1 million.

d) Interest rate risk

The Group has exposure to fair value interest rate risk, which mainly arises from the fixed-rate borrowings from related parties, details of which are set out in note 29. The Group has exposure to cash flow interest rate risk due to the fluctuation of the then prevailing market interest rate on bank balances and bank loans with floating interest rate (see note 30 for details).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

d) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been prepared based on the exposure to bank loans with floating interest rate at the end of the reporting period. The Directors consider the Group's exposure to cash flow interest rate risk arising from the short-term bank deposits held by the Group is not significant as interest bearing bank balances and deposits are within short maturity period. Accordingly, no sensitivity analysis on short-term bank deposits is presented. For bank loans with floating interest rate, the analysis is prepared assuming the stipulated change taking place at the beginning of the financial year and held constant throughout the year. A 50 (2024: 50) basis points increase or decrease for bank loans with floating interest rate are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the reasonably possible change in interest rate in respect of bank loans.

If interest rates had been increased/decreased by 50 (2024: 50) basis points in respect of bank loans with floating interest rate and all other variables were held constant, the Group's post-tax loss for the year would be increased/decreased by approximately HK\$0.7 million (2024: HK\$0.8 million).

e) Categories of financial instruments at 31 March

	2025 HK\$ million	2024 HK\$ million
Financial assets:		
Financial assets at amortised cost (including cash and cash equivalents)	1,094	1,291
Financial liabilities:		
Financial liabilities at amortised cost	1,630	2,045

f) Fair value

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6. SEGMENT REPORTING

The Group currently organises its operations into the following reportable operating segments.

Operating segments	Principal activities
PRC Property Development	Property development and operations in the PRC
Emerson	Distribution of houseware products and audio products and licensing business – Comprising a group listed on The New York Stock Exchange of the USA
PRC Household Appliances	Trading of household appliances, wires and cables in the PRC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT REPORTING (Continued)

Year ended 31 March 2025

Revenue:

Sale of properties to external customers	1,341	-	-	-	-	1,341
Sale of household appliances, wires and cables to external customers	-	-	26	-	-	26
Sale of houseware and audio products to external customers	-	81	-	-	-	81
Licensing income from external customers	-	3	-	-	-	3
Total segment revenue	1,341	84	26	-	-	1,451

Results:

Segment results	85	(36)	1	-	-	50
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Reconciliations:

Unallocated corporate expenses	-	-	-	(16)	-	(16)
ECL on accounts receivable	-	(7)	1	-	-	(6)
Impairment loss reversed in respect of properties under development	8	-	-	-	-	8
Impairment loss recognised in respect of completed properties held for sale	(56)	-	-	-	-	(56)
Interest income	-	-	-	15	-	15
Gain on disposal of a subsidiary	15	-	-	-	-	15

Profit before taxation						10
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Assets:

Segment assets	2,882	185	32	7	(14)	3,092
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Liabilities:

Segment liabilities	2,699	17	17	19	(14)	2,738
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Other information:

Depreciation of plant and equipment	1	1	-*	-*	-	2
Depreciation of right-of-use assets	-*	1	1	-*	-	2
Additions to non-current assets	-*	4	-*	1	-	5

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT REPORTING (Continued)

	PRC property development HK\$ million	Emerson HK\$ million	PRC household appliances HK\$ million	Unallocated HK\$ million	Inter segment elimination HK\$ million	Consolidated HK\$ million
Year ended 31 March 2024						
Revenue:						
Sale of properties to external customers	2,087	-	-	-	-	2,087
Sale of household appliances, wires and cables to external customers	-	-	72	-	-	72
Sale of houseware and audio products to external customers	-	68	-	-	-	68
Licensing income from external customers	-	3	-	-	-	3
Total segment revenue	2,087	71	72	-	-	2,230
Results:						
Segment results	278	(26)	6	-	-	258
Reconciliations:						
Unallocated corporate expenses	-	-	-	(20)	-	(20)
ECL on accounts receivable	-	(1)	-*	-	-	(1)
Impairment loss recognised in respect of properties under development	(59)	-	-	-	-	(59)
Impairment loss recognised in respect of completed properties held for sale	(36)	-	-	-	-	(36)
Impairment loss recognised in respect of amount due from a joint venture	(4)	-	-	-	-	(4)
Interest income	-	-	-	24	-	24
Gain on disposal of a subsidiary	28	-	-	-	-	28
Gain on settlement of litigation	-	24	-	-	-	24
Profit before taxation						214
Assets:						
Segment assets	3,984	227	62	14	(32)	4,255
Liabilities:						
Segment liabilities	3,834	23	44	13	(32)	3,882
Other information:						
Depreciation of plant and equipment	19	-*	-*	-*	-	19
Depreciation of right-of-use assets	1	1	1	-*	-	3
Additions to non-current assets	9	3	-	-*	-	12

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT REPORTING (Continued)

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets. Segment liabilities include all current and non-current liabilities managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is “adjusted EBIT” i.e. “adjusted earnings before interest and taxes, where “interest” is regarded as including investment income. To arrive at adjusted EBIT the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as Directors’ and auditors’ remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBIT, management is provided with segment information concerning interest income from cash balances managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

(b) Geographic information

Information about the Group’s revenue from external customers is presented based on the location of the operations. Information about the Group’s non-current assets is presented based on the geographical location of the assets.

	Revenue		Carrying amount of non-current assets	
	2025 HK\$ million	2024 HK\$ million	2025 HK\$ million	2024 HK\$ million
PRC	1,367	2,159	1	1
USA	84	71	5	4
	1,451	2,230	6	5

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

7. REVENUE

An analysis of the Group's revenue from contracts with customers, by principal activities, for the years ended 31 March 2025 and 2024 is as follows:

	2025 HK\$ million	2024 HK\$ million
By principal activities:		
Sales of properties	1,341	2,087
Sales of goods	107	140
Licensing income	3	3
	1,451	2,230

There was no revenue from customers contributing 10% or more of total revenue for the years ended 31 March 2025 and 2024.

Revenue from the above mentioned principal activities were recognised on "point in time" basis.

8. OTHER INCOME, GAINS OR LOSSES

	2025 HK\$ million	2024 HK\$ million
Impairment loss reversed/(recognised) in respect of properties under development	8	(59)
Impairment loss recognised in respect of completed properties held for sale	(56)	(36)
Impairment loss recognised in respect of amount due from a joint venture	–	(4)
Gain on disposal of a subsidiary	15	28
Changes in ECL on accounts receivable	(6)	(1)
Interest income	15	24
Gain on settlement of litigation	–	24
Others	2	2
	(22)	(22)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

9. FINANCE COSTS

	2025 HK\$ million	2024 HK\$ million
Interest on loans from related parties	7	34
Interest on bank loans	9	7
Interest on lease liabilities	—*	—*
	16	41
Less: interest expense capitalised into properties under development (note (i))	(15)	(40)
	1	1

Note:

(i) The finance costs incurred by the Group in both years arose from funds borrowed specifically for the purpose of obtaining the qualifying assets.

