



Far East Hotels and Entertainment Limited

Stock Code : 37

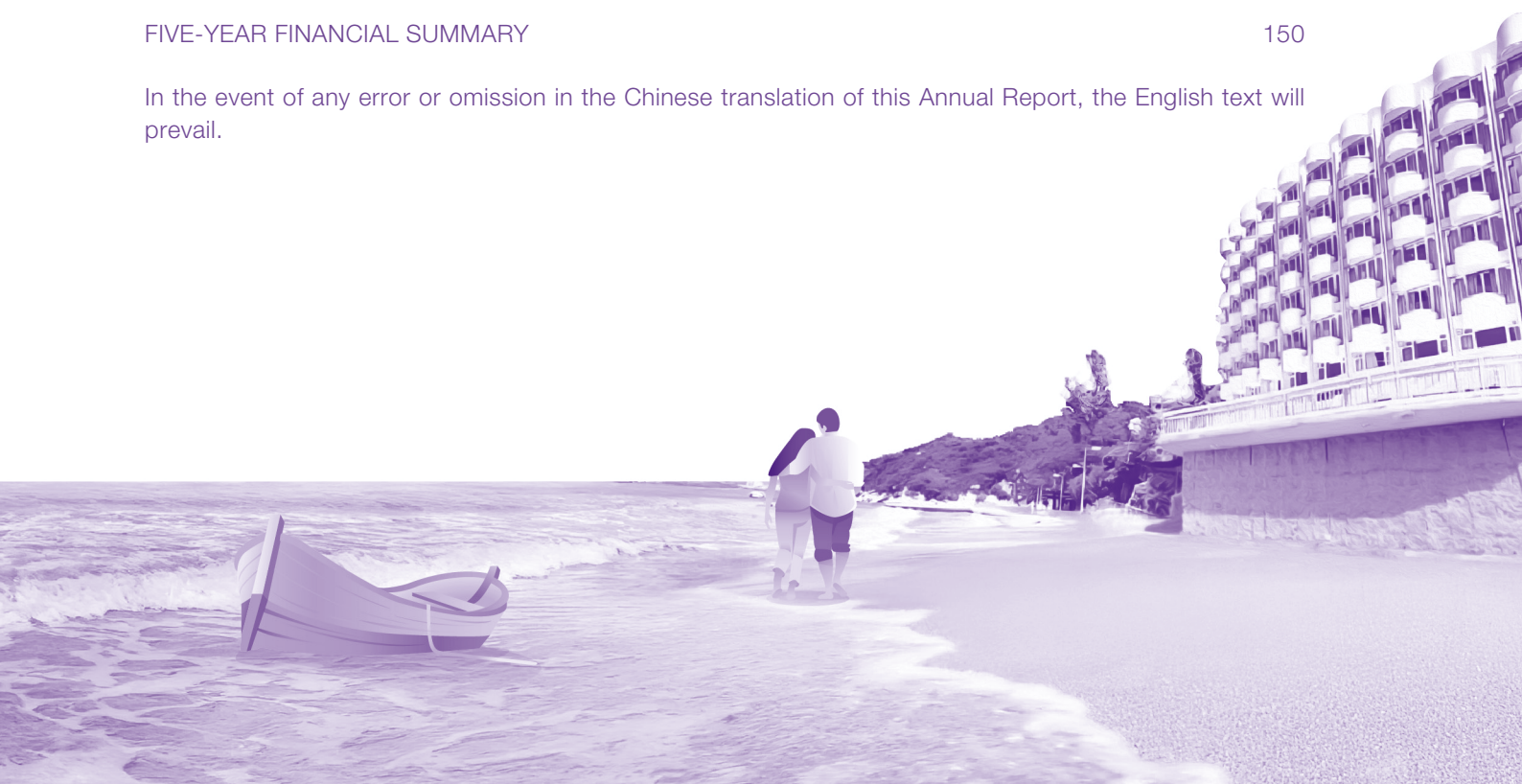
2025 ANNUAL REPORT



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In the event of any error or omission in the Chinese translation of this Annual Report, the English text will prevail.





Corporate Information

PLACE OF INCORPORATION

Hong Kong

BOARD OF DIRECTORS

Executive Directors

Derek Chiu, B.Sc. (*Chairman, Managing Director and Chief Executive*)

Amanda Chiu, B.A.

Non-executive Directors

Chiu Ju Ching Lan, J.P.

Alex Chiu, B.Sc.

Independent Non-executive Directors

Choy Wai Shek Raymond, M.H., J.P.

Ng Chi Kin

Lo Chun Chiu Adrian

COMPANY SECRETARY

Cheng Lucy

SOLICITORS

Woo Kwan Lee & Lo

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditors

Hong Kong

AUTHORISED REPRESENTATIVES

Derek Chiu, B.Sc.

Cheng Lucy

AUDIT COMMITTEE

Ng Chi Kin (*Chairman*)

Choy Wai Shek Raymond, M.H., J.P.

Lo Chun Chiu Adrian



REMUNERATION COMMITTEE

Choy Wai Shek Raymond, M.H., J.P. (*Chairman*)
Ng Chi Kin
Lo Chun Chiu Adrian
Derek Chiu, B.Sc.

NOMINATION COMMITTEE

Lo Chun Chiu Adrian (*Chairman*)
Choy Wai Shek Raymond, M.H., J.P.
Ng Chi Kin
Derek Chiu, B.Sc.

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED AND PRINCIPAL OFFICE

Suite 1902, 19th Floor
The Sun's Group Centre
200 Gloucester Road
Wanchai, Hong Kong

SHARE REGISTRAR

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

PLACE OF LISTING

The Shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited

STOCK CODE

00037

WEBSITE

www.tricor.com.hk/websevice/00037



Profile of Directors

BOARD OF DIRECTORS

Executive Directors

Mr. Derek Chiu, B.Sc. *(Chairman, Managing Director and Chief Executive)*

Aged 59. He was appointed as a director of the Company (the “Director”) in 1989 and the chairman of the board of Directors (the “Chairman”) on 19 July 2023. He is the managing director and the chief executive of the Company (the “Chief Executive” and “Managing Director”, respectively) and a member of each of the remuneration committee and the nomination committee of the Company. He is also a director of various subsidiaries of the Company. He has extensive experience in the operation of amusement parks and entertainment business. He is a son of Madam Chiu Ju Ching Lan, a non-executive Director. He is also the father of Mr. Alex Chiu, a non-executive Director, and Ms. Amanda Chiu, an executive Director. Mr. Derek Chiu is the sole director of Energy Overseas Ltd., a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong.

Ms. Amanda Chiu, B.A.

Aged 32. She was appointed as an executive Director with effect from 1 September 2015. She is also a director of various subsidiaries of the Company. She holds a bachelor’s degree from the University of the Arts London, England. She is the daughter of Mr. Derek Chiu, an executive Director and also the Chairman, the Managing Director and the Chief Executive, and the sister of Mr. Alex Chiu, a non-executive Director. She is a granddaughter of Madam Chiu Ju Ching Lan, a non-executive Director.

Non-executive Directors

Madam Chiu Ju Ching Lan, J.P.

Aged 85. She was appointed as a Director in 1979. She is also a director of several subsidiaries of the Company. Since 1975, she has been the Honorary Vice-President of Hong Kong Girl Guides Association. She has been active in social circles and was the Chairlady of Yan Chai Hospital for 1977/78. She is the founder of New Territories Women’s and Juveniles Welfare Association. She is the Chairman of the Incorporated Management Committee and the Supervisor of the three schools by the name of Ju Ching Chu Secondary School, and the Chairman of Kowloon Women’s Welfare Club. She was a member of Shanghai Standing Committee Chinese People’s Political Consultative Conference for 25 years from 1982 to 2007. She has also been an Honorary Vice-President of Hong Kong Federation of Women since 1997. She is the mother of Mr. Derek Chiu, an executive Director and also the Chairman, the Managing Director and the Chief Executive. She is also the grandmother of Mr. Alex Chiu, a non-executive Director, and Ms. Amanda Chiu, an executive Director.

Mr. Alex Chiu, B.Sc.

Aged 34. He was appointed as an executive Director on 1 September 2015 and was re-designated as a non-executive Director with effect from 27 June 2019. He is also a director of a subsidiary of the Company. He holds a bachelor’s degree from The Art Institute of California, United States of America. He is the son of Mr. Derek Chiu, an executive Director and also the Chairman, the Managing Director and the Chief Executive, and the brother of Ms. Amanda Chiu, an executive Director. He is also a grandson of Madam Chiu Ju Ching Lan, a non-executive Director.

Profile of Directors



Independent Non-executive Directors

Mr. Choy Wai Shek Raymond, M.H., J.P.

Aged 76. Mr. Choy was appointed as an independent non-executive Director on 28 September 2004. He is the chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of the Company. Mr. Choy is an independent non-executive director of New Concepts Holdings Limited (stock code: 02221), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). He was appointed as an independent non-executive director of each of AB Builders Group Limited (stock code: 01615), a company listed on the Main Board of the Stock Exchange, on 17 August 2018. Mr. Choy was an independent non-executive director of King Of Catering (Global) Holdings Ltd. (formerly known as WAC Holdings Limited) (stock code: 08619), a company listed on GEM of the Stock Exchange, from 27 August 2018 to 23 December 2024. He was the Chairman of Sham Shui Po District Board, Hong Kong from 1991 to 1994, a Hong Kong Affairs Adviser from 1994 to 1997, and a member of Hong Kong Broadcasting Authority from 1995 to 1998. He was formerly a Vice-chairman of Occupational Safety and Health Council, a member of Energy Advisory Committee, a member of Consumer Council, a member of the Guangzhou Committee of the Chinese People’s Political Consultative Conference (Term 9–12), the Honor Committee Member of Chinese General Chamber Of Commerce, Hong Kong, the Honor President of GMC Hong Kong Members Association and the Honor President of Hong Kong Conghua General Association.

Mr. Ng Chi Kin

Aged 63. Mr. Ng was appointed as an independent non-executive Director on 19 July 2023 and the chairman of the audit committee of the Company on 1 April 2025. He is a member of each of the remuneration committee and the nomination committee of the Company. He joined the Company in 1991 and gained promotion as the financial controller of the Company in August 2012 and subsequently retired in January 2020 and was a director of subsidiaries of the Company from July 2012 to July 2020. He has over 20 years of experience in finance and accounting in the hospitality and entertainment industry. Mr. Ng holds a master’s degree in business administration from the University of Strathclyde. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Mr. Lo Chun Chiu Adrian

Aged 69. Mr. Lo was appointed as an independent non-executive Director, the chairman of the nomination committee of the Company and a member of each of the audit committee and the remuneration committee of the Company on 1 April 2025. Mr. Lo obtained his Degree of Bachelor of Laws with the University of London in August 1988. He is a member of the Law Society of Hong Kong and has been a practicing solicitor in Hong Kong since November 1991. He joined Joseph C.T. Lee & Co., Solicitors in 1989 as a trainee solicitor and was promoted to be a partner in 1993. He is currently a partner with the said Joseph C.T. Lee & Co.. Mr. Lo has been engaging in various fields of legal practice such as commercial and criminal litigation, conveyancing and probate. Mr. Lo was appointed as an independent non-executive director of New Concepts Holdings Limited in August 2014 (a company listed on Main Board of the Stock Exchange with stock code 2221) and he is still serving as the said independent non-executive director. He was appointed as an independent non-executive director of Huarchi Global Group Holdings Limited in October 2019 (a company listed on Main Board of the Stock Exchange in 2019 with stock code 2296 and delisted on 19 September 2023). He resigned from the post of independent non-executive director of Huarchi Global Group Holdings Limited on 6 March 2024.



Management Discussion and Analysis

RESULTS

I report to the shareholders of Far East Hotels and Entertainment Limited (the “Company”) that the audited consolidated loss of the Company and its subsidiaries (the “Group”) attributable to shareholders for the year ended 31 March 2025 (the “Year”) amounted to HK\$35,358,842 (2024: HK\$33,017,227).

The board of directors of the Company (the “Directors” and the “Board”, respectively) has resolved not to recommend the payment of a final dividend for the Year (2024: Nil).

REVIEW OF OPERATIONS AND PROSPECTS

For the Year, the Group recorded total revenue of approximately HK\$23.6 million, representing a 20.3% decrease as compared to HK\$29.6 million in 2024. The Group’s gross profit for the Year was HK\$2.6 million, representing a 50.9% decrease as compared to HK\$5.3 million in 2024. The loss for the Year attributable to the owners of the Company was HK\$35.4 million (2024: HK\$33.0 million).

Continuing operations

For the Year, revenue from the Group’s continuing operations was approximately HK\$18.5 million, representing a 21.3% decrease compared to HK\$23.5 million in 2024. The gross profit from continuing operations was HK\$4.2 million for the Year, representing a 39.1% decrease as compared to HK\$6.9 million in 2024. The loss attributable to the owners of the Company from the continuing operations was HK\$29.1 million for the Year (2024: HK\$28.6 million).

For the Cheung Chau Warwick Hotel, the Group recorded a total revenue of approximately HK\$16.0 million (2024: HK\$21.1 million) and a net profit of HK\$34,000 for the Year (2024: HK\$1.2 million). Revenue from the rooms department during the Year was HK\$10.9 million, representing a 24.8% decrease as compared to HK\$14.5 million in 2024. Revenue from the food and beverages department during the Year was HK\$5.1 million, representing a 22.7% decrease as compared to HK\$6.6 million in 2024.

For the investment properties located in Hong Kong, the Group recorded a total revenue of approximately HK\$1.0 million (2024: HK\$0.8 million) and a net loss of HK\$25.2 million for the Year (2024: HK\$15.5 million). The segment loss was primarily due to (i) a decrease of HK\$22.3 million (2024: HK\$10.8 million) in fair values of investment properties; and (ii) legal and professional fees of HK\$3.1 million (2024: HK\$4.6 million) related to Kau Wa Keng Project.

For the investment properties located in Fiji, the revenue remained stable at approximately HK\$1.5 million (2024: HK\$1.5 million). The segment recorded a net loss of HK\$0.8 million for the Year (2024: net profit of HK\$1.8 million), mainly due to a decrease of HK\$2.1 million (2024: an increase of HK\$0.4 million) in fair values of investment properties.

For securities investment and trading, the Group recorded a net profit of approximately HK\$6.1 million for the Year (2024: net loss of HK\$1.8 million), including an increase of HK\$5.4 million (2024: a decrease of HK\$2.7 million) in fair values of financial assets at fair value through profit or loss (“FVTPL”) and dividend income from financial assets at FVTPL of HK\$0.7 million (2024: HK\$0.8 million).

Management Discussion and Analysis



Discontinued operations

During the Year, the serviced property letting business in Beijing, the People's Republic of China (the "PRC") was discontinued. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to reflect this business as discontinued operations. The Group recorded revenue of approximately HK\$5.1 million for the Year (2024: HK\$6.2 million) and a net loss of HK\$5.4 million for the Year (2024: HK\$4.9 million). The loss was primarily attributable to (i) a decline in revenue as the leases expire; and (ii) substantial legal and professional fees of HK\$2.7 million (2024: HK\$1.7 million) related to the legal dispute concerning the serviced property in Beijing. For further details, please refer below section "Legal dispute in respect of the serviced property in Beijing".