* The amount is less than HK\$1 million.

10. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2025 HK\$ million	2024 HK\$ million
(a) Staff costs		
Directors' and Chief Executive Officer's emoluments	5	5
Other staff costs:		
– Salaries and other benefits	36	34
– Retirement benefits costs	3	3
	44	42
Less: amount capitalised in properties under development	(2)	(4)
	42	38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. PROFIT BEFORE TAXATION (Continued)

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund Scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

The employees of the subsidiaries within the Group which operate in the PRC are required to participate in the central pension scheme operated by the local municipal government. These PRC subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme as specified by the local municipal government. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The staff in USA enjoy their own provident fund schemes that have been set up in accordance with the local laws of their respective jurisdictions.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

(b) Other items

	2025 HK\$ million	2024 HK\$ million
Short-term lease expenses	1	—*
Depreciation of plant and equipment	2	19
Depreciation of right-of-use assets	2	3
Auditor’s remuneration	2	2
Business tax and other levies	5	9
Legal and professional fees	9	11
Advertising and promotion expenses [#]	7	22
Carrying amount of inventories sold	94	120
Cost of properties sold recognised as expense	1,192	1,705

[#] Included in selling and distribution costs.

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. INCOME TAX EXPENSES

Income tax has been recognised in consolidated profit or loss as following:

	2025 HK\$ million	2024 HK\$ million
Current income tax		
– PRC Corporate Income Tax	26	52
– PRC LAT	2	23
– Overseas	—*	—*
Deferred tax (note 17)		
– PRC	—*	—*
Income tax expenses	28	75

* The amount is less than HK\$1 million.

No Hong Kong Profits Tax has been provided in the consolidated financial statements as there were no assessable profits arising in Hong Kong during the year ended 31 March 2025 (2024: Nil).

Under the Law of the PRC on Corporate Income Tax (the “**CIT Law**”) and Implementation Regulation of the CIT Law, the tax rate of the PRC subsidiaries was 25% for the year ended 31 March 2025 (2024: 25%).

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT is charged at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

Taxes on profits assessable elsewhere have been calculated at rates of tax prevailing in the places in which the Group operates, based on existing legislation, interpretations and practises in respective jurisdictions thereof.

Included in tax liabilities as at 31 March 2025 are tax provisions in respect of overseas’ current tax recognised in respect of the provisions of tax legislation (“**one-time transition tax**”) enacted by the United States Government in December 2017. In accordance with this legislation, the Group is able to elect to pay such tax liabilities over a period of up to eight years on an interest-free basis. As of 31 March 2025, such provision of one-time transition tax amounting to approximately HK\$0.1 million (2024: approximately HK\$5 million) and approximately HK\$5 million (2024: approximately HK\$4 million) were included in non-current portion and current portion of tax liabilities respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. INCOME TAX EXPENSES (Continued)

The reconciliation between the income tax expenses and the product of profit before taxation multiplied by the applicable tax rates is as follows:

	2025 HK\$ million	2024 HK\$ million
Profit before taxation	10	214
Notional tax calculated at Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	2	35
Tax effect of		
Effect of different tax rates in overseas jurisdictions	4	13
Income not taxable	(3)	(6)
Expenses not deductible	1	1
Utilisation of tax loss previously not recognised	–	(11)
Unused tax loss not recognised	22	20
LAT	2	23
Income tax expenses	28	75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. BENEFITS AND INTERESTS OF DIRECTORS AND EMPLOYEES

(a) Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation and the Chief Executive Officer's emoluments are as follows:

	Fees HK\$ million	Basic salaries, housing allowances and other benefits HK\$ million	Discretionary bonuses HK\$ million	Provident fund contribution HK\$ million	Total emoluments HK\$ million
Year ended 31 March 2025					
Executive directors					
Tan Bingzhao (<i>Chief Executive Officer</i>)	-	2.40	-	0.02	2.42
Deng Xiangping	-	0.73	-	0.02	0.75
Yan Guohao	-	0.60	-	0.07	0.67
Liang Minling	-	0.75	-	0.02	0.77
Hu Desheng note (i)	-	0.40	-	0.02	0.42
Independent non-executive directors					
Lin Jinying	0.14	-	-	-	0.14
Lu Zhenghua	0.14	-	-	-	0.14
Ye Hengqing	0.14	-	-	-	0.14
	0.42	4.88	-	0.15	5.45

Year ended 31 March 2024

Executive directors					
Tan Bingzhao (<i>Chief Executive Officer</i>)	-	2.40	-	0.02	2.42
Deng Xiangping	-	0.73	-	0.02	0.75
Yan Guohao	-	0.59	-	0.10	0.69
Liang Minling	-	0.75	-	0.02	0.77
Hu Desheng note (i)	-	-	-	-	-
Independent non-executive directors					
Lin Jinying	0.14	-	-	-	0.14
Lu Zhenghua	0.14	-	-	-	0.14
Ye Hengqing	0.14	-	-	-	0.14
	0.42	4.47	-	0.16	5.05

Notes:

(i) Hu Desheng was appointed on 20 March 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. BENEFITS AND INTERESTS OF DIRECTORS AND EMPLOYEES (Continued)

(a) Directors' emoluments (Continued)

The remuneration packages of the Directors are reviewed and approved by the Remuneration Committee, with reference to their qualifications, experience, duties and responsibilities within the Company, as well as the Company's performance and prevailing market conditions.

None of the Directors and Chief Executive Officer has waived or agreed to waive any emoluments during the year ended 31 March 2025 (2024: Nil).

Salaries, allowance and benefits in kind paid to or for the executive Directors are generally emoluments paid or payable in respect of those person's other services in connection with the management of the affairs of the Company and its subsidiaries.

The independent non-executive directors' emoluments are for their services as the Directors.

(b) Directors' material interests in transactions, arrangements or contracts

No other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) Five highest paid individuals

During the Year, the five highest paid individuals included one (2024: one) Director, the details of whose emoluments are set out in note 12(a) above. The emoluments of the remaining highest paid individuals are as follows:

	2025 HK\$ million	2024 HK\$ million
Basic salaries, housing, other allowances and benefits in kind	8	7
Bonuses paid and payable	1	—*
Provident fund contribution	—*	—*
	<u>9</u>	<u>7</u>

* The amount is less than HK\$1 million.