Legal dispute in respect of the serviced property in Beijing

During the Year, the Group was involved in a legal dispute in respect of the leasing of the serviced property in the PRC (the "Relevant Property") by 北京海聯物業管理有限公司 (Beijing Hai Lian Property Management Company Limited) (a subsidiary of the Company) ("Beijing Hai Lian") as tenant from landlord (the "Landlord"). The Relevant Property comprises 2 buildings, which were sub-let by Beijing Hai Lian to independent third party sub-tenants. It is stipulated in the relevant lease agreement entered into between Beijing Hai Lian and the Landlord that the lease has a term of 30 years expiring on 30 September 2024 and that Beijing Hai Lian is entitled to renew the lease for a further term of 20 years based on the same terms. The dispute arose from the disagreement on the proposed increase in the rental amount as from 1 October 2022. The Landlord applied for an order from 北京市東城區人民法院 (Beijing Dongcheng People's Court) (the "Court") that the lease was terminated by the Landlord with effect from August 2022, and that Beijing Hai Lian shall vacate the Relevant Property and pay an increased rent during the period from 1 October 2022 to the date of actual vacating of the Relevant Property. The claims by the Landlord were dismissed by the Court on 8 October 2023 and the appeal filed by the Landlord was also dismissed by 北京市第三中級人民法院 (Beijing No. 3 Intermediate People's Court) on 26 April 2024.

Despite the abovementioned outcome of the legal actions taken out by the Landlord, the Landlord subsequently issued written notices to Beijing Hai Lian requesting Beijing Hai Lian to deliver the possession of the Relevant Property to the Landlord by 30 June 2024. In view of the dispute with the Landlord, Beijing Hai Lian did not renew one of the sub-tenancies which expired on 31 May 2024 and provision in the amount of approximately HK\$2.2 million was made in the audited consolidated financial statements of the Company for the financial year ended 31 March 2023 in relation to the probable compensation payable to the sub-tenant for any early termination of the other sub-tenancy, which will otherwise expire on 31 December 2026 (the "Other Sub-tenancy"). The Company has obtained legal advice from its external legal advisers and made an application to the Court in January 2025 for an order against the Landlord for, among others, compensation for the losses of Beijing Hai Lian as a result of the Landlord's failure to renew the lease, and the costs and expenses previously incurred by Beijing Hai Lian for the re-development, extension and refurbishment of the Relevant Property. On 17 March 2025, the Landlord and Beijing Hai Lian entered into an agreement for the surrender of the Relevant Property by Beijing Hai Lian to the Landlord on 17 March 2025, which shall not prejudice the abovementioned claims of Beijing Hai Lian for compensation from the Landlord. Subsequent to 31 March 2025, the Landlord made a claim against Beijing Hai Lian for lease payments from July 2024 until the date of termination of the Other Sub-tenancy. As of the date of this report, the legal disputes remain ongoing. For further details, please refer to the "Contingent Liabilities" section on page 9.

As at 31 March 2025, the Group's finance lease receivables amounting to HK\$3.3 million and trade receivables amounting to HK\$1.6 million in relation to the Other Sub-tenancy were overdue. In November 2024, the Group initiated legal action against the sub-tenant to demand payment of the outstanding rent and damages. On 8 April 2025, the Group obtained a court ruling from the Court requiring the sub-tenant to pay the outstanding rent which was subsequently received by the Group on 21 May 2025. The settlement has no further material impact on the Group's financial position as of the reporting date.



Management Discussion and Analysis

Kau Wa Keng Project

On 25 January 2022, Lai Chi Kok Amusement Park Company, Limited (“LCKAP”), a wholly-owned subsidiary of the Company and Cornhill Enterprises Limited (a related company controlled by Mr. Derek Chiu and his family which holds certain portions of the Application Site on trust for LCKAP) (as the applicants) (collectively, the “Applicants”), have submitted an application (the “Application”) under section 16 of the Town Planning Ordinance (Chapter 131 of the laws of Hong Kong) to the Town Planning Board (the “TPB”) to seek approval for the proposed comprehensive development of various lots in Survey District No. 4 and the adjoining Government Land at Kau Wa Keng, Kwai Chung, New Territories (the “Application Site”) which is designated as Comprehensive Development Area zone under the Draft Kwai Chung Outline Zoning Plan. On 14 July 2023, the Application has been approved by the TPB subject to certain conditions. The Application and Master Layout Plan as approved specified the maximum development gross floor area of the Application Site to be about 241,522 m² and contemplated the comprehensive development to comprise 14 residential blocks with an overall plot ratio of not more than 5 and a maximum building height of +120 mPD, which would provide a total of 5,973 residential flats (the “Approved Scheme”). For details of the Application, please refer to the announcements of the Company dated 26 January 2022 and 14 July 2023.

The Application Site has a site area of approximately 48,313.167 m² comprising about 54% private lots and about 46% Government Land. A majority of the private lots within the Application Site (representing about 69.34% of the total site area of the private lots) is wholly or partially owned by LCKAP.

In the meeting of the Metro Planning Committee (the “Committee”) of the TPB approving the Application held on 14 July 2023, certain members of the Committee put forward recommendations regarding the enhancement of retail and social welfare facilities. After taking into consideration the suggestions of the Committee’s members and for addressing community needs, LCKAP has on 10 April 2025, submitted an application (the “2025 Application”) under Section 16 of the Town Planning Ordinance, to seek approval for a revised comprehensive development of the Application Site proposing a revised maximum development gross floor area of about 313,979 m² and the minor relaxation of certain development restrictions. The 2025 Application aims to provide further planning and design enhancement to the approved comprehensive development under the Application, while retaining all planning merits committed in the Approved Scheme.

The Master Layout Plan submitted under the 2025 Application contemplates the Application Site to be developed into 15 building blocks with a maximum domestic plot ratio of 6, a maximum non-domestic plot ratio of 0.5 and a maximum building height of +147.55 mPD, which will provide about 7,052 residential flats. A non-domestic plot ratio of not more than 0.5 is designated for the proposed retail shops, proposed adaptive reuse of historic buildings and social welfare facilities. Amongst the 15 building blocks, 14 blocks of 37 to 40 storeys are contemplated for residential use with retail and social welfare facilities and one remaining 2-storey block is contemplated for retail facilities. For further details, please refer to the summary of the 2025 Application published on the website of the TPB.

Prospects

The Group anticipates that geopolitical developments, evolving consumer trends, and global economic conditions may continue to influence the business environment in the year ahead. While conditions remain dynamic, the Group remains focused on staying adaptable and responsive, and will continue to manage operations with care, readiness, and a long-term perspective.

Management Discussion and Analysis



LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group had bank balances and cash of HK\$7.9 million (2024: HK\$22.2 million), which were mainly denominated in Hong Kong dollars and Renminbi.

As at 31 March 2025, there were outstanding bank loans facilities of HK\$8.4 million (2024: HK\$8.4 million). All of outstanding bank loans were denominated in Hong Kong dollars with interest at prevailing market rates, details of which are set out in note 28 to the consolidated financial statements.

As at 31 March 2025, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

Shareholders' funds as at 31 March 2025 amounted to approximately HK\$300.0 million (2024: HK\$337.5 million). Accordingly, the Group's gearing ratio (total bank borrowings to shareholders' funds) as at 31 March 2025 was approximately 2.8% (2024: 2.5%).

CHARGES OVER ASSETS OF THE GROUP

As at 31 March 2025, certain property, plant and equipment with an aggregate carrying value of approximately HK\$10.2 million (2024: HK\$10.7 million) is secured for the Group's bank borrowings.

TREASURY POLICIES

The Group had adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CONTINGENT LIABILITIES

As at 31 March 2025, the Company had issued financial guarantees of HK\$8.4 million (2024: HK\$15 million) to banks in respect of banking facilities granted to its subsidiaries, of which HK\$8.4 million (2024: HK\$8.4 million) had been utilised by its subsidiaries.

Subsequent to 31 March 2025, the Landlord made a claim against a subsidiary of the Company for lease payments from July 2024 until the date of termination of the sublease. As of the date of this report, the legal disputes remain ongoing.

As at 31 March 2025, the Group had recognised related lease liabilities of HK\$1,137,840, presenting the total lease payment from 1 July 2024 until the date of termination of the sublease based on the original head lease agreement and the Directors considered the amount is sufficient and appropriate. For further details, please refer to the "Legal dispute in respect of the serviced property in Beijing" section on page 7.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group had capital commitments of HK\$2.3 million (2024: HK\$0.3 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2025, the Group did not have other plans for material investments and capital assets.



Management Discussion and Analysis

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to environmental protection and sustainable development through promoting and adopting green practices in its business activities. Initiatives within the Group include, but not limited to, encouraging employees to reduce paper consumption by reuse of single-sided printed paper, to assess the necessity of printing where appropriate and to use duplex printing. The management will continue to review the Group's green practice to integrate environmental, health and safety management and compliance consideration into operational processes.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group has approximately 40 employees (2024: 70). Employees are remunerated in accordance with the nature of the job and market conditions. Staff incentive bonus would be granted to reward and motivate those well-performed employees. The Company adopted a new share option scheme on 2 September 2016 as an incentive to the Directors and other eligible participants. The Group also provides and arranges on-the-jobs training for the employees.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

As at 31 March 2025, the Group's financial assets at FVTPL, with market value of approximately HK\$13.8 million (2024: HK\$16.2 million), mainly represented investment portfolio of 11 equity securities listed in Hong Kong and 1 equity security listed in Singapore (2024: 14 equity securities listed in Hong Kong and 1 equity security listed in Singapore). The Board considers that the investments with market value as at 31 March 2025 accounting for more than 5% of the Group's total assets as at 31 March 2025 as significant investments. As at 31 March 2025, none of each investment represents 5% or more of the Group's total assets.

Save as the above, during the Year, there was no significant investment, material acquisition or disposal of subsidiaries, associates and joint ventures by the Company.

APPRECIATION

On behalf of the Board, I would like to extend my sincere thanks to all our shareholders for their continued support, and to our staff for their dedication, loyalty and service.

Derek Chiu

Chairman, Managing Director and Chief Executive

Hong Kong, 25 June 2025



The directors of the Company (the “Directors”) present their Directors’ report together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2025 (the “Year”).

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company and provides corporate management services to its subsidiaries. The activities of its principal subsidiaries and associates are set out in notes 16 and 17 respectively, to the consolidated financial statements.

A fair review of the Group’s business, a discussion and analysis of the Group’s performance during the Year with financial key performance indicators and an analysis of the likely future development of the Group’s business are set out in the section headed “Management Discussion and Analysis” on pages 6 to 10 of this annual report. This discussion forms part of this report. Description of the principal risks and uncertainties facing the Group are set out in notes 4 and 39(b) to the consolidated financial statements respectively.

As at the date of this report, the Directors are not aware of any important events affecting the Group that have occurred since the end of the Year and the Company is not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

In addition, the Group is committed to maintaining the long-term sustainability of the environment and devoted to building an environmentally friendly corporation. The Group implements policies and practices to achieve resources conservation, energy saving and waste reduction, so as to minimise its impact on the environment. A detailed discussions on the Group’s environmental policies and performance are set out in section headed “Environmental Policies and Performance” of the “Management Discussion and Analysis” on page 10 of this annual report and contained in the “Environmental, Social and Governance Report” on pages 24 to 52 of this annual report.

In regard to the stakeholder relationships, the Group understands the importance of its customers, suppliers and employees to its long-term business development, and therefore has dedicated to establishing and maintaining a close and caring relationship with these stakeholders.

Recognising the crucial roles of our customers and suppliers in our business operations, the Group has reinforced its relationship with these business partners by ongoing communication in a proactive and effective manner. In particular, the Group has been through continuous interaction with its customers to ensure that the quality of our services has satisfied their needs and requirements and will, therefore, meet up to our customers’ expectation. Besides, the Group is also dedicated to developing good relationship with its suppliers to ensure a stable supply of reliable and high-quality products for the Group’s daily operation.



Directors' Report

Apart from the above, the Group recognises the importance of human capital in its long-term development. The Group has provided a fair and safe workplace and offered competitive remuneration, benefits and career development opportunities based on the merits and performance of our employees. The Group also places ongoing effort to provide adequate training and development resources to our staff with the aim of fostering an environment in which the employees can develop to their fullest potential and can achieve their personal and professional growth.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 71 and 72 of this annual report.

The board of Directors (the "Board") has resolved not to recommend the payment of a final dividend in respect of the Year (2024: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, 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 150 of this annual report.

RESERVES

Details of movements in the reserves of the Group and of the Company during the Year are set out in the consolidated statement of changes in equity on page 75 and note 42 to the consolidated financial statements, respectively.

There were no distributable reserves of the Company as at 31 March 2025 (2024: Nil), calculated under sections 291, 297 and 299 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the "Companies Ordinance").

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 13 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements in investment properties of the Group are set out in note 15 to the consolidated financial statements.

PROPERTIES

Details of the major properties held by the Group at 31 March 2025 are set out on page 149 of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES IN THE COMPANY

During the Year, the Company did not redeem any of the ordinary shares of the Company (the "Shares") listed and traded on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") nor did the Company or any of its subsidiaries purchase or sell any of such Shares (including the sale of treasury shares, if any). As at 31 March 2025, the Company did not hold any treasury shares.



EVENTS AFTER THE REPORTING DATE

A non-wholly-owned subsidiary of the Company incorporated in the Mainland China (the "Subsidiary") made an application to the court in January 2025 for an order against the landlord for, among others, compensation for the losses of the Subsidiary as a result of the landlord's failure to renew the lease, and the costs and expenses previously incurred by the Subsidiary for the re-development, extension and refurbishment of the leased properties. Subsequent to 31 March 2025, the landlord made a claim against the Subsidiary for lease payments from July 2024 until the termination date of one of the subleases, which represents the date the control of the respective leased property is transferred back to the landlord. As of the date of this report, the legal disputes remain ongoing.

SHARE CAPITAL

During the Year, no Shares were issued under the Company's share option schemes. During the year ended 31 March 2024, 4,000,000 Shares have been issued at a consideration of HK\$1,272,200 by virtue of the exercise of options under the Company's share option schemes adopted on 1 June 2007 (the "Old Scheme") and 2 September 2016 (the "New Scheme"). Details of the share capital of the Company are set out in note 30 to the consolidated financial statements.

PRE-EMPTIVE RIGHT

There is no provision for pre-emptive rights under the articles of association of the Company (the "Articles of Association") which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders of the Company (the "Shareholders"). However, the Companies Ordinance provides that the Directors must not exercise any power to allot Shares unless the allotment is made to the Shareholders in proportion to their shareholdings.

DIRECTORS

The Directors who held office during the Year and up to the date of this report were:

Executive Directors

Mr. Derek Chiu (*Chairman, Managing Director and Chief Executive*)
Ms. Amanda Chiu

Non-executive Directors

Madam Chiu Ju Ching Lan
Mr. Alex Chiu

Independent Non-executive Directors

Mr. Ip Shing Hing (retired on 2 September 2024)
Mr. Ng Wing Hang Patrick (passed away on 9 November 2024)
Mr. Choy Wai Shek Raymond
Mr. Ng Chi Kin
Mr. Lo Chun Chiu Adrian (appointed on 1 April 2025)



Directors' Report

During the Year and up to the date of this report, Mr. Derek Chiu, Madam Chiu Ju Ching Lan, Mr. Alex Chiu and Ms. Amanda Chiu are also directors in certain subsidiaries of the Company. Other directors of the Company's subsidiaries during the Year and up to the date of this report include: Ms. Tammie Tam and Mr. Lui Tsun Kit.

Article 96 of the Articles of Association provides that the Directors shall have power at any time and from time to time to appoint any other person to be a Director, in order to fill a casual vacancy or as an additional member to the Board but so that such person appointed shall hold office only until the first annual general meeting after his appointment and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Moreover, in accordance with articles 106 and 107 of the Articles of Association, one-third of the Directors shall retire from office and, shall be eligible for election. In accordance therewith, Madam Chiu Ju Ching Lan, Mr. Alex Chiu and Mr. Lo Chun Chiu Adrian will retire at the forthcoming annual general meeting (the "AGM") and eligible for re-election.

The term of office for each non-executive Director is the period up to his or her annual retirement by rotation in accordance with the Articles of Association.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence in writing pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") including confirmation of independence of Mr. Lo Chun Chiu Adrian who was appointed as an independent non-executive Director on 1 April 2025 and considers all the independent non-executive Directors to be independent.



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "Model Code") were as follows:

(a) Long position in the Shares and underlying Shares

Name of Directors/ Chief executive	Number of issued Shares held			Number of underlying Shares held (Note 3)	Total	Approximate percentage of issued Shares
	Personal interests (held as a beneficial owner)	Corporate interests (held as a controlled corporation)	Other interests			
Mr. Derek Chiu	99,975,471	82,598,000 (Notes 1 and 2)	–	21,893,000	204,466,471	27.171%
Ms. Amanda Chiu	5,000,000	–	–	18,500,000	23,500,000	3.123%
Madam Chiu Ju Ching Lan	188,000	–	4,807,200 (Note 4)	–	4,995,200	0.664%
Mr. Alex Chiu	–	–	–	8,100,000	8,100,000	1.076%
Mr. Choy Wai Shek Raymond	7,000,000	–	–	–	7,000,000	0.930%
Mr. Ng Chi Kin	12,000	–	–	–	12,000	0.002%

Notes:

1. The 80,218,000 Shares were held by Energy Overseas Ltd., a company wholly owned by Mr. Derek Chiu, an executive Director who is also the chairman of the Board (the "Chairman"), the Managing Director and the Chief Executive.
2. The 2,380,000 Shares were held by Vision Aim Holdings Limited, a company wholly owned by Mr. Derek Chiu, an executive Director who is also the Chairman, the Managing Director and the Chief Executive.
3. The underlying Shares were comprised in the share options granted to the Directors. Please refer to section (b) "Share options of the Company" below for further details.
4. Madam Chiu Ju Ching Lan held 4,807,200 Shares as the administrator of the estate of the late Mr. Deacon Te Ken Chiu.



Directors' Report

(b) Share options of the Company

Pursuant to an ordinary resolution duly passed by shareholders of the Company on 2 September 2016, the Old Scheme was terminated on 2 September 2016 and the New Scheme was adopted for a period of 10 years commencing on the adoption date. Upon the termination of the Old Scheme, no further options were granted thereunder, and the options granted prior to and remaining outstanding at the termination shall continue to be valid and exercisable in accordance with the terms of the Old Scheme. On 9 September 2020, a resolution has been approved by the shareholders to refresh the limit of granting option under the New Scheme from 60,211,067 Shares to 61,071,067 Shares, representing 10% of the number of issued shares as at 9 September 2020. More information can be referred in the Company's circular dated 31 July 2020.

There is no specified minimum period under the Old Scheme for which an option must be held and the performance target which must be achieved before an option can be exercised under the terms and conditions of the Old Scheme, the Directors may determine the minimum period and the performance targets must be reached.

The New Scheme does not contain any minimum period for which an option must be held or the performance target which must be achieved before an option can be exercised, the Company may specify any minimum period and any performance targets.

Under the New Scheme, options granted will be taken up upon payment of HK\$1 by the grantee and the offer of a grant of share options may be accepted within 28 days from the date of offer (or such longer or shorter period as the Board may specify in the letter of offer).

The life of the New Scheme is 10 years commencing on its adoption date, being 2 September 2016 and will expire on 1 September 2026.

Details of the Old Scheme and the New Scheme that complied with the Listing Rules are set out in note 36 to the consolidated financial statements.

Directors' Report



Movements of share options under the Old Scheme and the New Scheme held by the Directors and employees are as follows:

Category of grantees	Number of underlying Shares comprised in share options						Exercise price per Share HK\$	Grant date	Exercisable period	
	Held as at 1 April 2024	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed during the Year	Held as at 31 March 2025			From	To
Executive Directors										
Mr. Derek Chiu	6,000,000	–	–	–	–	6,000,000	0.5600	23/10/2015	23/10/2015	22/10/2025
	6,070,000	–	–	–	–	6,070,000	0.4430	23/10/2017	23/10/2017	22/10/2027
	6,100,000	–	–	–	–	6,100,000	0.3400	18/03/2019	18/03/2019	17/03/2029
	3,723,000	–	–	–	–	3,723,000	0.1420	25/03/2020	25/03/2020	24/03/2030
Ms. Amanda Chiu	4,000,000	–	–	–	–	4,000,000	0.4430	23/10/2017	23/10/2017	22/10/2027
	2,100,000	–	–	–	–	2,100,000	0.3570	06/08/2018	06/08/2018	05/08/2028
	4,000,000	–	–	–	–	4,000,000	0.3400	18/03/2019	18/03/2019	17/03/2029
	6,100,000	–	–	–	–	6,100,000	0.1420	25/03/2020	25/03/2020	24/03/2030
	2,300,000	–	–	–	–	2,300,000	0.1272	18/08/2021	18/08/2021	17/08/2031
Non-executive Director										
Mr. Alex Chiu	2,000,000	–	–	–	–	2,000,000	0.4430	23/10/2017	23/10/2017	22/10/2027
	4,100,000	–	–	–	–	4,100,000	0.3570	06/08/2018	06/08/2018	05/08/2028
	2,000,000	–	–	–	–	2,000,000	0.3400	18/03/2019	18/03/2019	17/03/2029
Former Independent Non-executive Directors										
Mr. Ip Shing Hing (Note 1)	1,000,000	–	–	–	(1,000,000)	–	0.5600	23/10/2015	23/10/2015	22/10/2025
	1,000,000	–	–	–	(1,000,000)	–	0.4430	23/10/2017	23/10/2017	22/10/2027
	1,000,000	–	–	–	(1,000,000)	–	0.1420	25/03/2020	25/03/2020	24/03/2030
	1,000,000	–	–	–	(1,000,000)	–	0.1272	18/08/2021	18/08/2021	17/08/2031
Mr. Ng Wing Hang Patrick (Note 2)	1,000,000	–	–	–	–	1,000,000	0.5600	23/10/2015	23/10/2015	22/10/2025
	1,000,000	–	–	–	–	1,000,000	0.4430	23/10/2017	23/10/2017	22/10/2027
	1,000,000	–	–	–	–	1,000,000	0.1420	25/03/2020	25/03/2020	24/03/2030
	1,000,000	–	–	–	–	1,000,000	0.1272	18/08/2021	18/08/2021	17/08/2031
Aggregate for employees	800,000	–	–	–	–	800,000	0.5600	23/10/2015	23/10/2015	22/10/2025
	1,000,000	–	–	–	–	1,000,000	0.1272	18/08/2021	18/08/2021	17/08/2031
	58,293,000	–	–	–	(4,000,000)	54,293,000				



Directors' Report

Notes:

1. Mr. Ip Shing Hing retired as an independent non-executive Director with effect from the conclusion of an annual general meeting of the Company held on 2 September 2024 (the "2024 AGM").
2. The late Mr. Ng Wing Hang Patrick passed away on 9 November 2024.

No vesting period was provided for the above share options granted.

Share options comprising 4,000,000 underlying Shares were lapsed during the Year (2024: 6,000,000). Save for the above, no share options were granted or exercised or cancelled or lapsed during the Year.

As at 1 April 2024 and 31 March 2025, the total number of share options available for grant under the Old Scheme were Nil and the New Scheme were 41,471,067.

The total number of Shares that may be issued in respect of share options granted under all schemes of the Company during the Year divided by the weighted average number of Shares in issue for the Year was Nil.

As at the date of this report, the total number of Shares available for issue under the New Scheme were 46,771,067 which represent 6.22% of the issued Shares (excluding treasury shares, if any).

As at the date of this report, the Company has outstanding share options comprising 54,293,000 underlying Shares under the Old Scheme and the New Scheme, which representing approximately 7.21% of the Shares in issue as at that date.

Save as disclosed above, as at 31 March 2025, none of the Directors nor the chief executive of the Company, had interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.



ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as the share options disclosed above, at no time during the Year was the Company, or its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

EQUITY-LINKED AGREEMENTS

Other than the share option schemes disclosed above, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year, which required the Company to issue any of its Shares.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors or any of their respective close associates (as defined in the Listing Rules) are considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, AGREEMENTS OR CONTRACTS OF SIGNIFICANCE

The title of certain leasehold land and buildings owned by a subsidiary of the Company was registered in the name of a company controlled by the late Mr. Deacon Te Ken Chiu and his family as trustee for the said subsidiary. During the year ended 31 March 2024, the registration of these leasehold land and buildings has been transferred to a subsidiary of the Company.

Save as disclosed above, no transactions, arrangements or contracts of significance in relation to the Group's business in which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a director or an entity connected with a director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM has a contract of service with the Company or any of its subsidiaries not determinable by the Group within one year without payment of compensation (other than statutory compensation).

PERMITTED INDEMNITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Pursuant to the Articles of Association and subject to the Companies Ordinance, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses and liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, provided that the Articles of Association shall only have effect in so far as its provisions are not avoided by the Companies Ordinance. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company during the Year. Such provision were in force during the Year and remained in force as of the date of this report.



Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

Save as the interests of certain Directors disclosed under the section headed "Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures", according to the register of interests maintained by the Company pursuant to section 336 of the SFO and as far as the Directors are aware, as at 31 March 2025, the following persons who (other than a Director or the chief executive of the Company) or corporations which had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or was, directly or indirectly, interested in 5% or more of the total number of Shares in issue carrying rights to vote in all circumstances at general meeting of the Company:

Long position in the Shares

Name of Shareholders	Capacity/Nature of Interests	Number of issued Shares held	Approximate percentage of issued Shares
Mr. Deacon Te Ken Chiu (deceased) (Notes 1 and 3)	Beneficial owner/Personal interest; and interest in controlled corporations/corporate interest	113,726,476	15.113%
Achiemax Limited (Note 1)	Beneficial owner/Personal interest	72,182,400	9.592%
Energy Overseas Ltd. (Note 2)	Beneficial owner/Personal interest	80,218,000	10.660%

Notes:

- The late Mr. Deacon Te Ken Chiu beneficially owned 12,491,424 Shares. Of the remaining 101,235,052 Shares, (i) 100,939,842 Shares were held by various private companies wholly owned by the late Mr. Deacon Te Ken Chiu of which 72,182,400 Shares were held by Achiemax Limited; and (ii) 295,210 Shares were held by Far East Consortium Limited, a wholly-owned subsidiary of Far East Consortium International Limited. The late Mr. Deacon Te Ken Chiu was a controlling shareholder of these companies and a director of Achiemax Limited.
- Energy Overseas Ltd. is a company wholly owned by Mr. Derek Chiu (an executive Director who is also the Chairman, the Managing Director and the Chief Executive) who is also its director.
- Madam Chiu Ju Ching Lan, a non-executive Director, held 4,807,200 Shares as the administrator of the estate of the late Mr. Deacon Te Ken Chiu.

Save as disclosed above, as at 31 March 2025, the Company has not been notified of any persons who (other than a Director or the chief executive of the Company) or corporations which had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or was, directly or indirectly, interested in 5% or more of the total number of Shares in issue carrying rights to vote in all circumstances at general meeting of the Company.

RELATED PARTY TRANSACTIONS

The related party transactions as disclosed in note 35 to the consolidated financial statements did not constitute one-off connected transactions or continuing connected transactions which are required to comply with disclosure requirements in accordance with Chapter 14A of the Listing Rules.



MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Group's business were entered into or existed during the Year.

DONATIONS

During the Year, the Group made charitable and other donations amounting to approximately HK\$30,510 (2024: HK\$22,020).

MAJOR SUPPLIERS AND CUSTOMERS

The purchases made by the Group for its largest supplier and the five largest suppliers of the Group accounted for approximately 16% and 53% of the total purchases of the Group in the Year, respectively.

The sales attributable to the Group's largest customer and the five largest customers of the Group accounted for approximately 12% and 38% of the total sales of the Group in the Year, respectively.

None of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which to the best knowledge of the Directors, own more than 5% of the issued Shares excluding treasury shares, if any) had any beneficial interest in the Group's five largest customers or suppliers.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 53 to 65 of this annual report.

AUDIT COMMITTEE

The Company's audit committee (the "Audit Committee") comprises all the independent non-executive Directors.

The principal duties of the Audit Committee include review and supervision of the Group's financial reporting system, financial statements, risk management and internal control systems. It has reviewed with management the audited consolidated financial statements of the Group for the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors throughout the Year and up to the date of this report, the Company has maintained the prescribed public float under the Listing Rules (i.e. at least 25% of its issued Shares excluding treasury shares, if any, in public hands).

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remuneration of the Directors and the five individuals with the highest emoluments for the Year are set out in notes 9 and 10 to the consolidated financial statements, respectively.



Directors' Report

EMOLUMENT POLICY

The Company has established a remuneration committee (the "Remuneration Committee") with written terms of reference pursuant to the provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules. The Remuneration Committee is principally responsible for formulating and making recommendation to the Board on the Group's policy and structure for all remuneration of Directors and senior management. The remuneration and compensation packages of the Directors and senior management are determined by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

The Company has adopted the share option schemes as an incentive to Directors and eligible participants and other consultants, details of the schemes are set out in note 36 to the consolidated financial statements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a new code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"). Following a specific enquiry made by the Company with the current Directors (except Mr. Lo Chun Chiu Adrian who was appointed as an independent non-executive Director on 1 April 2025), the Directors have confirmed that they had fully complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Year.

CHANGE IN INFORMATION OF DIRECTORS

The changes in Directors' information during the Year as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules and up to the date of this report are set out below:

Mr. Ip Shing Hing ("Mr. Ip") retired as an independent non-executive Director and ceased to be the chairman of the nomination committee of the Board (the "Nomination Committee") and a member of each of the Audit Committee and the Remuneration Committee with effect from the conclusion of 2024 AGM.

Following the retirement of Mr. Ip, Mr. Ng Chi Kin, an independent non-executive Director, has been appointed as the chairman of the Nomination Committee with effect from the conclusion of the 2024 AGM.