The number of these individuals who are non-Directors (excluding Mr. Tan) whose remuneration fell within the bands set out below is as follows:

HK\$	2025 Number of senior management	2024 Number of senior management
1,500,001–2,000,000	—	1

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. BENEFITS AND INTERESTS OF DIRECTORS AND EMPLOYEES (Continued)

(c) Five highest paid individuals (Continued)

HK\$	2025 Number of other	2024 Number of other
1,000,001–1,500,000	2	1
1,500,001–2,000,000	–	1
2,000,001–2,500,000	–	1
2,500,001–3,000,000	1	–
3,500,001–4,000,000	1	–

Staff are entitled to receive a basic salary according to their contracts which are reviewed annually by the Group. In addition, staff are entitled to receive a discretionary bonus which is decided by the Group at its absolute discretion having regard to his/her performance.

During the year, no emoluments were paid by the Group to any of the Directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2025 (2024: Nil).

13. DIVIDENDS

The Directors do not recommend the payment of any dividend for the years ended 31 March 2025 and 2024.

14. PROFIT PER SHARE

(a) Basic profit per share

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

	2025 HK\$ million	2024 HK\$ million
Profit		
Profit for the year for the purpose of calculating basic profit per share	1	132
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic profit per share	5,492.2	5,492.2

(b) Diluted profit per share:

Diluted profit per share equals basic profit per share as there were no potential ordinary shares outstanding during the years ended 31 March 2025 and 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

15. PLANT AND EQUIPMENT

	2025 HK\$ million	2024 HK\$ million
Cost		
At 1 April	46	44
Additions	2	9
Disposal of a subsidiary	–*	(5)
Foreign currency adjustment	(1)	(2)
At 31 March	47	46
Accumulated depreciation		
At 1 April	44	29
Depreciation for the year	2	19
Disposal of a subsidiary	–*	(2)
Foreign currency adjustment	(1)	(2)
At 31 March	45	44
Carrying values		
At 31 March	2	2

* The amount is less than HK\$1 million.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

Disclosures of lease-related items:

At 31 March:

Right-of-use assets
– Properties and equipment[#]

	2025 HK\$ million	2024 HK\$ million
	4	3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

(a) Right-of-use assets (Continued)

The maturity analysis based on undiscounted cash flows, of the Group's lease liabilities is as follows:

	2025 HK\$ million	2024 HK\$ million
– Less than 1 year	2	1
– Between 1 and 2 years	3	2
– Between 2 and 5 years	–*	–
	5	3

	2025 HK\$ million	2024 HK\$ million
Year ended 31 March:		
Depreciation charge of right-of-use assets		
– Properties and equipment [#]	2	3
Lease interests	–*	–*
Expenses related to short-term leases	1	–*
Total cash outflow for leases	3	3
Additions to right-of-use assets	3	3

For the years ended 31 March 2025 and 2024, the Group leases various offices, warehouse, car parks and equipment for its operations. Lease contracts are entered into for fixed term of two to six years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

* The amount is less than HK\$1 million.

The amounts shown above relate mainly to properties.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

(b) Lease liabilities

	Lease payments 2025 HK\$ million	Present value of lease payments 2025 HK\$ million	Lease payments 2024 HK\$ million	Present value of lease payments 2024 HK\$ million
Within one year	2	2	1	1
In the second to fifth years, inclusive	3	3	2	2
	5	5	3	3
Less: Future finance charges	—*	—	—*	—
Present value of lease liabilities	5		3	
Less: Amount due for settlement within 12 months (shown under current liabilities)		(2)		(1)
Amount due for settlement after 12 months		3		2

At 31 March 2025, the effective interest rate was ranging from 4.75% to 10.5% (2024: 4.75% to 10.25%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. DEFERRED INCOME TAX

(a) Deferred tax assets recognised:

The major components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the years ended 31 March 2025 and 2024 are as follows:

	Credit loss allowance HK\$ million
At 1 April 2023	1
Credited to consolidated statement of profit or loss (<i>note 11</i>)	—*
At 31 March 2024 and 1 April 2024	1
Charged to consolidated statement of profit or loss (<i>note 11</i>)	—*
At 31 March 2025	1

* The amount is less than HK\$1 million.

(b) Deferred tax assets not recognised

The deferred tax assets have not been recognised in respect of the following items:

As at 31 March 2025, the Group has unused tax losses of HK\$435 million (2024: HK\$196 million) available for offset against future profits for which no deferred tax asset was recognised as it is not probable that future taxable profits against which these losses can be utilised will be available in the relevant tax jurisdiction and entities, in which approximately HK\$278 million (2024: HK\$79 million) and approximately HK\$157 million (2024: HK\$117 million) will expire within 5 years and 20 years respectively.

In accordance with the accounting policy set out in note 3, the Group has not recognised deferred tax assets of approximately HK\$112 million (2024: HK\$52 million) in respect of the aforesaid cumulative tax losses.

(c) Deferred tax liabilities not recognised

Under the CIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of certain temporary differences attributable to retained profits of the PRC subsidiaries amounting to approximately HK\$5 million (2024: HK\$5 million) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. BRANDS AND TRADEMARKS, GOODWILL

	Brands and trademarks		Goodwill	
	2025	2024	2025	2024
	HK\$	HK\$	HK\$	HK\$
	million	million	million	million
Gross amount				
At 1 April	468	469	13	13
Foreign currency adjustment	(3)	(1)	—*	—*
At 31 March	465	468	13	13
Accumulated impairment				
At 1 April	468	469	13	13
Foreign currency adjustment	(3)	(1)	—*	—*
At 31 March	465	468	13	13
Carrying amount				
At 31 March	—	—	—	—

The Group has reassessed the useful lives of the brands and trademarks and concluded that all brands and trademarks have indefinite useful lives.

Details of impairment testing of each of the brands and trademarks, goodwill are set out below.

The carrying amounts of the brands and trademarks, which are identified according to the product line (i.e. brand name of each trademark), and goodwill are presented below according to the operating segments of the Group, as follows:

	Brands and trademarks		Goodwill	
	2025	2024	2025	2024
	HK\$	HK\$	HK\$	HK\$
	million	million	million	million
Emerson	—	—	—	—

For impairment testing purposes, the recoverable amounts of the brands and trademarks of Emerson are determined on an individual basis.

The recoverable amounts of Emerson trademark as at 31 March 2025 and 2024 were determined based on their value-in-use using value-in-use calculations. These calculations used pre-tax cash flow projections based on financial budgets approved by management covering a five-year period.