Mr. Ng Wing Hang Patrick, an independent non-executive Director, the chairman of the Audit Committee, and a member of the Nomination Committee and the Remuneration Committee, passed away on 9 November 2024.

Annual salary of Mr. Derek Chiu has been adjusted from HK\$600,000 to HK\$420,000 with effect from 1 July 2024.



Annual Director's fee of the following independent non-executive Directors has been adjusted with effect from 1 April 2025:

- Mr. Choy Wai Shek Raymond: from HK\$180,000 to HK\$100,000; and
- Mr. Ng Chi Kin: from HK\$132,000 to HK\$100,000.

Mr. Lo Chun Chiu Adrian ("Mr. Lo") has been appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee with effect from 1 April 2025.

Following the appointment of Mr. Lo, Mr. Ng Chi Kin, an independent non-executive Director, has been appointed as the chairman of the Audit Committee and ceased to be the chairman of the Nomination Committee with effect from 1 April 2025 and remains as a member of the Nomination Committee.

INDEPENDENT AUDITOR

A resolution will be proposed at the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as independent auditor of the Company.

On behalf of the Board

Derek Chiu

Chairman, Managing Director and Chief Executive

Hong Kong, 25 June 2025



Environmental, Social and Governance Report

INTRODUCTION

The board (the “Board”) of directors (the “Directors”) of Far East Hotels and Entertainment Limited (the “Company”, together with its subsidiaries, “the Group”) is pleased to present this Environmental, Social and Governance (“ESG”) Report (“ESG Report”) in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Guide”), as set out in Appendix C2 of the Rules Governing the Listing of Securities on the Main Board (the “Main Board Listing Rules”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This ESG Report aims to provide a balanced representation of the major ESG policies, initiatives and performances of the Group in the four main areas – employment and labour practices, operating practices, environmental protection and community participation. Calculations in this ESG Report were conducted with reference to Appendices 2 and 3 of How to Prepare an ESG Report as issued by the Stock Exchange. We have begun expanding our data collection scope to address the new ESG reporting requirements of the Stock Exchange to be implemented in 2025, ensuring future compliance while enhancing report quality.

STATEMENT FROM THE BOARD

The Board assumes ultimate responsibility for overseeing the effective implementation of the Group’s ESG policies and sustainability reporting matters, including developing the sustainability strategy and reporting, evaluation and determining the Group’s ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

Although the Group is facing a challenging environment, the Board considers it imperative that sustainability forms the backbone of the business to achieve corporate growth. Hence, the Group is dedicated to incorporating the concept of sustainability into every facet of its business, by upholding a well-rounded governance system, establishing strategic directions and hold regular internal and external events to communicate closely with stakeholders. The Group may receive stakeholder feedback on ESG issues, conduct evaluations and materiality analysis and incorporate such information in setting ESG priorities for our business.

To ensure progress for ESG goals, management staff have been entrusted by the Board to coordinate daily ESG issues between different business divisions of the Group. The execution of business plans and the obstacles frontline employees faced in the implementation of our goals are reported to the Board in regular meetings with management. In addition, we will regularly review sustainability trends that can be directly applicable to our business and continue to increase our investment in sustainable development.

Environmental, Social and Governance Report



REPORTING PRINCIPLES

The ESG Report is prepared according to the “Comply or Explain” provisions and the four Reporting Principles as required by the ESG Reporting Guide:

1. **Materiality:** Disclosure is required in this ESG Report if ESG issues have a material impact on our investors and other stakeholders.
2. **Quantitative:** The identified ESG data are measurable, so that the KPIs in this ESG Report can be compared with peers, industry standards and our previous years’ performance.
3. **Balance:** The performance information in the ESG Report is presented in an unbiased manner, avoiding selections, omissions or presentation that might inappropriately influence the decisions or judgments of stakeholder.
4. **Consistency:** To ensure comparability, all key performance indicators calculations and assumptions are consistent with previous years. Any changes in relevant assumptions or calculation methods are clearly disclosed to inform stakeholders.

SCOPE AND REPORTING PERIOD

The scope of this ESG Report covers the hotel operations and management of the Cheung Chau Warwick Hotel (“the Hotel”) in Cheung Chau. Also, we have expanded the scope of our data collection to include ESG data from leasehold land and buildings, investment properties, as well as the head office in Hong Kong. Furthermore, due to their insignificance in terms of socio-economic and environmental impacts, our serviced property leasing segment in the PRC and overseas property investment segment, securities investment and trading segment have been excluded from the reporting scope. The information stated in this ESG Report covers the period from 1 April 2024 to 31 March 2025 (the “Reporting Period”) which aligns with the financial year as the 2025 annual report of the Hotel. The Board firmly believes in the need to prioritize environmental and social responsibilities and continues to seek ways to improve its environmental management system. In addition to achieving our business objectives, we recognize our responsibility to operate in a more responsible and sustainable manner by integrating ESG considerations into our day-to-day operations.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

In order to define our current and future sustainability strategies, it is important to ensure and understand our stakeholders’ perspectives and expectations on the development and success of the Group and help us assess the potential impacts of our future business activities. The Hotel strives to create positive values and believes that the interests of all stakeholders must be taken in account in order to strengthen relationship with our shareholders, employees, hotel guests, suppliers, government authorities and the society as a whole.

Our approach to stakeholder engagement is designed to ensure that our stakeholders’ perspectives and expectations are fully understood to help define our current and future sustainability strategies.



Environmental, Social and Governance Report

The Hotel proactively engaged with the key stakeholder groups in a variety of ways to ensure effective communication of our objective and progress in relation to the following areas of concern:

Major Stakeholders	Major Communication Channels	Major Concerns
Shareholders and Investors	• Press Release, Corporate Announcements and Circulars • Annual, Interim and Other Published Reports • Annual General Meetings	• Business Development Plan • Financial and Business Stability • Information Disclosure and Transparency • Profitability • Protection of Shareholders' Rights and Interests
Employees	• Trainings and Team Building Activities • Business Meetings and Briefings • Performance Appraisals and Evaluation	• Career Development and Training Opportunities • Health & Safety Work Environment • Personal Data Protection and Security • Compensation and Benefits
Hotel Guests	• Customer Complaint Hotlines • Online Customer Feedback • Social Media Platforms • In-person Correspondence	• Quality of Products and Services • Guest Satisfaction with Hotel Facilities • Privacy Protection
Suppliers	• Business Communications • Emails • Meetings and Discussions • Phone Calls and Site Visit • Tender Notice	• Business Stability • Compliance Operation • Cooperation on Fair Terms • Integrity
Public Community	• Charitable and Volunteering Activities • Community Interactions • Marketing	• Corporate Social Responsibilities • Community Investment and Charitable Activities
Government and Supervisory Institutions	• Compliance Report • Major Meeting and Policy Consultation • Information Disclosures • Examinations and Inspections	• Compliance Operation • Corporate Governance • Environmental Protection
Environment	• ESG Reporting	• Energy Saving and Emission Reduction • Mitigation Measures

Environmental, Social and Governance Report



Throughout the year, through a wide range of communication channels, we found that ESG compliance, environmental emissions and corporate social responsibilities are the main focuses of our stakeholders. With the aim of contributing our effort to protecting the environment and supporting the society, we are dedicated to leading a business that are driven primarily by sustainability through tides of change. We emphasize the significance of sustainable development in our operational strategies as we believe to act responsibly, we must plan sustainably.

STAKEHOLDERS FEEDBACK

The Group's ESG approach is to ensure that the Group continues to create long-term value for its stakeholders while taking positive steps to improve and mitigate its impacts on society and the environment. This includes retaining the economic and social advantages of its operations, while taking the necessary steps to support the local community, and protect the local natural, historic and cultural heritage.

The Group welcomes stakeholders' feedback on its ESG approach and performance. You are welcome to provide your suggestions or share your views with the Group through any channel below to help the Group improve its ESG performance:

Website: <https://www.tricor.com.hk/web/service/00037/>
Address: Suite 1902, 19th Floor, The Sun's Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong
Phone: +852 2744 9110
Fax: +852 2785 3342

The following sections will provide more information about the Group's practices in the areas of the environment, employees' engagement and development, good operating practices and the contribution to the community.

A. ENVIRONMENTAL ASPECTS

A1. Emissions

With the increasing problem of environment degradation and climate change around the globe, the Group has paid close attention to the environmental responsibilities and has incorporated sustainable environmental protection measures as part of the business development strategy. In order to preserve the rural character and natural landscape, Cheung Chau maintains a car-free environment where only small specially designed mini-fire engines, ambulances, police cars and permitted vehicles are allowed for transportation on the island. With permission according to local regulations, the Hotel operates a mini tractor for goods transportation on the island, which is regularly checked to ensure its functionality and minimize its environmental impact.

In our daily operations, aside from emissions generated by the mini tractor, another source of exhaust gas emissions originates from the cooking activities at the Chinese Bayview Restaurant. The Hotel applies stringent control on exhaust gas and greenhouse gas ("GHG") emissions by complying with the Air Pollution Control Ordinance (Cap. 311). In order to minimize the emissions to an acceptable target, all cooking fumes and exhaust gas generated from the cooking activities are processed by a filtering hydro vent before being released into the environment.



Environmental, Social and Governance Report

Other emission sources included electricity consumption, freshwater and sewage processing, paper disposed at landfill and general domestic and food wastes. Hazardous wastes generated from the Chinese Bayview Restaurant were mainly cooking oil and respective kitchen sewage while non-hazardous wastes generated were mainly domestic and food waste.

Despite the insignificant emission impact, the Hotel has made to the environment, we strive to adopt environmentally friendly measures and sustainable approaches and materials to enhance the sustainability in Hong Kong, and to reduce energy and resource consumption in our operation of the Hotel. The Hotel's policies, practices, and quantitative data on emissions, use of resources, the environment and natural resources are primarily disclosed in the Reporting Period. During the Reporting Period, the Hotel did not note any cases of material noncompliance in relation to air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste.

Emission Sources and Use of Resources

Direct Emission

Our air emissions are mainly contributed by our usage of vehicles and cooking stoves. During the Reporting Period, nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and Respiratory Suspended Particles ("RSP", also known as Particulate Matter ("PM")) increased due to the expanded reporting scope. To further mitigate the air pollution, we had implemented proactive measures through equipment replacement program, older and less efficient mini tractors have been replaced with energy-efficient models. In the future, we will keep monitoring on the emissions data and finding ways to reduce the usage of resources and enhance our mitigation measures.

Besides, employees have been educated and encouraged to switch off electronic equipment when not in use. Air conditioning and lighting systems in the office and public areas are switched off after office hours and at night respectively. Measures have also been in place to reduce the amount of non-hazardous waste. We believe through continuous effort of the Hotel in reducing resources usage and generation of non-hazardous waste, it would bring greater operational efficiency, eco-friendly and paperless workplace, leading to continuous reduction of paper usage, and further environmental impact protection.

Air Emission	Unit	2024/25¹	2023/24
NO _x	kg	4.51	1.13
SO _x	kg	0.10	–
RSP	kg	0.27	–

Note:

1. The increase in air emissions this Reporting Period is due to the expanded reporting scope.

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The total emission of NO_x, SO_x and RSP are 4.51 kg, 0.10 kg, and 0.27 kg, respectively. The Group will keep monitoring on the emissions data in order to enhance the least usage of gas in the future.

During the Reporting Period, the Group produced a total of 584.52 tonnes of carbon emissions, decreased in comparison with the last Reporting Period. The Group will continue to assess and record its greenhouse gas emissions and other environmental data annually and compare it with last year's data to assist the Group in further developing emission reduction targets in the future.

The data are referenced from the quantification methodology stated on "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong 2010" and the emission factor is based on the latest figure provided by the China Light and Power Company Limited, Drainage Services Department and Water Supplies Department.

Emission ¹	Unit ²	2024/25	2023/24
Scope 1 GHG Emission (Direct) ³	tCO ₂ e	35.60	18.06
Scope 2 GHG Emission (Indirect) ⁴	tCO ₂ e	537.50	587.07
Scope 3 GHG Emission (Other Indirect) ⁵	tCO ₂ e	11.43	12.32
Total GHG Emission	tCO ₂ e	584.52	617.45
GHG Emission Intensity by Area	tCO ₂ e/m ²	0.11	0.13

Notes:

- Reference was made to Appendix C2 of the Listing Rules governing the Main Board and the relevant guidance of the Stock Exchange of Hong Kong Limited for the emission factors, unless stated otherwise.
- tCO₂e represents tonnes of carbon dioxide equivalent.
- Scope 1 direct emissions of the Group were from fuel combustion due to vehicle and cooking activities. The increase in Scope 1 emissions during this Reporting Period is attributable to the expanded reporting scope.
- Scope 2 indirect emissions of the Group were from purchased electricity and town gas consumption.
- Scope 3 other indirect emissions of the Group included paper used and electricity used for fresh water and sewage processing by government department.



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A2. Use of Resources

Energy and Water Consumption

During the Reporting Period, the Group consumed 6,400.37 L of petrol for the vehicles, 4,116.00 kg of LPG for cooking activities, 331.00 unit towngas, 1,404,858.00 kWh of electricity, and 16,303.00 m³ of water for daily operations. The Hotel believes that the energy-efficient practice implemented since the last Reporting Period would lead to a dwindling level of energy consumption and progress towards better stewardship in ESG management in the future. The Hotel keeps track of resources used to explore opportunities in conserving natural resources.

Energy Consumption ¹	Unit	2024/25	2023/24
Towngas ²	unit	331.00	/
Petrol Usage ³	L	6,400.37	65.50
LPG Usage	kg	4,116.00	5,929.00
Direct Energy Consumption (Petrol, towngas and LPG) ⁴	MWh	136.71	43.70
Indirect Energy Consumption (Electricity)	MWh	1,404.86	1,505.31
Total Energy Consumption	MWh	1,541.57	1,549.01
Total Energy Consumption Intensity by Area	MWh/m ²	0.30	0.32
Generation of electricity from renewable energy sources ⁵	MWh	57.08	6.67
Water Consumption	m ³	16,303.00	18,815.00
Water Consumption Intensity by Area	m ³ /m ²	3.18	3.87

Notes:

- Reference was made to Appendix C2 of the Listing Rules governing the Main Board and the relevant guidance of the Stock Exchange of Hong Kong Limited for the emission factors, unless stated otherwise.
- The significant increase in towngas usage is due to the expansion of the reporting scope during this Reporting Period.
- The significant increase in petrol usage is due to the expansion of the reporting scope during this Reporting Period.
- The conversion of direct energy consumption followed the guidance “How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs” published by the Stock Exchange of Hong Kong Limited. The rise in direct energy consumption during this Reporting Period is attributed to higher usage of towngas and petrol.
- The significant increase in generation of electricity from renewable energy sources is due to the expanded reporting scope implemented during this Reporting Period.

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The Hotel proactively monitors the usage of resources and maintains best environmental practices to use energy efficiently and hence mitigate GHG emission. These measures include:

- suspending food and beverage services on Wednesdays to minimise energy consumption and relevant GHG emissions from kitchen and restaurant usage, including steamers, cookers, lighting and air-conditioning system;
- making use of natural sea breeze to substitute the reliance on air-conditioners for improved indoor air quality and lessened energy usage;
- keeping light fixtures and lamps clean to maximize efficiency, and turning off all inessential lights, electronic appliances and air conditioners when not in use;
- procure and select energy-efficient appliances;
- conduct regular review and maintenance of equipment to ensure optimal energy efficiency performance;
- monitoring on any effective ways to enhance the energy efficiency and consumption; and
- reviewing the internal policies and practices regularly so as to seek opportunities for integrating environmental considerations into working procedures.

Employees are reminded and encouraged to follow the energy saving measures. The Hotel will continuously assess the efficiency of resource utilization and evaluate the energy saving initiatives to uphold the core value of environmental protection.

For the Hotel operations, water usage is essential for hygiene and cooking purposes and a little amount is unavoidably consumed for daily activities of staff. The Hotel has worked hard to reduce waste of water in previous years and considered water management an important task in the business operations of the Hotel currently. No issue in sourcing water for the Hotel's operation had been noted in the Reporting Period. As water is considered as precious resource, the Hotel has implemented a number of measures to conserve water resources among our employees, as well as our guests, such as consideration and evaluation of whether there is a need to operate swimming pool given our proximity to the Tung Wan Beach, replacement project of underground water pipeline system and changing the linen upon our guests' requests. Water-saving reminder labels are also posted in guest rooms and public toilets to raise our guests' and employees' awareness of water-saving.



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The decline in water usage was due to the decrease in hotel occupancy rates. However, this decline in water consumption demonstrates the commitment of the Group to water-saving practices. This signifies the resolute dedication of the Group to implementing effective water conservation measures, even as hotel occupancy decreased. This achievement serves as a compelling testament to our commitment to resource conservation and sustainability. By diligently optimizing water usage within our operations, the Group has made significant strides in minimizing our environmental impact and fostering a culture of responsible resource management.

Since 2023, the Group participated in the Feed-in Tariff Scheme of the CLP Power Hong Kong Limited. The solar photovoltaic system was installed in our properties in Peng Chau and Cheung Chau to generate renewable energy. During the Reporting Period, 57,080.00 kWh electricity was generated, and was sold to CLP through the program. The renewable energy generation helps the Hotel reduce its environmental impact and contribute to the sustainability goals of Hong Kong.

Paper Consumption

A total of 0.90 tonnes (2023/24: 0.65 tonnes) per carbon emission was produced for paper used and disposed for daily office operations during the Reporting Period. The Hotel strives to minimize paper waste by reusing paper when it is possible. Employees are constantly reminded to reuse single-side used paper and adopt two-sided printing. The Hotel will be following for the future years in order to reduce more paper consumption.

- using office automation system and emails for internal communication;
- electronic marketing materials and newsletters are used to recognize massive printing of promotion materials;
- encouraging our staff to view documents on electronic devices instead of printing out hard copies. When printing is unavoidable, staff members are required to reuse paper for internal documentation, print on both sides and few pages per sheet; and
- collecting wastepaper to government recognized recyclers for recycling purpose regularly.

Packaging Materials

Due to the business nature of the Group, there is no packaging material used during the Reporting Period.

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Wastes

During the Reporting Period, the Hotel has developed a system to record the amount of hazardous waste and paper waste generated and recycled. The Hotel strives to minimize the waste disposal to the environment. The major wastes disposal generated is defined as non-hazardous wastes, including general domestic and food waste, paper waste, old furniture, plastic foam boxes and bottles.

By applying simplified waste collection arrangement, the Hotel appoints professional waste contractor to collect or recycle waste for disposal at landfills. However, due to the restriction of location to the island, shipping is the only transportation method for collecting and transferring the waste disposal to respective landfills. We have considered the transportation arrangement is also resource-consuming and energy-exhaustive, we strictly monitor and follow the Waste Disposal Ordinance (Cap. 354) to ensure the disposal process is properly handled by our professional waste contractor.

Reduction of the waste disposal and resources usage are always our major consideration on how to alleviate the burden of Hong Kong's landfill capacity, we understand that is not enough to consider only on the energy and resources usages of the transportation. Employees are reminded to reduce waste generation, reuse and recycle resources whenever possible.

Hazardous Waste

During the Reporting Period, the Group generated 8.90 tonnes of hazardous waste, including electrical equipment and cleaning chemicals. The Group appointed a licensed service provider to collect these wastes. The Group closely monitors and follows the Water Pollution Control Ordinance (Cap. 358) in order to mitigate the levels of sewage discharge. Other than that, on-site treatment facility was installed in the Hotel for filtering, processing and treating the sewage before discharging into the sea.

The Group is aware of the health and environmental impacts of hazardous waste and strives to reduce generation of hazardous waste whenever possible. In order to minimize the waste discharge to the environment, the Hotel installed a grease interceptor for processing oil particles and other impurities in the kitchen, cleans the relevant treatments regularly and monitors the functional efficiency.

Non-hazardous Waste

The principal source of non-hazardous waste of the Group was general domestic and food waste from hotel property. During the Reporting Period, the Group produced 24.60 tonnes of non-hazardous waste. The non-hazardous waste intensity by area was 0.007 tonnes/m²¹. Employees are reminded to reduce waste generation, reuse and recycle resources whenever possible.

Note:

1. The denominator of the intensity calculation only covers the hotel operations, as waste is generated exclusively from this area.



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The Hotel implemented the following measures for minimizing the non-hazardous waste disposal:

- inspecting and monitoring the condition and functional effectiveness of the treatment facility;
- participating in the paper waste separation on site;
- performing segregation of leftover shower gel and reusing as hand soap;
- collecting unused soap bars and other bathroom amenities for future use;
- collecting leftover toilet paper rolls which are repurposed for guest use in our public toilets; and
- placing collection bins outside the Hotel for collecting bottled and canned amenities in our guest rooms.

The Group has implemented a system to effectively record the amount of waste generated. Ongoing monitoring of the waste produced will be conducted. This system and data provide indicators that allow for continuous monitoring and improvement of the Group's waste management practices. In order to alleviate the waste challenge in Hong Kong, the Hotel strives to design and implement a more effective waste management system focusing on the use of resources in a more environmentally friendly manner and to ensure compliance with relevant statutory and contractual standards and requirements, including but not limited to the:

- Air Pollution Control Ordinance of Hong Kong Special Administrative Region (空氣污染管制條例)
- Water Pollution Control Ordinance of Hong Kong Special Administrative Region (水污染管制條例)
- Waste Disposal Ordinance of Hong Kong Special Administrative Region (廢物處置條例)

In the future, we shall proactively explore new ways to effectively monitor our waste generation.

Environmental, Social and Governance Report



A3. The Environment and Natural Resources

The management of the Group acknowledges that the operation of the Hotel consumes a significant amount of natural resources, which might not be aligned with the principle of sustainable development. The Hotel seeks to identify and manage environmental impacts attributable to its operation, with the objective of minimizing these impacts if possible. The environment and natural resources should not be sacrificed due to business development, therefore the Group bears the responsibility in minimizing the harm brought to environment along with business operations as an ongoing commitment to good corporate citizenship. The Hotel has adopted an environmental policy with a focus including but not limited to adopting eco-friendly practices in daily operations as well as communicating the policy to its key stakeholder and encouraging it to integrate the environmental concerns into its operation process. We perceive and align the principles of sustainability by permeating four major aspects throughout our governance and management values, including customer service quality, community interaction, health and well-being, and last but not least environmental stewardship.

The Hotel has taken steps to reduce its impact on the environment by adopting energy saving measures mentioned in A1 Emissions and A2 Use of Resources. The Hotel regularly assesses the environmental risks of its business model, adopts preventive measures to mitigate risks and ensures compliance with relevant laws and regulations to build an eco-friendly workplace culture that ingraining green habits and lifestyle among employees. The Hotel did not find any cases of breach of regulations relating to emissions and the environment during the Reporting Period. The Hotel encourages employees to participate in various activities in assisting recycling and environment protection activities to help lowering the use of natural resources.

The Product Eco-responsibility (Amendment) Bill 2023 was passed, for regulating disposable plastic tableware and other plastic products, and for enhancing two existing producer responsibility schemes. Hotels and guesthouses are banned from providing disposable toiletries and in-room plastic-bottled water for free. To comply with the Bill, no free disposable plastic toiletries will be provided by the Hotel. The Hotel strives to replace room amenities to be environmentally friendly, bamboo handle toothbrushes substituted single-use plastic toothbrushes. All guestrooms have installed in-shower dispensers to replace plastic individual bottles of shampoo, conditioner, and soap. The Hotel expects that the implementation of these new measures will reduce its reliance on certain natural resources. Looking ahead, the Hotel will continue to assess environmental risks in our business operations to formulate responsive measures and regularly review and update our environmental protection policies.



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A4. Climate Change

The Hotel recognises the importance of the identification and mitigation of significant climate-related issues, therefore, the Hotel is committed to managing the potential climate-related risks which may impact the Hotel's business activities. The Group has been closely monitoring the impact of climate change to leverage on the potential opportunities and to mitigate these potential risks. In this Reporting Period, the Group has been closely monitoring the potential physical risk and the transition risk which are as follows:

Physical Risk

- Acute risk: Considering the business nature and its unique geographical advantage, climate change would bring relatively less impact on the development of the business of the Hotel. In spite of having no enormous impact on the Hotel's operation, the Hotel still strives to put forward environmental conversation and raise awareness of the particular issue. The Hotel will also review the internal policy and procedures related to extreme weather arrangements regularly to reduce the relevant risk. Climate-related issues which may impact our business mostly came from acute physical risks, especially weather-related events such as typhoons and storms that may impact our operation in Hong Kong.
- Chronic risk: Chronic risk refers to the long-term shifts in climate patterns. Climate change causes a continuous rise in temperature and poses threats on scarcity of raw material. Also, the rise in sea levels is a chronic risk that may potentially threaten the operations of the Hotel, given its coastal location. However, the sea level change is a long-term process and is affected by certain variables. There is no immediate risk, and the Group will continue to monitor and assess the likelihood of the risk in the coming years.

Transition Risk

- Policy risk: The Paris Agreement, an international agreement on climate change, came into effect in Hong Kong in 2016. The target for 2030 is to reduce carbon intensity by 65% to 70% with 2005 as the base. Starting in 2019, a review of Hong Kong's progress on climate change mitigation efforts will be conducted every five years. The HKSAR Government may implement new policies depending on Hong Kong's progress in meeting the submission timelines. The Group has been closely monitoring the potential development of any government rules and regulations related to climate change. Since the Group's carbon footprint is minimal, the impact of the potential government policy risk is relatively low.
- Legal risk: During the Reporting Period, the Group is not aware of any climate change related litigations from third parties. It is unlikely that these events would occur due to the Group's business nature. Although there may be regulatory changes due to climate change in the business operating environment, the Group's business lines are agile and are able to adapt to the policy changes.

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- Reputational risk: In order to align with the public's sentiment on climate change, the Group has integrated environmental measures within the business operations. The Group will closely monitor the carbon footprints of the business operations and further explore other ways to reduce our impact on the environment.

B. SOCIAL ASPECTS

B1. Employment and Labor Practices

The Hotel has always considered employee talent as its most valuable resource and asset. The Hotel respects and protects the statutory rights and interests of employees, provide a fair career development platform, cares about its employees' physical and mental health, and join hands with employees to realize sustainable development.

The Group adopts a policy of equal employment opportunities to ensure that every job applicant and employee has equal employment and promotion opportunities. The Hotel is committed to providing a workplace free from any form of discrimination and harassment and provides opportunities to employees with different backgrounds and characteristics so as to build a diversified workforce. Any form of discrimination against our potential or current employees on the ground of nationality, age, gender, sexual orientation, gender identity, ethnicity, disability, pregnancy, political inclination is strongly prohibited. Furthermore, the Group aims to empower female employees through diverse teams and leadership roles. The Group optimizing gender equality and have aligned its standards to an international level. The Group strives to ensure that everyone works in an environment free of discrimination and harassment.

The Hotel provides a wide range of incentives, including competitive remuneration and benefits packages, which are based on individual performances and qualifications of employees and benchmarked against our industry peers on an annual basis.

The Hotel ensure the business operation are in compliance with the applicable local laws and regulations, including but not limited to the Minimum Wage Ordinance (Cap. 608) and Employment Ordinance (Cap. 57), all employment rights and benefits are commensurate with local rules and legal requirements. All of our employees are essentially treated with fair wage, fixed working hours, proper insurance coverage, statutory holidays and miscellaneous types of leaves, including sick leave, maternity leave, marriage leave, compassionate leave and jury service leave. In addition, a various of leisure activities are organized which includes but not limited to annual dinners, birthday or Christmas parties to enhance the staff bonding. The Hotel has established a "Staff Handbook" that includes the terms and conditions of employment, the staff benefits (leave entitlement, insurance and training), and the hotel rules and policies.



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The total workforce by gender, employment level and age group, employment type, geographical region, as compared to last year, are as follows:

	As at 31 March 2025 ¹	2024
Number of Employee	29	21
By Gender		
Male	16	11
Female	13	10
By Employment Level		
Senior Level	8	2
Intermediate Level	4	4
General Level	17	15
By Age		
Below 30 years old	0	1
Between 30 to 50 years old	9	5
Over 50 years old	20	15
By Employment Type		
Full-time	29	21
Part-time	0	0
By Geographical Region		
Hong Kong	29	21

Note:

1. The increase in employee numbers is due to the expanded reporting scope. Last year, employee data covered only the Hotel. During the Reporting Period, the reporting scope was expanded to include leasehold land and buildings, investment properties, and the head office in Hong Kong.

Since its establishment, the Hotel implemented different measures to reduce employee turnover rate, such as strengthening recruitment controls, so that applicants can fully understand the working environment and control of the Hotel strengthen the staff trainings system to meet the career development requirement of employees at all levels; focus on the work pressure of employees, expand the development prospects of the Hotel so that competitive career platform can be provided to the employees. Ten employees left the company during the Reporting Period.

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The statistics for turnover for the Reporting Period are as follows:

	2024/25 Employee turnover number (Turnover rate¹)	2023/24 Employee turnover number (Turnover rate)
Total	10 (40%)	5 (22%)
By Gender		
Male	5 (37%)	3 (24%)
Female	5 (43%)	2 (20%)
By Age		
Below 30 years old	0	2 (200%)
Between 30 to 50 years old	3 (43%)	2 (40%)
Over 50 years old	7 (40%)	1 (6%)
By Geographical Region		
Hong Kong	10 (40%)	5 (22%)

Note:

1. The turnover rate is calculated by the average number of employees in total and each category in last and this Reporting Period.

B2. Health and Safety

As a responsible employer, the Hotel is committed to reducing accidents, illness, and risks in the working area as far as possible, promoting the health of its employees, and thus also reducing the absence rate and employee turnover rate.

The Hotel provides full time employees with a comprehensive set of medical insurance, including but not limited to medical insurance, surgical insurance, hospitalization insurance and employees' compensation insurance.

The Hotel strictly complied with the Occupational Safety and Health Ordinance (Cap. 509), and has established the Staff Handbook on occupational health and safety for primary prevention of hazards and to deal with all aspects of health and safety in the workplace. The main focus of our practices has three different objectives: (1) to maintain and promote workers' health and capacity at work; (2) to improve the working environment so to be conducive to safety and health; and (3) to develop a work culture in a direction which supports health and safety at the workplace. Other procedures regarding fire safety system, first-aid boxes, CCTV system are also required to be followed by all employees to protect employees from risks resulting from factors averse to health.