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. BRANDS AND TRADEMARKS, GOODWILL (Continued)

The following described each of the key assumptions on which management had based its cash flow projections to undertake the impairment testing:

	2025 Emerson	2024 Emerson
Pre-tax discount rate	18%	18%
Growth rate	2%	2%

Operating expenses were estimated based on reference to the actual data of the trademarks. Revenue projections were estimated by reference to the historical data and terms of the licensing agreements, likelihood of renewal of the licensing agreements, and the economic outlook expected over the budget period. Based on the aforesaid cash flow projections, the recoverable amount of Emerson trademark was nil as at 31 March 2025 (2024: Nil).

19. INVESTMENT IN A JOINT VENTURE

	2025 HK\$ million	2024 HK\$ million
Unlisted investments in the PRC:		
Share of net assets	—	—

Investment in a joint venture is accounted for using the equity method.

	2025 HK\$ million	2024 HK\$ million
At 1 April	—	—
Share of post-tax losses	—	—
At 31 March	—	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. INVESTMENT IN A JOINT VENTURE (Continued)

The particulars of the joint venture of the Group, which is unlisted, as at 31 March 2025 and 2024, are as follows:

Name of joint venture	Place of business/ country of incorporation	Particulars of paid up registered capital	Proportion of ownership interest/ voting rights held by the Group		Principal activities
			2025	2024	
Nanning Ruihua Real Estate Development Co., Ltd. ("Nanning Ruihua") [#] 南寧市瑞華房地產開發有限公司	The PRC	RMB100,000,000	-	51%	Property development and operation

During the year ended 31 March 2025, the Group disposed of the entire issued share capital of GZ Ruihua which holds 51% equity interest of Nanning Ruihua. The details of disposal of GZ Ruihua are set out in notes 34(a).

[#] For identification purposes only.

20. OTHER ASSETS

	2025 HK\$ million	2024 HK\$ million
Other receivables (mainly represent utility/rental deposits)	1	—*

* The amount is less than HK\$1 million.

21. INVENTORIES

The inventories represent finished goods stated at lower of cost and net realisable values.

	2025 HK\$ million	2024 HK\$ million
Finished goods	38	55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE

	2025 HK\$ million	2024 HK\$ million
Properties under development for sale		
– Land use right (including direct costs associated with the acquisition)	1,081	1,783
– Construction costs including depreciation and staff costs capitalised	451	564
– Finance costs capitalised	6	14
	1,538	2,361
Completed properties held for sale	281	392
	1,819	2,753

The properties under development are located in the PRC. Properties under development that have plans to be developed for sale, and are expected to be realised within the Group's normal operating cycle, are classified as current assets. Included in the amounts are properties under development of HK\$203 million (2024: HK\$1,182 million) which are expected to be completed and available for delivery to the customers more than twelve months from the end of the reporting period.

At 31 March 2025, certain of the Group's properties under development with carrying value of HK\$7 million (2024: HK\$7 million) were pledged for certain credit facilities granted to the Group by the banks.

The Group's completed properties held for sale are stated at the lower of cost and net realisable value and situated in the PRC. In the opinion of the Directors, completed properties held for sale as at 31 March 2025 are expected to be sold within twelve months from the end of the reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

23. ACCOUNTS RECEIVABLE

The Group allows an average credit period of 30 to 90 days to its trade customers.

	2025 HK\$ million	2024 HK\$ million
Gross amount	44	42
Less: allowance of ECL	(11)	(5)
Net carrying amount	33	37

The ageing analysis of accounts receivable (net of allowance of ECL), presented based on the invoice date, is as follows:

	2025 HK\$ million	2024 HK\$ million
0–3 months	26	35
3–6 months	3	2
7–12 months	3	–
Over 12 months	1	–
	33	37

Details of impairment assessment of accounts receivable for the years ended 31 March 2025 and 2024 are set out in note 5(b).

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$ million	2024 HK\$ million
Prepayments (note (i))	9	5
Deposits (note (ii))	1	1
Prepaid income tax (note (iii))	97	84
Cost of obtaining contracts (note (iv))	28	61
Other receivables (note (v))	7	3
	142	154

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes:

- (i) Included in prepayments are deposits for subsequent purchases of inventories advanced to suppliers amounting to approximately HK\$1.8 million as at 31 March 2025 (2024: HK\$2.1 million). These deposits were non-interest bearing and covered 0–3 months of purchases. Prepayment for real estate related which are expected to be charged to consolidated profit or loss amounting to approximately HK\$5.2 million as at 31 March 2025 (2024: Nil).
- (ii) Deposits mainly represented payments made for project related deposits which are refundable upon completion of the property development projects. In the opinion of the Directors, most of the balance is expected to be settled after the period of twelve months from the end of the reporting period.
- (iii) Prepaid income tax mainly represented prepaid LAT imposed by the PRC's tax authorities ahead of the completion of transactions and revenue recognition, which is generally based on 1% to 6% on proceeds from pre-sale of properties. In the opinion of the Directors, most of the balance is expected to be settled/refund within 1 to 2 years after the end of the current reporting period.
- (iv) Cost of obtaining contracts represented the prepaid sales commission paid to real estate agents in connection with the pre-sales of properties. The Group are expected to be charged nil (2024: HK\$21 million) to consolidated profit or loss more than twelve months from the end of the reporting period when the revenue from the related property sales is recognised, at which time such costs will be included in selling and distribution expenses. Sales commission of approximately HK\$47 million was charged to consolidated profit or loss during the year ended 31 March 2025 (2024: HK\$65 million).
- (v) As at 31 March 2025, other receivables mainly represented value-added tax receivables related to the property development operations in the PRC as a result of the construction costs paid. In the opinion of the Directors, most of the balance is expected to be settled after the period of twelve months from the end of the reporting period.

25. CASH AND BANK BALANCES

	2025 HK\$ million	2024 HK\$ million
Bank balances	116	145
Short-term deposits with original maturities within three months	116	150
Cash and cash equivalents in the consolidated statement of cash flows	232	295
Restricted bank deposits	820	955
	1,052	1,250

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

25. CASH AND BANK BALANCES (Continued)

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The short-term time deposits carry interest rate at 4.4% – 4.5% per annum for the year ended 31 March 2025 (2024: 4.72% – 5.79% per annum).

As the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately HK\$923 million (2024: HK\$1,081 million). The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Restricted bank deposits represented guarantee deposits for construction of pre-sale properties and are denominated in RMB and placed in designated bank accounts. In accordance with relevant government requirements, property development companies of the Group are required to place certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for the construction of the related properties. The deposits can only be used for payments for construction costs of the relevant properties when approval from related government authority is obtained.

26. ACCOUNTS PAYABLE

The analysis of accounts payable, including ageing analysis of accounts payable arising from purchases of inventories based on the invoice date, is as follows:

	2025 HK\$ million	2024 HK\$ million
For purchases of inventories		
0–3 months	11	14
3–6 months	3	6
6–12 months	3	19
For construction costs (note (i))	697	832
	714	871

Notes:

- (i) Construction costs payable comprise payables for construction costs and other project related expenses (including unbilled payables) which are based on project progress measured by project management team of the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

27. CONTRACT LIABILITIES

	As at 31 March 2025 HK\$ million	As at 31 March 2024 HK\$ million	As at 1 April 2023 HK\$ million
Sale of properties (note (i))	975	1,660	3,335
Others	—*	—*	1
	975	1,660	3,336

As at 31 March 2025, the aggregate amount of the transaction prices allocated to the performance obligations that were unsatisfied (or partially unsatisfied) as of the end of the reporting period amounted to approximately HK\$1,172 million (2024: approximately HK\$1,938 million). This amount represents revenue expected to be recognised in the future from pre-completion sales contracts for properties under development and licensing agreement entered into by the customers and licensee with the Group. The Group expects to recognise these amounts as revenue when the performance obligations are satisfied. Based on the remaining contract terms, these amounts are expected to be recognised within 1 to 2 years after the end of the current reporting period.

Revenue recognised in the year ended 31 March 2025 that was included in the contract liabilities balance at the beginning of the year ended 31 March 2025 was approximately HK\$1,273 million (2024: HK\$1,950 million).

Included in the contract liabilities is approximately HK\$974 million (2024: HK\$1,209 million) which is expected to be settled within next 12 months from the end of the reporting period.

Note:

- (i) The Group receives 20% to 100% of the contract value from customers when they sign the sale and purchase agreements for pre-sale of properties while construction work of the properties is still ongoing. For the customers who applied for mortgage loans to be provided by the banks, the remaining consideration will be paid to the Group from the banks once the mortgage loan application has been completed and release of fund has been approved. Such advance payment schemes result in contract liabilities being recognised through the property construction period until the customer obtains control of the completed property. Same as the properties under development as disclosed in note 22, these balances are expected to be settled within the Group's normal operating cycle.

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. ACCRUED LIABILITIES AND OTHER PAYABLES

	2025 HK\$ million	2024 HK\$ million
Accrued expenses	5	8
Other tax payables (note (i))	76	110
Other payables	10	8
	<u>91</u>	<u>126</u>

Note:

- (i) Other tax payables mainly represented value-added tax payables related to the property development operations in the PRC as a result of the pre-sales proceeds received.

29. AMOUNTS DUE TO RELATED PARTIES

	2025 Effective contractual interest rate (%)	HK\$ million	2024 Effective contractual interest rate (%)	HK\$ million
Current				
Guangzhou Minjie Real Estate Development Co., Ltd.# ("GZ Minjie", 廣州敏捷房地產開發有限公司) (note (i))	–	475	–	388
Loan from GZ Minjie (note (ii))	2.7%	151	–	–
Interest portion of loan from GZ Minjie (note (ii))	–	52	–	–
Loan from Mr. Tan (note (iii))	5%	18	–	–
Interest portion of loan from Mr. Tan (note (iii))	–	2	–	–
		<u>698</u>		<u>388</u>
Non-current				
Loan from GZ Minjie (note (ii))	–	–	2.7%	483
Interest portion of loan from GZ Minjie (note (ii))	–	–	–	47
Loan from Mr. Tan (note (iii))	–	–	5%	18
Interest portion of loan from Mr. Tan (note (iii))	–	–	–	1
		<u>–</u>		<u>549</u>
		<u>698</u>		<u>937</u>

All these entities are beneficially owned, directly or indirectly, by family members of Mr. Tan

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For identification purposes only

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

29. AMOUNTS DUE TO RELATED PARTIES (Continued)

Notes:

- (i) The balance of approximately RMB443 million (2024: RMB358 million), which is equivalent to approximately HK\$475 million (2024: HK\$388 million) is non-trade in nature, unsecured, interest-free and has no fixed repayment terms.

GZ Minjie is also a non-controlling interests of Changsha Ningxiang Minjun Real Estate Development Co., Ltd.# (“**Ningxiang Minjun**”, 長沙市寧鄉敏駿房地產開發有限公司), a non-wholly owned indirect subsidiary of the Company.

- (ii) Included are balances of approximately RMB189 million (2024: RMB489 million), which are equivalent to approximately HK\$203 million (2024: HK\$530 million) will be repayable in full on 4 May 2025 (2024: 4 May 2025). In May 2025, an agreement was signed to extend the repayment date to 4 May 2028, when the full amount of principle and interest will become due. The balances are non-trade in nature and unsecured.

- (iii) During the year ended 31 March 2025 a subsidiary of the Company entered into an agreement with Mr. Tan in relation to the loan facility of up to HK\$18 million at the agreed interest rate of 5% per annum, unsecured and with the principal and interest repayable in full on 11 May 2025. In June 2025, an agreement was signed to extend the repayment date to 11 May 2028, when the full amount of principle and interest will become due. In the opinion of the Directors, the purpose of the loan facility is for use in the Group’s daily operations.

For identification purposes only

30. INTEREST-BEARING BANK LOANS

	2025 HK\$ million	2024 HK\$ million
Loans from banks – secured (note (i))	198	218
Less: amount due within one year or on demand shown under current liabilities	(198)	(218)
Non current liabilities	–	–
The bank loans are repayable as follows:		
On demand or within one year	198	218

Notes:

- (i) Bank loan of the Group bear floating interest rate based on RMB1-year Loan Prime Rate plus a specified margin of 0.75% per annum, carrying interest rate at 4.2% (2024: 4.3%); thus exposing the Group to cash flow interest rate risk. This bank loan was guaranteed by related companies of Guangzhou Jinxiu Investment Company Limited# (“**GZ Investment**”, 廣州錦綉投資有限公司), Meizhou Minjie Construction Engineering Company Limited# (“**Meizhou Minjie**”, 梅州市敏捷建築工程有限公司) and other related parties, and secured by certain properties under development of approximately RMB7 million, which are equivalent to HK\$7 million, as set out in note 22 and share capital of Shantou Ruijing Real Estate Development Co., Ltd.# (“**Shantou Ruijing**”, 汕頭市瑞景房地產開發有限公司).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

31. SHARE CAPITAL, SHARE PREMIUM AND RESERVES

	Number of shares	Share capital HK\$ million	Share premium HK\$ million
Authorised share capital:			
Ordinary shares of HK\$0.01 each at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	20,000,000,000	200	
Issued and fully paid share capital:			
Ordinary shares of HK\$0.01 each at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	5,492,232,889	55	386

The share premium represents the difference between the par value of the shares issued and the consideration received.

Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

(i) Contributed reserve

The contributed reserve represents the credit amount arising from capital reduction in the previous years.

(ii) Statutory reserve

The statutory reserve represents the amount transferred from profit after taxation of the subsidiaries established in the PRC in accordance with the relevant PRC laws until the accumulated total of the fund reaches 50% of the registered capital of the respective subsidiaries.

(iii) Exchange fluctuation deficits

The exchange fluctuation deficits comprises all foreign exchange differences arising from the translation of the financial statements of foreign/PRC operations. The reserve is dealt with in accordance with the accounting policies set out in note 3.

(iv) Other reserve

The other reserves mainly represent the change in net assets attributable to the Group in relation to changes in ownership interest in subsidiaries without losing of control.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

31. SHARE CAPITAL, SHARE PREMIUM AND RESERVES (Continued)

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from previous year.

The capital structure of the Group consists of debt, which include amounts due to related parties (note 29) and interest-bearing bank loans (note 30), less cash and bank balances (note 25) and equity attributable to the owners of the Company, comprising share capital and reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt.

The Group also monitors capital on basis of the gearing ratio. This ratio is calculated as net interest-bearing borrowings over total equity. Net interest-bearing borrowings is calculated as sum of amounts due to related parties (excluding note 29(i) and note 29(iii)), and interest-bearing bank loans less cash and bank balances.

The gearing ratios as at 31 March 2025 and 2024 are as follows:

	2025	2024
	HK\$	HK\$
	million	million
Amounts due to related parties	698	937
Interest-bearing bank loans	198	218
Less: cash and bank balances	(1,052)	(1,250)
amounts due to related parties (non interest-bearing) (note 29(i) and note 29(iii))	(475)	(388)
Net interest-bearing borrowings	N/A	N/A
Total equity	354	373
Gearing ratio (times)	N/A	N/A

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

32. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	2025 HK\$ million	2024 HK\$ million
Non-current assets		
Investments in subsidiaries	—*	—*
Amount due from a subsidiary, less impairment	145	148
	145	148
Current assets		
Due from subsidiaries	89	89
Prepayments, deposits and other receivables	1	1
Cash and cash equivalents	—*	—*
	90	90
Current liabilities		
Accrued liabilities and other payables	2	2
Due to subsidiaries	17	13
	19	15
Net current assets	71	75
NET ASSETS	216	223
Capital and reserves		
Share capital	55	55
Share premium	386	386
Reserves	(225)	(218)
TOTAL EQUITY	216	223

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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32. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

	Contributed reserve HK\$ million	Accumulated deficits HK\$ million	Total HK\$ million
At 1 April 2023	193	(389)	(196)
Loss for the year	–	(22)	(22)
At 31 March 2024 and 1 April 2024	193	(411)	(218)
Loss for the year	–	(7)	(7)
At 31 March 2025	193	(418)	(225)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

	Lease liabilities HK\$ million	Amounts due to related parties HK\$ million	Interest-bearing bank loans HK\$ million	Total liabilities from financing activities HK\$ million
At 1 April 2023	3	2,725	551	3,279
Changes from financing cash flows:				
Advances from related parties	–	7	–	7
Increase in bank loans	–	–	225	225
Repayments to related parties	–	(804)	–	(804)
Repayments of lease liabilities	(3)	–	–	(3)
Repayments of bank loans and interest	–	–	(101)	(101)
Total changes from financing cash flows	(3)	(797)	124	(676)
Non-cash other changes:				
Interest expense capitalised into properties under development	–	33	7	40
Interest expense not capitalised into properties under development	–	1	–	1
Additions of lease liabilities	3	–	–	3
Interest on lease liabilities	–*	–	–	–*
Modification of loans from related parties (note (b))	–	(135)	–	(135)
Derecognition of a subsidiary	–	(770)	(441)	(1,211)
Total other changes	3	(871)	(434)	(1,302)
Foreign exchange adjustments	–	(120)	(23)	(143)
At 31 March 2024	3	937	218	1,158

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Reconciliation of liabilities from financing activities (Continued)

	Lease liabilities HK\$ million	Amounts due to related parties HK\$ million	Interest-bearing bank loans HK\$ million	Total liabilities from financing activities HK\$ million
At 1 April 2024	3	937	218	1,158
Changes from financing cash flows:				
Advances from related parties	-	92	-	92
Repayments to related parties	-	(332)	-	(332)
Repayments of lease liabilities	(2)	-	-	(2)
Repayments of bank loans and interest	-	-	(26)	(26)
Total changes from financing cash flows	(2)	(240)	(26)	(268)
Non-cash other changes:				
Interest expense capitalised into properties under development	-	6	9	15
Interest expense not capitalised into properties under development	-	1	-	1
Additions of lease liabilities	3	-	-	3
Interest on lease liabilities	-*	-	-	-*
Total other changes	3	7	9	19
Foreign exchange adjustments	1	(6)	(3)	(8)
At 31 March 2025	5	698	198	901

* The amount is less than HK\$1 million.

(b) Major non-cash transactions

During the year ended 31 March 2024, the Group, and GZ Minjie, GZ Yufeng and Zhongshan Wanquan consented to modify several loan agreements, of which the loan interest rates ranging from 3.65% to 6.4% are changed to 2.7% or interest-free retrospectively from the beginning of these loans.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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34. DISPOSAL OF A SUBSIDIARY

(a) Disposal of a subsidiary

The disposal of entire issued share capital in Guangzhou Ruihua Property Development Company Limited[#] (廣州市瑞華物業發展有限公司) (“**GZ Ruihua**”), was completed on 30 May 2024 (the “**Completion Date**”) at a consideration of RMB12,000,000. Upon completion, GZ Ruihua ceased to be a subsidiary of the Company and consolidated results, assets and liabilities of GZ Ruihua ceased to be consolidated with those of the Group.