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Safety drills are conducted regularly to enhance awareness and alertness to react in times of accidents. For example, fire safety drills were carried out during the Reporting Period, at which evacuation routes, proper usage of fire extinguishers, as well as relevant safety tools were displayed.

During the Reporting Period, the Hotel was not aware of any violations of Hong Kong health and safety laws and regulations. There were no work-related fatalities for the Reporting Period, while no workdays were lost to work injuries. We are strongly committed to increase training and to roll out related programs in order to prevent any work injuries incurred in the daily operations, we will continue put in effort in this area. Moving forward, the Hotel seeks the possibility to hire professional first-aid instructors to offer training courses to our employees.

B3. Development and Training

The Hotel emphasizes the importance of employee training and development. It strives to assist employees not only in acquiring professional knowledge to fulfil their duties, but also in developing their lifelong career. Through continuously optimizing the talent management system, the Group provides a training platform to support the employee's personal growth that will enable them to develop their full potential and to achieve the targets. Training includes internal, external, induction, on-the-job, capability and corporate culture training. All directors of the Hotel receive comprehensive, formal and tailored induction training, to ensure that they understand business operations of the Hotel, directors' responsibilities and obligations under the Listing Rules and other regulatory requirements. They are also trained regularly on the newest relevant statutory requirements and market changes, to ensure their high level of awareness on the industrial trends.

	2024/25			2023/24		
	Total	Number of	Average	Total	Number of	Average
	training	employees	training	training	employees	training
	hours	(Percentage	hours	hours	(Percentage	hours
		by category)			by category)	
By Gender						
Male	16	16 (55.17%)	1	11	11 (52.38%)	1
Female	43	13 (44.83%)	3	10	10 (47.62%)	1
By Employment Level						
Senior management	8	8 (27.59%)	1	2	2 (9.52%)	1
Middle management	34	4 (13.79%)	9	4	4 (19.05%)	1
Frontline and other employees	17	17 (58.62%)	1	15	15 (71.43%)	1
Total	59	29 (100%)	2	21	21 (100%)	1

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During the Reporting Period, the Hotel arranged and conducted several in-house training sessions on all-round safety measures and instructions on how to use the fire installations and equipment, in order to enhance the awareness of the safety concepts to our employees, as well as the importance on regular inspections of our safety systems displayed in the Hotel, which in turn serves the interests of the Hotel. Increase training for our employees are our aimed for the upcoming years, in order to make sure all-round development for both our staff and the Hotels. We strived to develop a great experience for all the staff and guests.

B4. Labor Standards

The Group prohibits employing forced and child labour and it adheres to all relevant laws and regulations in order to protect the rights of all employees and does not tolerate labour exploitation. Hence, the Group commits to maintain work environment free of discrimination and all employees are fairly treated regardless of age, marital status, pregnancy, race and religion. Apart from that, during the Reporting Period, the Group abided by the Employment Ordinances (Cap. 57) of Hong Kong and other legal employment requirements. We strive to fulfill our responsibilities to employees, respects their legitimate rights and interests, promote their professional development, improve our working environment and pay attention to the physical and mental health of employees, in order to realize the common development of the Hotel and its employees.

As prescribed in the policies and procedures, the Hotel emphasizes a transparent recruitment and employment mechanism by adopting a competence-based management approach. During the recruitment process, all candidates are required to provide identification proof to ensure compliance with the relevant laws and regulations on prohibiting child labor and forced labor. If applicants are found in providing any counterfeit or false information, the Hotel has right to dismiss the employee immediately.

The employment terms and conditions are set out in the Staff Handbook which is required to be signed by all newly hired employees in order to make sure that they understand the Hotel's guidelines.

During the Reporting Period, the Hotel did not discover any non-compliance with laws and regulations which have a significant impact on employment and labor practices.



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B5. Supply Chain Management

In purchasing perishable products, we incorporate local sourcing into our procurement strategies. Currently, we source seafood from local Cheung Chau fish stockers. It does not only guarantee the freshness but also carries an implication of shorter travel distance for delivery, hence less fuel use and reduced carbon footprint.

The Hotel has established processes in accordance with certain requirements and standards set by the Hotel to select and evaluate suppliers to ensure that the purchased goods comply with relevant standards and criteria. In selecting and evaluating suppliers, the Hotel also pays attention to their environmental compliance record as well as their commitment to social responsibility. Environmentally and socially responsible suppliers will be prioritized in the selection process. As of 31 March, 2025, the Group had 40 suppliers in total where Hong Kong, the PRC, had 38 and 2 suppliers respectively.

B6. Operating Practices and Product Responsibility

Service Responsibility

With a perceived trend of digitalization in the travel industry, we have partnered with Online Travel Agencies (the “OTA”) and utilized online platform for the sales and marketing for the Hotel. Guests publish their comments on every social media platform as a reference to other travelers, we also take those comments as reference and review in the regular meeting to execute the improvements on various areas, including the hospitality services provided, increasing the number of themed rooms, renovation and decoration.

In order to facilitate better services provided to our guests, we continue to adopt the Standard Operating Procedures (“SOP”) as a guiding handbook for all our employees to have a better understanding on their responsibilities and duties at respective units, including the front desk department, the housekeeping department, the sales and marketing department, and the food and beverage department.

The Hotel has established a performance review system. Random inspections are carried out for examining the daily performances and regular team meetings are hosted by corresponding managers to clarify the areas that require improvements. Performance assessment is carried out biannually by respective department managers and the performance review results are subject to approval from the hotel manager. Further trainings will be provided when necessary. As the Hotel did not provide products, none of products were recalled. During the review period, the Hotel did not receive any complaints for the quality of the Hotel’s service.

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Prioritizing Health and Safety of Our Guests

In the areas of design, structure, fire precautions, health, sanitation and safety, we comply with the requirements of the Buildings Ordinance (Cap. 123). Precautions are taken against fire or other unlikely incidents to protect the welfare and property of our guests in accordance with the Fire Services Ordinance (Cap. 95). For example, to safeguard public health, maintain indoor air quality and prevent the cause of fires, smoking is prohibited in all indoor areas in compliance with the Smoking (Public Health) Ordinance (Cap. 371). We have put the relevant labels and stickers at noticeable areas to remind our guests about the potential health and safety risks.

On the other hand, we maintain and comply with consistent and rigorous hygiene standard and food quality in order to ensure the food safety served by our restaurant. For those who prepare and serve the food and beverages in the kitchen and restaurant, they are required to strictly follow the instructions that are outlined in the SOP and reviewed regularly under inspections.

All positive and negative feedback from our guests is valuable to us. In the operation of our hotel business, we ensure the adequacy and suitability in the use of apparatus and equipment in accordance with the Hotel and Guesthouse Accommodation Ordinance (Cap. 349).

Intellectual Property

The Hotel's senior management is responsible for safeguarding the intellectual properties. Contracts between the Group, employees and relevant parties contain a confidentiality clause to prevent the disclosure of sensitive information. A whistle-blowing platform is in place for employees to report any incident of sensitive information disclosure to management.

Safeguarding Privacy and Personal Information

The nature of our business requires that we frequently and regularly collect, retain, and utilize personal data from our existing and potential guests. Therefore, we must abide by the fair information practices relating to the collection, retention, handling, disclosure and use of personal data as stipulated in the data protection principles of the Personal Data (Privacy) Ordinance (Cap. 486).

For the protection of privacy in respect of personal data, the Group has well established internal control and compliance procedures developed on the basis of the Ordinance and implement strict control over the security of information to ensure compliance with the relevant laws and regulations.

We seek to ensure that appropriate measures are taken to prevent the misuse or disclosure of personal data and to hold such personal data solely for such collection purposes. We inform our customers of their rights under the Ordinance and the purpose for which their data may be used by the Hotel. Relevant documents containing personal information are stored and accessible only by our authorized employees. All documents will be properly destroyed and shredded after 7 years of storage whereas the use of personal data in direct marketing or communication without prior consent from guests is strictly prohibited.



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We have drawn attention on the information security awareness regarding the use of computer, internal email system and the Internet. For those employees who can access into the IT system and review the sensitive and private data, we require them to set up personalized passwords and protect their own passwords by not to disclose to anyone in order to prevent any unauthorized accesses. In addition, virus scan is performed mainly for the email attachment downloads or transfers from external sources by responsible employees on a regular basis in view of minimizing the information technology hacking risks.

The Hotel has educated its employees the following:

- Preserving the guests' trust by safeguarding and handling their information in a private and confidential manner.
- The importance of guest privacy.
- Exchanging confidential information is prohibited.

During the Reporting Period, the Group received no substantial complaints regarding breaches of customer privacy, also they did not discover any circumstances of consumers' personal data being stolen, altered, damaged or leaked during the Reporting Period.

B7. Anti-corruption and Anti-money Laundering

The Group is committed to upholding high standards of business ethics and integrity in the conduct of the Group's business and operations. The Group maintains and effectively implements a comprehensive system of internal control and stringent policies for anti-corruption and is committed to prevent and monitor any malpractices or unethical practice.

The Hotel strictly abides by the laws and regulations regarding bribery, extortion, fraud and money laundering, including the Prevention of Bribery Ordinance (Cap. 210). The Hotel adopts a zero-tolerance approach for bribery, extortion, fraud and money laundering. Employees at all levels such as Directors, management personnel, staff members are required to manage themselves with integrity impartiality and honesty. In order to avert corruption, the Hotel has provided an obvious, safe and confidential way for employees to report suspicious concern with whistle-blowing channels.

A whistle-blowing channel, as set out in the Staff Handbook, has been in place for all employees to raise any concerns without fear of any negative impacts. The Hotel encourages reporting of suspected business irregularities and provides clear channels specifically for this purpose. All employees can contact the management or, in case of any serious matter, directly to the Chairman of the Board's audit committee for lodging a complaint or whistle-blowing. The Hotel is committed to the highest standards of integrity and ethics and require our employees to maintain the confidentiality of proprietary information entrusted by the Hotel, our customers and suppliers. Such information includes intellectual property. During the Reporting Period, the Group did not provide any anti-corruption training to employees.

Environmental, Social and Governance Report



During the period under review, the Group has complied with Anti-Money Laundering and Counter-Terrorist Finance Ordinance (Cap. 615) in Hong Kong and Prevention of Bribery Ordinance of Hong Kong and the other relevant laws and regulations of relating to bribery, extorting, fraud and money laundering. The Group was not aware of any of non-compliance with laws or regulations that has a significant impact concerning bribery, extortion, fraud or money laundering during the Reporting Period.

B8. Community

We are grateful to have been able to operate our Hotel on Cheung Chau and be supported by the local community over the decades. Sustainability of the island becomes indispensable to the Hotel as our business relies on the resources, infrastructure and markets provided by the island. Recognizing our responsibility to the community, we are committed to providing available resources to support the community and encouraging employees to participate in various charitable and voluntary activities. We promote cohesiveness and aim to achieve a win-win situation in order to maintain and strengthen the sustainability, development and value of both the Hotel and our community. During the Reporting Period, the Group donated in total HK\$30,510 to the Cheung Chau community.

Supporting the Cultural Activities

Cheung Chau is an island full of cultural heritage that draws significant attention from tourists and is one of the most popular tourist destinations in Hong Kong. The Cheung Chau Bun Festival is one such cultural event, which was inscribed onto the Third National List of Intangible Cultural Heritage of China in 2011. The festival is celebrated annually with a series of weeklong activities, including traditional ritual events, the “Piu Sik”, and the Bun Scrambling Competition. To support one of the greatest events in Cheung Chau, the Group donated a total of HK\$5,600 to the Cheung Chau Bun Festival related organizations.

Other than that, Pak Tai Festival and the Dragon Boat Races are also the important traditions of the Cheung Chau community. The Group donated a total of HK\$2,000 to the Dragon Boat Races.

Supporting the Local Social

The elderly are more prone to certain health problems than other age groups. Recognizing the unique needs of the elderly population, the Group donated a total of HK\$1,500 to the Chung Shak Hei (Cheung Chau) Home for the Aged Limited to provide support and improve the living conditions of the elderly in Cheung Chau.

Retaining Local Talent

For our hotel operations, we directly created employment opportunities for 16 local residents out of 17 total employees in the Hotel, making good use of the local supply of labour force in Cheung Chau. Other than that, employing local residents can indirectly reduce carbon footprint implied by shortened travel distance.



Environmental, Social and Governance Report

APPENDIX – ESG GUIDE CONTENT INDEX

This ESG Report has been prepared in line with the ESG Guide contained in Appendix C2 to The Rules Governing the Listing of Securities on the Stock Exchange.

KPI	Description	Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	A1. Emissions
KPI A1.1	The types of emissions and respective emissions data.	A1. Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1. Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1. Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1. Emissions

Environmental, Social and Governance Report



KPI	Description	Section
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	A1. Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	A1. Emissions
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	A2. Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	A2. Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	A2. Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	A2. Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	A2. Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	A2. Use of Resources



Environmental, Social and Governance Report

KPI	Description	Section
Aspect A3: The Environment and Natural Resource		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	A3. The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3. The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	A4. Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	A4. Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1. Employment and Labor Practices
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	B1. Employment and Labor Practices
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1. Employment and Labor Practices

Environmental, Social and Governance Report



KPI	Description	Section
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	B2. Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B2. Health and Safety
KPI B2.2	Lost days due to work injury.	B2. Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2. Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	B3. Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3. Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3. Development and Training



Environmental, Social and Governance Report

KPI	Description	Section
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	B4. Labor Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4. Labor Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4. Labor Standards
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B5. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	B5. Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	B5. Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5. Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5. Supply Chain Management

Environmental, Social and Governance Report



KPI	Description	Section
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6. Operating Practices and Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6. Operating Practices and Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	B6. Operating Practices and Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B6. Operating Practices and Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	B6. Operating Practices and Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B6. Operating Practices and Product Responsibility



Environmental, Social and Governance Report

KPI	Description	Section
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B7. Anti-corruption and Anti-money Laundering
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	B7. Anti-corruption and Anti-money Laundering
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	B7. Anti-corruption and Anti-money Laundering
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7. Anti-corruption and Anti-money Laundering
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B8. Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B8. Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8. Community

Corporate Governance Report



COMMITMENT TO CORPORATE GOVERNANCE

The Company is committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance emphasising transparency, independence, accountability, responsibility and fairness. The board of directors of the Company (the “Directors” and the “Board”, respectively) and its senior management ensure that effective self-regulatory practices exist to protect the interests of the shareholders of the Company (the “Shareholders”).

Throughout the year ended 31 March 2025 (the “Year”), the Company had complied with all the code provisions of the Corporate Governance Code (the “Code”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “Listing Rules”, respectively), except for the following:

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The role of chairman is responsible for formulating and setting the strategies and policies of the Company and its subsidiaries (collectively the “Group”) in conjunction with the Board.

The role of chief executive is responsible for managing the Group’s strategic initiatives, investor relations, corporate and investor communications, mergers or acquisitions, and financing.