The net assets of GZ Ruihua as at the date of disposal were as follows:

	HK\$ million
Right-of-use assets	—*
Investment in a joint venture	—
Prepayments, deposits and other receivables	—*
Amount due from a joint venture	2
Cash and bank balances	—*
Accrued liabilities and other payables	—*
Lease liabilities	—*
Net assets disposed of	2
Reclassification adjustment of exchange reserve on disposal of GZ Ruihua	(4)
Direct cost incurred for the disposal	—*
Gain on disposal of a subsidiary	15
Total cash consideration received	13
Net cash inflow arising on disposal	
Cash consideration	13
Cost directly attributable to the disposal	—*
Bank balances and cash disposed of	—*
Net cash inflow arising on disposal	13

* The amount is less than HK\$1 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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34. DISPOSAL OF A SUBSIDIARY (Continued)

(a) Disposal of a subsidiary (Continued)

The disposal of entire issued share capital in Ningbo Ruizhi Real Estate Development Co., Ltd.# (“**Ningbo Ruizhi**”, 寧波市瑞智房地產開發有限公司) was completed on 26 May 2023 (the “**Completion Date**”) at a consideration of RMB10,000,000. Upon completion, Ningbo Ruizhi ceased to be a subsidiary of the Company and consolidated results, assets and liabilities of Ningbo Ruizhi ceased to be consolidated with those of the Group.

The net liabilities of Ningbo Ruizhi as at the date of disposal were as follows:

	HK\$ million
Plant and equipment	3
Properties under development	1,396
Prepayments, deposits and other receivables	21
Cash and bank balances	348
Accounts payables	(117)
Contract liabilities	(434)
Accrued liabilities and other payables	(22)
Interest-bearing bank loan	(441)
Amount due to a related company	(770)
Net liabilities disposed of	(16)
Reclassification adjustment of exchange reserve on disposal of Ningbo Ruizhi	(1)
Direct cost incurred for the disposal	1
Gain on disposal of a subsidiary	28
Total cash consideration received	12
Net cash outflow arising on disposal	
Cash consideration	12
Cost directly attributable to the disposal	(1)
Bank balances and cash disposed of	(348)
Net cash outflow arising on disposal	(337)

For identification purpose only

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions and balances with related parties during the years ended 31 March 2025 and 2024:

- (a) The details of balances with related parties are set out in note 29.
- (b) The details of disposal of GZ Ruihua during the year ended 31 March 2025 are set out in notes 34(a).
- (c) The details of disposal of Ningbo Ruizhi during the year ended 31 March 2024 are set out in notes 34(b).
- (d) Approximately HK\$0.2 million (2024: HK\$0.3 million) was paid to GZ Minjun for rental of offices in the PRC. GZ Minjun is beneficially owned by family member of Mr. Tan. Included in lease liabilities as disclosed in note 16, balance of approximately HK\$0.2 million (2024: HK\$0.1 million) was related to the leases of the aforesaid offices from Guangzhou Minjun as of 31 March 2025.
- (e) During the year ended 31 March 2025 approximately HK\$1 million was charged to Guangzhou Nimble New Life Property Management Co., Ltd. Ningxiang Branch# (“**Nimble New Life Ningxiang Branch**”, 廣州敏捷新生活物業管理有限公司寧鄉分公司) for service income in the PRC. Nimble New Life Ningxiang Branch is beneficially owned by family member of Mr. Tan.
- (f) During the year ended 31 March 2024 approximately HK\$1 million was billed by Guangzhou Nimble New Life Property Management Co., Ltd. Ningxiang Branch# (“**Nimble New Life Ningxiang Branch**”, 廣州敏捷新生活物業管理有限公司寧鄉分公司) for management fee in the PRC. Nimble New Life Ningxiang Branch is beneficially owned by family member of Mr. Tan.

For identification purposes only

(g) Key management personnel remuneration

Remuneration for key management personnel of the Group, representing amounts paid to the Directors as disclosed in note 12, are as follows:

	2025 HK\$ million	2024 HK\$ million
Salaries, bonus and other short-term employee benefits	5	5
Retirement benefit costs	—*	—*
	<u>5</u>	<u>5</u>

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

36. CONTINGENT LIABILITIES

Except for the cases set out below and note 37 (a), the Group did not have significant contingent liabilities as of 31 March 2025 and up to the date of this report:

The Group had provided guarantees of approximately HK\$1,728 million as at 31 March 2025 (2024: HK\$1,914 million) to banks in favour of the purchasers of property units in relation to the Group's properties under development and completed properties sold, up to an amount of 80% of the purchase price of the individual property units, in respect of the mortgage loans provided by the banks to such purchasers. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers prior to the releases of the guarantees, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The guarantees start from the respective dates of grant of the mortgage loans.

In the opinion of the Directors, the total fair value of the financial guarantee contracts of the Group is insignificant at initial recognition. The Directors also consider the possibility of default by the parties involved to be remote and in case of default in payments, the net realisable value of the related properties would be able to cover the outstanding principal together with the accrued interest and penalties. Accordingly, no value has been recognised in the consolidated statement of financial position as at 31 March 2025 and 2024.

37. PENDING LITIGATIONS

(a) The Company

In an order made by the High Court of the Hong Kong Special Administrative Region (the "**High Court**") on 9 May 2016 in respect of case HCCW 177/2011, the Company is required to:

- (i) indemnify and keep indemnified the former provisional liquidators in the event that the funds paid into the court are insufficient to meet the taxed fees and expenses of the former provisional liquidators; and
- (ii) indemnify and keep indemnified Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited in respect of the costs of the defence of proceedings HCA 92/2014 ("**the Action**"), subject to the final determination of the Action. The Action is a legal case filed in January 2014 in the High Court by Sino Bright Enterprises Co., Ltd., and HCA 1152/2017 is a legal case filed in May 2017 in the High Court by the Company (which was later consolidated with The Action), against Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited for alleged misrepresentation and the case is ongoing.

As at the date of this report, the Company has received no such requests for the related fees, costs and expenses. A taxation hearing in respect of case HCCW 177/2011 has been scheduled for 30 July 2025.

The Directors are of the view that no provision is necessary for any of the matters described above, after having considered their respective merits.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

37. PENDING LITIGATIONS (Continued)

(b) Emerson Radio Corp.

On 10 October, 2023, the US District Court for the District of Delaware (the “**Delaware District Court**”) granted final judgment in favour of the Emerson Radio Corp. (the “**Emerson**”) in its trademark infringement lawsuit against air conditioning and heating products provider Emerson Quiet Kool Co., Ltd. and wholesaler Home Easy Ltd. (the “**Defendants**”). Among other things, the Delaware District Court order issues an injunction and directs the US Patent and Trademark Office to cancel the Defendants’ existing and proposed “Emerson Quiet Kool” trademarks and prohibits Defendants from registering or applying to register, or using the same mark or any other mark or name containing the word “Emerson” going forward. The judgment also awards approximately US\$10.4 million (equivalent to approximately HK\$81 million), inclusive of disgorgement of wrongful profits, attorney’s fees and enhanced damages. Like any judgement, there is no guarantee that Emerson will be able to collect the entire judgement or if it is able to collect, how soon it will be able to do so. The Defendants have filed separate bankruptcy petitions in the US Bankruptcy Court for the District of New Jersey. In addition, in connection with those bankruptcy proceedings, the Chapter 7 trustee of Defendants has filed a complaint seeking the return of the \$4.1 million (equivalent to approximately HK\$32 million) of advanced deposits previously paid to the Emerson and the outcome of such litigation remains uncertain.