Mr. Derek Chiu, an executive Director, the Managing Director and the Chief Executive was appointed as the chairman of the Board (the “Chairman”) on 19 July 2023. The Board believes that vesting the roles of the Chairman, the Managing Director and the Chief Executive in the same person has the benefit of ensuring strong consistent leadership with the Group and enable more effective and efficient planning and implementation of business decisions and strategies. The Board also believes that it will not impair the balance of power and authority between the Board and the management of the Company.

In addition, as all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

The Board will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Code, and maintain a high standard of corporate governance practices of the Company.



Corporate Governance Report

THE BOARD OF DIRECTORS

The Board's primary responsibilities are to formulate long-term corporate strategy, oversee the management of the Group, to evaluate the performance of the Group and assess the achievement of targets periodically set by the Board. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The senior management is mainly responsible for execution of the business plan, strategies and policies adopted by the Board and assigned to it from time to time. The Board is directly accountable to the Shareholders and is responsible for preparing the financial statements.

As at the date of this annual report, the Board comprises seven Directors, whose biographical details are set out in the "Profile of Directors" of this annual report. Two of the Directors are executive, two are non-executive and three are independent non-executive. The five non-executive Directors (including the independent non-executive Directors) bring a broad range of legal, financial, regulatory and commercial experience and skills to the Board, which contribute to the effective strategic management of the Group. The executive Directors are not permitted to engage in any other business which is in competition with that of the Group, and are required, to devote all of their active business time to the business and affairs of the Group.

Please refer to the "Directors' Report" and the "Profile of Directors" of this annual report for the composition of the Board and relationship among the members. Save for such relationship disclosed in the "Profile of Directors", there is no other financial, business, family or other material/relevant relationships among the members of the Board.

Mr. Lo Chun Chiu Adrian was appointed as an independent non-executive Director on 1 April 2025 and obtained legal advice on 27 March 2025 from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and Mr. Lo has confirmed he understood his obligations as a director of a listed issuer under the Listing Rules.

Pursuant to the independence requirements set out in Rule 3.13 of the Listing Rules, the Company has received annual written confirmation from all independent non-executive Directors of their independence including confirmation of independence of Mr. Lo Chun Chiu Adrian who was appointed as an independent non-executive Director on 1 April 2025 and the Company considers them to be independent.

Board Independent Evaluation Mechanism

The Board has adopted a board independent evaluation mechanism (the "Mechanism") on 15 July 2022 for Directors to seek independent professional advices for them to discharge their duties and responsibilities, and to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgement to better safeguard Shareholders' interests.

Continuing improvement and development of the Board and its committee processes and procedures through Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.



Pursuant to the Mechanism, the Directors may, in making decisions to perform their duties as Directors, seek such independent professional advice and opinions as they considered necessary to fulfil their responsibilities and in exercising independent judgement at the Company's expense (the "Policy"). Independent professional advice shall include advice of lawyers, auditors, accountants, financial advisers and other professional on matters of law, accounting, tax and other regulatory and professional matters. If the Directors consider that independent professional advice and views are necessary, the Directors should communicate with the Executive Director/the Chairman/the Company Secretary and to provide background and details of the events and/or transactions and/or the issues involved and/or their problems, questions, concerns or specific advice to be sought. Subject to the approval of the Board/Chairman, the Company or the Directors shall contact a professional adviser within a reasonable period of time to seek independent professional advice. Any advice obtained through the Policy shall be duly documented and made available to other members of the Board.

The Board has reviewed the implementation and the effectiveness of the Mechanism and considered it to be effective.

Term of Appointment of Non-executive Directors

The term of office for each non-executive Director (including independent non-executive Director) is the period up to his or her annual retirement by rotation in accordance with the articles 106 and 107 of the Company's articles of association (the "Articles of Association").

COMPLIANCE WITH RULES 3.10(1) AND 3.21 OF THE LISTING RULES

References are made to the announcements of the Company dated 12 November 2024 and 7 February 2025 in relation to, among other things, the Company's non-compliance with the Rules 3.10(1) and 3.21 of the Listing Rules due to passing away of the late Mr. Ng Wing Hang Patrick on 9 November 2024 resulting the number of independent non-executive Directors falls short of the minimum number required under Rule 3.10(1) of the Listing Rules and the number of members in the audit committee of the Board (the "Audit Committee") fails to meet the requirement under Rule 3.21 of the Listing Rules. The Company has applied for, and the Stock Exchange has granted to the Company, a waiver from strict compliance with Rules 3.10(1) and 3.21 of the Listing Rules up to 8 May 2025 for the Company to complete the selection and nomination procedures and for the candidate to accept the appointment of the independent non-executive Director.

On 1 April 2025, Mr. Lo Chun Chiu Adrian was appointed as an independent non-executive Director, the chairman of the nomination committee of the Board (the "Nomination Committee") and a member of each of the Audit Committee and the remuneration committee of the Board (the "Remuneration Committee"). For further details, please refer to the announcement of the Company dated 1 April 2025.

Following the appointment of Mr. Lo Chun Chiu Adrian, the Company has fully complied with the following requirements as of 1 April 2025:

- i. Rule 3.10(1) of the Listing Rules that the board must include at least three independent non-executive directors; and
- ii. Rule 3.21 of the Listing Rules that the audit committee must comprise a minimum of three members.



Corporate Governance Report

BOARD MEETINGS

Four board meetings and one general meeting were held during the Year. The attendance record of each individual Director at the Board meetings and the Shareholders' meeting is set out in the table below:

	Number of Board meetings attended/eligible to attend	Number of Shareholders' meeting* attended/ eligible to attend
Executive Directors		
Derek Chiu (<i>Chairman, Managing Director and Chief Executive</i>)	4/4	1/1
Amanda Chiu	4/4	1/1
Non-executive Directors		
Chiu Ju Ching Lan	0/4	0/1
Alex Chiu	0/4	0/1
Independent Non-executive Directors		
Ip Shing Hing (retired on 2 September 2024)	1/1	0/1
Ng Wing Hang Patrick (passed away on 9 November 2024)	2/2	1/1
Choy Wai Shek Raymond	4/4	1/1
Ng Chi Kin	4/4	1/1
Lo Chun Chiu Adrian (appointed on 1 April 2025)	0/0	0/0

* An annual general meeting was held on 2 September 2024.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining a sound and effective risk management and internal control systems of the Group. The Company has an established risk framework under which it identifies risks (including environmental, social and governance (the "ESG") risks) relevant to the operations and activities of the Group, and assesses these risks in relation to their likelihood and potential impacts. The Group's internal control system includes a well-defined management structure with limits of authority, which is designed to achieve business objectives, safeguard assets against unauthorised use or disposition, ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and ensure compliance with relevant legislations and regulations. Such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and aims to provide a reasonable, as opposed to an absolute assurance against material misstatement or loss. In addition, the Board also considers the adequacy of resources, staff qualification and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function as well as those relating to the ESG performance and reporting.

Corporate Governance Report



The Company does not have internal audit department. The Board currently takes the view that there is no immediate need to set up an internal audit function in light of the size, nature and complexity of the Group's business. The need for an internal audit function will be reviewed from time to time. The Audit Committee has been set up to review the Group's risk management and internal control systems so as to ensure that such systems are sound and adequate, and to protect the Shareholders' investment and the integrity, effectiveness and efficiency of the Company's assets. The Board expects that a review of the risk management and internal control systems will be performed annually. During the Year, the Company has carried out a review of, and the Audit Committee and the Board have received a confirmation from the management on, the effectiveness of the risk management and internal control systems of the Group and no significant areas of concern were identified. Based on the outcome of the review performed by the Audit Committee, administrative management and the independent auditor of the Company (the "Independent Auditor"), the Directors were of the view that the systems of internal control and risk management are effective and there were no irregularities, improprieties, fraud or other deficiencies that suggest material deficiency in the effectiveness of the Group's risk management and internal control systems for the Year.

The Group has formulated a whistle-blowing policy for employees, customers and suppliers to raise concerns, in confidence, about possible improprieties in operation, financial reporting or other matters. Such arrangement will be reviewed by the Audit Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters.

The Group has also formulated the anti-corruption policy to promote and support anti-corruption laws and regulations. The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regards to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors, the company secretary and investor relations officers are authorised to communicate with parties outside the Group.



Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS

The Board adopts an open and transparent Shareholders' communication policy and encourages full disclosure to the public as a way to enhance corporate governance. The Board aims to provide the Shareholders and the public with the necessary information to form their own judgement on the Company. Also, the Board would review the Shareholders' communication policy on a regular basis.

The Company updates its Shareholders on its latest business developments and financial performance through its annual and interim reports. The corporate website of the Company (www.tricor.com.hk/web/service/00037) provides an effective communication platform to the public and the Shareholders.

Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Company by post to the Company's office, Suite 1902, 19th Floor, The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong for the attention of Mr. Derek Chiu, the Chairman, Managing Director and Chief Executive.

The Board welcomes views of the Shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. Board members and appropriate senior staff of the Group are available at the meetings to answer any questions raised by the Shareholders. The Board reviewed the shareholders' communication policy during the Year and its effectiveness was confirmed since the policy was able to facilitate open and ongoing communication with the Shareholders on a fair disclosure basis.

INDEPENDENT AUDITOR'S REMUNERATION

For the Year, the Independent Auditor received HK\$870,000 (2024: HK\$1,205,000) for audit service and HK\$40,000 (2024: HK\$100,000) for non-audit service in connection with ESG service and review of preliminary results announcement.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Board has adopted a new code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"). Having made specific enquiries of all the current Directors except for Mr. Lo Chun Chiu Adrian who was appointed as an independent non-executive Director on 1 April 2025, the Directors have confirmed that they had fully complied with the Model Code and the Company's code of conduct regarding directors' securities transactions during the Year.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. They ensure that the preparation of the consolidated financial statements of the Group is in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure that the publication of the consolidated financial statements of the Group is in a timely manner. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the Independent Auditor regarding its reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report of this annual report.

Corporate Governance Report



AUDIT COMMITTEE

The Company has established the Audit Committee. The terms of reference of the Audit Committee are consistent with the provisions set out in the relevant sections of the Code.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control systems, and financial reporting matters including the review of the consolidated financial statements. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ng Chi Kin (chairman of the Audit Committee), Mr. Choy Wai Shek Raymond and Mr. Lo Chun Chiu Adrian.

The principal duties of the Audit Committee include the review and supervision of the Group's financial statements, financial reporting system, risk management and internal control systems. It also acts as an important link between the Board and Independent Auditor in matters within the scope of the Group's audit.

During the Year, the Audit Committee, amongst other matters, reviewed the Group's draft annual results for the year ended 31 March 2024 and draft interim results for the six months ended 30 September 2024 and recommended the same to the Board for approval.

During the Year, three meetings were held by the Audit Committee. The individual attendance record of each member of the Audit Committee is as follows:

	Number of meetings attended/eligible to attend
Ng Chi Kin (appointed as Chairman of the Audit Committee on 1 April 2025)	3/3
Ng Wing Hang Patrick (Chairman of the Audit Committee, passed away on 9 November 2024)	2/2
Ip Shing Hing (retired on 2 September 2024)	2/2
Choy Wai Shek Raymond	3/3
Lo Chun Chiu Adrian (appointed on 1 April 2025)	0/0

The Audit Committee met on 25 June 2025 and, among other matters, reviewed the Group's draft audited consolidated results for the Year.

COMPLIANCE WITH RULE 3.21 OF THE LISTING RULES

Please refer section "Compliance with Rules 3.10(1) and 3.21 of the Listing Rules" on page 55 of this report.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee. The terms of reference of the Remuneration Committee are consistent with the provisions set out in the relevant sections of the Code. On 29 June 2023, the terms of reference of the Remuneration Committee were updated to reflect additional responsibility of the Remuneration Committee arising from the amendments to the Listing Rules pertaining to the share option schemes and share award schemes came into effect on 1 January 2023.



Corporate Governance Report

The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Choy Wai Shek Raymond (chairman of the Remuneration Committee), Mr. Ng Chi Kin and Mr. Lo Chun Chiu Adrian, and an executive Director who is also the Chairman, the Managing Director and the Chief Executive, Mr. Derek Chiu.

The Remuneration Committee is principally responsible for formulating and making recommendation to the Board on the Group's policy and structure for all remuneration of Directors and senior management, and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. None of the Directors is involved in deciding his/her own remuneration.

During the Year, one meeting was held by the Remuneration Committee to review the remuneration package of all the Directors and made recommendation to the Board for approval. The individual attendance record of each member of the Remuneration Committee is as follows:

	Number of meeting attended/eligible to attend
Choy Wai Shek Raymond (<i>Chairman of the Remuneration Committee</i>)	1/1
Ng Wing Hang Patrick (passed away on 9 November 2024)	1/1
Ip Shing Hing (retired on 2 September 2024)	1/1
Ng Chi Kin	1/1
Derek Chiu	1/1
Lo Chun Chiu Adrian (appointed on 1 April 2025)	0/0

The Remuneration Committee met on 25 June 2025 and reviewed the remuneration package of all the Directors and senior management.

NOMINATION COMMITTEE

The Nomination Committee was established by the Board on 2 March 2012. The terms of reference of the Nomination Committee are consistent with the provisions set out in the relevant sections of the Code.

The Nomination Committee comprises three independent non-executive Directors, namely Mr. Lo Chun Chiu Adrian (chairman of the Nomination Committee), Mr. Choy Wai Shek Raymond and Mr. Ng Chi Kin, and an executive Director who is also the Chairman, the Managing Director and the Chief Executive, Mr. Derek Chiu.

The Nomination Committee is principally responsible for formulating and making recommendation to the Board regarding the composition of the Board. The Nomination Committee also reviews the structure, size and composition of the Board, recommends the re-appointment of Directors and assesses the independence of the independent non-executive Directors.

Corporate Governance Report



Following the passing away of the late Mr. Ng Wing Hang Patrick on 9 November 2024, the Nomination Committee nominated Mr. Lo Chun Chiu Adrian to the Board for its approval on 1 April 2025. The nomination was made in accordance with the nomination policy of the Company and took into account the merits of the candidate including, among others, background, qualification, skills, knowledge and experience and the diversity aspects (including without limitation, gender, age and professional experience), with due regard for the benefits of diversity, as set out in the board diversity policy of the Company.

Having considered the background and experience of Mr. Lo, the Nomination Committee is of the view that he is an appropriate Board candidate and his appointment would further enhance the Board's diversity. The Nomination Committee was satisfied with the independence of Mr. Lo with reference to the criteria set out in Rule 3.13 of the Listing Rules.

During the Year, one meeting was held by the Nomination Committee, among other matters, (i) reviewed the structure, size and composition of the Board; (ii) assessed the independence of the independent non-executive Directors; and (iii) re-appointment of the retiring Directors. The individual attendance record of each member of the Nomination Committee is as follows:

	Number of meeting attended/eligible to attend
Lo Chun Chiu Adrian (<i>Chairman of the Nomination Committee</i>) (appointed on 1 April 2025)	0/0
Ip Shing Hing (retired on 2 September 2024)	1/1
Ng Wing Hang Patrick (passed away on 9 November 2024)	1/1
Choy Wai Shek Raymond	1/1
Ng Chi Kin (ceased to be Chairman of the Nomination Committee on 1 April 2025 and remains as a member)	1/1
Derek Chiu	1/1

The Nomination Committee met on 25 June 2025 and recommended the re-election of all the retiring Directors at the forthcoming annual general meeting of the Company.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy in September 2013 and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and education background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.