During the year ended 31 March 2024, based on the judgement affirmation by the U.S. Court of Appeals for the Third Circuit, Emerson recorded income of US\$3.1 million (equivalent to approximately HK\$24 million), which was the remaining balance of the advanced deposits, net of attorney’s fees incurred during the year ended 31 March 2024.

38. CAPITAL COMMITMENTS

At 31 March 2025 and 2024, the Group had the following capital commitments in respect of the purchase of properties under development not provided for in the consolidated financial statements:

	2025 HK\$ million	2024 HK\$ million
Contracted but not provided for: Properties under development	560	1,408

39. EVENTS AFTER THE REPORTING PERIOD

Other than those disclosed in the consolidated financial statements, there are no other events after the reporting period up to the date of approval of consolidated financial statements that require disclosure in the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES

- (a) The table below lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the years ended 31 March 2025 and 2024 or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would result in particulars of excessive length.

Name of subsidiaries	Note	Place of incorporation/ registration	Issued and fully paid capital	Percentage of ownership interest/voting power/profit sharing		Principal activities/ place of operation
				2025	2024	
Directly held by the Company:						
Good Shinny Holdings Limited		BVI	US\$1	100%	100%	Investment holding/ Hong Kong
Grande N.A.K.S. Ltd		BVI	US\$10,000	100%	100%	Investment holding/ Hong Kong
Indirectly held by the Company:						
Swift Up Limited		Hong Kong	HK\$1	100%	100%	Provision of management services/Hong Kong
Guangzhou Nimble Household Appliances Trading Ltd.* 廣州敏捷家電貿易有限公司	(i)	PRC	RMB10,000,000	100%	100%	Trading of household appliances, wires and cables/PRC
S&T International Distribution Limited		BVI	US\$1	100%	100%	Investment holding/Hong Kong
Emerson*		USA	US\$529,000	72.4%	72.4%	Distribution of houseware products and audio products and licensing business/USA
Nimble Information Technology (Guangzhou) Company Ltd.* 敏捷信息科技(廣州)有限公司	(i)	PRC	RMB3,000,000	100%	100%	IT system development and related services/ PRC
Ningxiang Minjun		PRC	RMB20,408,200	51%	51%	Property development and operation/PRC
Gongyi Ruijing Real Estate Development Co., Ltd.* 鞏義市瑞景房地產開發有限公司		PRC	RMB10,000,000	100%	100%	Property development and operation/PRC
Gongyi Ruichen Real Estate Development Co., Ltd.* 鞏義市瑞辰房地產開發有限公司		PRC	RMB10,000,000	100%	100%	Property development and operation/PRC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) (Continued)

Name of subsidiaries	Note	Place of incorporation/ registration	Issued and fully paid capital	Percentage of ownership interest/voting power/profit sharing		Principal activities/ place of operation
				2025	2024	
Yangjiang Jingchen Real Estate Development Co., Ltd.* 陽江市璟宸房地產開發有限公司		PRC	RMB10,000,000	100%	100%	Property development and operation/PRC
Shantou Ruijing		PRC	RMB10,000,000	100%	100%	Property development and operation/PRC
Yongzhou Ruijing Real Estate Development Co., Ltd.* 永州市瑞璟房地產開發有限公司		PRC	RMB10,000,000	100%	100%	Property development and operation/PRC

For identification purposes only

* Listed on The New York Stock Exchange

(i) These companies are established in the PRC as wholly foreign-owned enterprises.

(b) The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation/ registration and operations	Proportion of ownership interests and voting rights held by non-controlling interests		(Loss)/profit attributable to non-controlling interests		Other comprehensive expenses attributable to non-controlling interests		Accumulated non-controlling interest	
		2025	2024	2025	2024	2025	2024	2025	2024
		HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Emerson Radio Corp.	USA	27.6%	27.6%	(9)	1	-	-	47	56
Ningxiang Minjun	PRC	49%	49%	(10)	6	-*	-*	(2)	8
				(19)	7	-*	-*	45	64

* The amount is less than HK\$1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(c) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

	Ningxiang Minjun		Emerson Radio Corp.	
	2025	2024	2025	2024
	HK\$	HK\$	HK\$	HK\$
	million	million	million	million
Non-current assets	—*	—*	6	4
Current assets	173	193	181	224
Current liabilities	(177)	(175)	(13)	(16)
Non-current liabilities	—	—	(3)	(7)
Net assets	(4)	18	171	205
Revenue	5	188	84	71
Other income	1	1	7	33
Expenses	(28)	(178)	(125)	(98)
Income tax expenses	—	—	—*	(1)
(Loss)/profit for the year	(22)	11	(34)	5
Total comprehensive (expenses)/income for the year	(20)	11	(34)	5
Net cash outflow from operating activities	(88)	(6)	(35)	(49)
Net cash inflow/(outflow) from investing activities	1	(2)	5	8
Net cash inflow/(outflow) from financing activities	84	6	(1)	(2)
Net cash outflow	(3)	(2)	(31)	(43)

* The amount is less than HK\$1 million.

41. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are approved and authorised for issue by the Board of Directors on 30 June 2025.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements is set out below:

RESULTS

Continuing and discontinued operations	2025 HK\$ million	Year ended 31 March			
		2024 HK\$ million	2023 HK\$ million	2022 HK\$ million	2021 HK\$ million
REVENUE	1,451	2,230	579	423	244
(LOSS)/PROFIT FOR THE YEAR	(18)	139	(146)	(105)	(58)
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	1	132	(87)	(97)	(86)

ASSETS AND LIABILITIES

	2025 HK\$ million	As at 31 March			
		2024 HK\$ million	2023 HK\$ million	2022 HK\$ million	2021 HK\$ million
NON-CURRENT ASSETS	8	6	20	10	6
CURRENT ASSETS	3,084	4,249	7,976	9,273	6,415
TOTAL ASSETS	3,092	4,255	7,996	9,283	6,421
CURRENT LIABILITIES	2,735	3,326	6,328	5,405	3,521
NON-CURRENT LIABILITIES	3	556	1,423	3,474	2,402
TOTAL LIABILITIES	2,738	3,882	7,751	8,879	5,923
NET ASSETS	354	373	245	404	498
CAPITAL AND RESERVES	309	309	188	285	374
NON-CONTROLLING INTERESTS	45	64	57	119	124
TOTAL EQUITY	354	373	245	404	498