Corporate Governance Report

As at the date of this annual report, the Board comprises seven Directors. Two of them are female, three of the Directors are independent non-executive Directors who are independent of management, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of gender, professional background and skills. The Nomination Committee considered that the Board was sufficiently diverse in terms of gender and the Board had not set any measurable objectives.

DIVERSITY IN WORKFORCE

As at 31 March 2025, the Group had a total of 40 employees (including the senior management). The gender composition of the employees (including the senior management) was approximately 47% male employees and 53% female employees. The Group considers that the current gender diversity of employees is satisfactory.

NOMINATION POLICY

The Company has adopted a nomination policy (the “Nomination Policy”) for the purpose to identify and evaluate a candidate for nomination to the Board for appointment or to the Shareholders for election as a Director. The Nomination Committee shall consider, among others, the following criteria in evaluating and selecting candidates for directorships:

- (a) reputation for integrity;
- (b) accomplishment and experience in the business in which the Group is engaged in;
- (c) commitment in respect of available time and relevant interest;
- (d) diversity in all its aspects, including but not limited to race, gender, age (18 years or above), educational background, professional experience, skills and length of service;
- (e) qualifications which include professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and corporate strategy;
- (f) the number of existing directorships and other commitments that may demand the attention of the candidate;
- (g) requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in Rule 3.13 of the Listing Rules;
- (h) board diversity policy of the Company and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and
- (i) such other perspectives appropriate to the Company’s business.

Each proposed new appointment, election or re-election of a director shall be assessed and/or considered against the criteria and qualifications set out in the Nomination Policy by the Nomination Committee which shall recommend its views to the Board and/or the Shareholders for consideration and determination.

Corporate Governance Report



COMPANY SECRETARY

Ms. Cheng Lucy (“Ms. Cheng”) was appointed as company secretary of the Company on 29 November 2018.

Ms. Cheng was nominated by Boardroom Corporate Services (HK) Limited (“Boardroom”) to assume such position and Boardroom has been providing certain corporate secretarial services to the Company pursuant to an engagement letter entered into between the Company and Boardroom. The primary person at the Company with whom Ms. Cheng has been contacting in respect of company secretarial matters is Mr. Derek Chiu, an executive Director who is also the Chairman, the Managing Director and the Chief Executive, or his delegate.

Ms. Cheng had received no less than 15 hours of relevant professional training for the Year.

BOARD'S CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions of the Company as set out in code provision A.2.1 of the Code. The Board has, among others, reviewed this corporate governance report in discharge of its corporate governance functions, ensuring compliance with the Listing Rules.

REMUNERATION OF DIRECTORS

Particulars of the Directors' remuneration for the Year are set out in note 9 to the consolidated financial statements.

Pursuant to code provision E.1.5 of the Code, the remuneration payable to the senior management of the Company, including those members of senior management who are also the executive Directors, is shown in the following table by band:

Remuneration Band	Number of Individuals
Nil to HK\$1,000,000	1
HK\$1,000,001–HK\$1,500,000	1

DIVIDEND POLICY

The Company formalised and adopted a dividend policy (the “Dividend Policy”) on 29 November 2018. In deciding on whether to propose a dividend and in determining the dividend amount, the Board shall take into account, *inter alia*, the following factors:

- (a) the Company's actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (c) the Group's working capital requirements, capital expenditure requirements and future expansion plans;
- (d) the Group's liquidity position;



Corporate Governance Report

- (e) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- (f) other factors that the Board deems relevant.

The declaration and payment of dividends shall also be subject to all applicable requirements under the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the "Companies Ordinance") and the Articles of Association. If the Board thinks fit it may from time to time make a recommendation as to the amount (if any) which it considers ought to be paid by way of dividend and the Company may thereafter declare the amount of the dividend to be paid but such dividend shall not exceed the amount recommended by the Board. The Board may from time to time pay to the Shareholders, or any class of Shareholders such interim dividends as appear to the Board to be justified by the profits of the Company.

The Board endeavours to strike a balance between the Shareholders' interests and prudent capital management with a sustainable dividend policy. The Board will review the Dividend Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as it deems fit and necessary.

SHAREHOLDERS' RIGHTS

The general meetings shall be convened by the Directors on the requisition of Shareholders pursuant to section 566 of the Companies Ordinance.

The Directors are required to call a general meeting if the Company has received requests to do so from Shareholders representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings. A request must state the general nature of the business to be dealt with at the meeting, and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Requests may consist of several documents in like form. A request may be sent to the Company in hard copy form or in electronic form, and must be authenticated by the person or persons making it.

For putting forward proposals at any general meeting or enquiries to the Board, a Shareholder may do so in writing to the Chairman, the Managing Director and Chief Executive. The letter shall state clearly the identity of the Shareholder, the number of shareholding, correspondence address and contact telephone number, and the related suggestions and enquiries. The Company shall, in a reasonable and practicable manner, pass the said matter to the Board and respond according to the situation.

In addition, the Company may receive letters or phone enquiries from Shareholders from time to time, and it shall, in a reasonable and practicable manner, respond as quickly as possible.

Corporate Governance Report



Contact particulars of the Company are as follows:

Suite 1902, 19th Floor
The Sun's Group Centre
200 Gloucester Road
Wanchai, Hong Kong

Tel: (852) 2744 9110

Fax: (852) 2785 3342

Website: www.tricor.com.hk/web/service/00037

Office Hours: 9:00 a.m. to 5:00 p.m.

Monday to Friday (except public holidays, the hoisting of tropical cyclone warning signal no. 8 or above or the issue of a black rainstorm warning notice)

CONSTITUTIONAL DOCUMENTS

During the Year, there was no amendments made to the constitutional documents of the Company.

Pursuant to Rule 13.90 of the Listing Rules, the Company has posted its Articles of Association on the respective websites of the Stock Exchange and the Company.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company has been encouraging the Directors to enroll in a wide range of professional development courses and seminars so as to develop and refresh their professional skills. During the Year, except for Mr. Lo Chun Chiu Adrian who was appointed as an independent non-executive Director on 1 April 2025, all the other current Directors, namely Mr. Derek Chiu, Ms. Amanda Chiu, Madam Chiu Ju Ching Lan, Mr. Alex Chiu, Mr. Choy Wai Shek Raymond and Mr. Ng Chi Kin, have participated in continuous professional development by either reading materials on the amendments to or updates on the relevant laws, rules and regulations or attending seminar or conference according to the training records maintained by the Company. All Directors have been required to provide the Company with their training records.



Independent Auditor's Report

Deloitte.

德勤

To the Members of Far East Hotels and Entertainment Limited

(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Far East Hotels and Entertainment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 71 to 148 which comprise the consolidated statement of financial position as at 31 March 2025, and the 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 and other explanatory 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 as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with 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 judgment, 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)

Key audit matter

How our audit addressed the key audit matter

Valuation of certain agricultural lands of the Group

We identified the valuation of certain agricultural lands of the Group as a key audit matter due to the significant judgements and estimates associated with determining the fair value and the significance of these agricultural lands to the consolidated financial statements as a whole.

As disclosed in notes 4 and 15 to the consolidated financial statements, these agricultural lands carried at HK\$141,507,773 as at 31 March 2025. A net decrease in fair value of HK\$11,325,200 was recognised in profit or loss for the year ended 31 March 2025.

These agricultural lands are carried at fair values based on the valuations performed by independent qualified professional valuer (the "Valuer"). Details of the valuation techniques and key inputs used in the valuations are disclosed in note 15 to the consolidated financial statements. The valuations have been arrived at using direct comparison approach, which are dependent on certain key inputs, including ex-gratia compensation rate of comparable properties less cost of disposal and the potential risks of dispossession due to the suspected trespass and unauthorised structures for these agricultural lands, as well as the possibility in recovering such lands, and adjusted based on the knowledge of the Valuer and management of the Group on the factors specific to the respective agricultural lands.

Our procedures in relation to evaluating the appropriateness of valuation of certain agricultural lands of the Group included:

- Obtaining an understanding of the valuation process and significant assumptions and judgement made by the management of the Group and the Valuer to assess whether the approach adopted on valuing of certain agricultural lands is appropriate;
- Evaluating the Valuer's competence, capabilities and objectivity and obtaining an understanding of the Valuer's scope of work and terms of engagement; and
- Assessing the reasonableness of the key inputs adopted in the valuation, including ex-gratia compensation rate of comparable properties less cost of disposal and the potential risks of dispossession due to the suspected trespass and unauthorised structures for these agricultural lands by reference to market information, if any.



Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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.

Independent Auditor's Report



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine this matter that was of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Ka I (practising certificate number: P06174).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025



	NOTES	2025 HK\$	2024 HK\$ (restated)
Continuing operations			
Revenue	5		
Contracts with customers		15,965,248	21,102,895
Leases		2,570,206	2,367,590
		18,535,454	23,470,485
Cost of sales		(14,292,369)	(16,603,923)
Gross profit		4,243,085	6,866,562
Other income		791,826	943,895
Other gains or losses	6	6,981,399	(2,837,986)
Net decrease in fair values of investment properties	15	(24,397,892)	(10,481,854)
Administrative expenses		(15,673,057)	(21,202,935)
Selling expenses		(771,261)	(1,451,564)
Finance costs	7	(549,443)	(659,332)
Share of results of associates		718,634	675,770
Loss before tax	8	(28,656,709)	(28,147,444)
Income tax expense	11	(417,258)	(438,530)
Loss for the year from continuing operations		(29,073,967)	(28,585,974)
Discontinued operations			
Loss for the year from discontinued operations	43	(6,284,875)	(4,431,253)
Loss for the year		(35,358,842)	(33,017,227)
Other comprehensive expense:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(2,149,625)	(2,202,229)
Total comprehensive expense for the year		(37,508,467)	(35,219,456)



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	NOTES	2025 HK\$	2024 HK\$ (restated)
Loss for the year attributable to owners of the Company			
– from continuing operations		(29,073,967)	(28,585,974)
– from discontinued operations		(6,284,875)	(4,431,253)
		(35,358,842)	(33,017,227)
Total comprehensive expense attributable to owners of the Company			
– from continuing operations		(29,618,251)	(29,010,363)
– from discontinued operations		(7,890,216)	(6,209,093)
		(37,508,467)	(35,219,456)
LOSS PER SHARE	12B		
From continuing and discontinued operations			
Basic (HK cents)		(4.70)	(4.39)
Diluted (HK cents)		(4.70)	(4.39)
From continuing operations			
Basic (HK cents)		(3.86)	(3.80)
Diluted (HK cents)		(3.86)	(3.80)
From discontinued operations			
Basic (HK cent)		(0.84)	(0.59)
Diluted (HK cent)		(0.84)	(0.59)

Consolidated Statement of Financial Position

As at 31 March 2025



	NOTES	2025 HK\$	2024 HK\$
Non-current assets			
Property, plant and equipment	13	24,428,593	26,469,358
Right-of-use assets	14	2,172,110	3,530,984
Deposits for capital expenditure		493,700	296,160
Investment properties	15	253,828,529	278,736,862
Interests in associates	17	1,282,505	563,871
Paintings	18	2,281,549	5,113,967
Deferred taxation	32	–	786,169
		284,486,986	315,497,371
Current assets			
Financial assets at fair value through profit or loss ("FVTPL")	19	13,788,467	16,197,923
Inventories	20	321,339	481,750
Finance lease receivables	21	3,250,975	4,853,324
Trade receivables	22	2,550,589	691,793
Other receivables, deposits and prepayment		2,330,969	1,472,665
Demand deposits held with security broker companies	23	8,383,631	2,930,980
Cash and cash equivalents	23	7,893,839	22,178,646
		38,519,809	48,807,081
Current liabilities			
Trade and other payables and accruals	24	6,667,009	7,421,181
Contract liabilities	25	48,908	710,825
Rental deposits received		245,800	217,300
Amount due to an associate	26	803,381	287,381
Amounts due to related companies	27	647,356	656,056
Bank borrowing	28	8,433,757	8,433,757
Lease liabilities	29	2,017,696	3,692,956
Tax payable		2,483,971	3,138,295
		21,347,878	24,557,751
Net current assets		17,171,931	24,249,330
Total assets less current liabilities		301,658,917	339,746,701



Consolidated Statement of Financial Position

As at 31 March 2025

	NOTES	2025 HK\$	2024 HK\$
Capital and reserves			
Share capital	30	329,138,773	329,138,773
Reserves		(29,134,430)	8,374,037
		300,004,343	337,512,810
Non-current liabilities			
Deferred taxation	32	274,249	–
Provision for long service payments		1,133,913	1,107,120
Lease liabilities	29	246,412	1,126,771
		1,654,574	2,233,891
		301,658,917	339,746,701

The consolidated financial statements on pages 71 to 148 were approved and authorised for issue by the Board of Directors on 25 June 2025 and are signed on its behalf by:

DEREK CHIU
DIRECTOR

AMANDA CHIU
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025



	Share capital HK\$	Share option reserve HK\$	Statutory reserve HK\$	Translation reserve HK\$	Accumulated profits (losses) HK\$	Total HK\$
At 1 April 2023	327,866,573	11,998,924	592,230	(6,718,566)	37,720,905	371,460,066
Loss for the year	-	-	-	-	(33,017,227)	(33,017,227)
Exchange differences arising on translation of foreign operations	-	-	-	(2,202,229)	-	(2,202,229)
Total comprehensive expense for the year	-	-	-	(2,202,229)	(33,017,227)	(35,219,456)
Lapsed share options transferred to accumulated profits	-	(442,980)	-	-	442,980	-
Share issued upon exercise of share options	1,272,200	(695,170)	-	-	695,170	1,272,200
At 31 March 2024	329,138,773	10,860,774	592,230	(8,920,795)	5,841,828	337,512,810
Loss for the year	-	-	-	-	(35,358,842)	(35,358,842)
Exchange differences arising on translation of foreign operations	-	-	-	(2,149,625)	-	(2,149,625)
Total comprehensive expense for the year	-	-	-	(2,149,625)	(35,358,842)	(37,508,467)
Lapsed share options transferred to accumulated losses	-	(627,101)	-	-	627,101	-
At 31 March 2025	329,138,773	10,233,673	592,230	(11,070,420)	(28,889,913)	300,004,343



Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 HK\$	2024 HK\$
Operating activities		
Loss before tax	(34,076,577)	(33,052,752)
Adjustments for:		
Net decrease in fair values of investment properties	24,397,892	10,481,854
Share of results of associates	(718,634)	(675,770)
(Increase) decrease in fair values of financial assets at FVTPL	(5,374,770)	2,741,393
Interest income	(206,589)	(1,423,024)
Depreciation of property, plant and equipment	2,803,602	2,784,919
Depreciation of right-of-use assets	1,355,684	1,518,287
Finance costs	581,354	919,283
Gain on disposal of paintings	(1,609,470)	–
Loss (gain) on disposal of property, plant and equipment	39,955	(71,898)
Loss on disposal of right-of-use assets	–	73,678
Operating cash flows before movements in working capital	(12,807,553)	(16,704,030)
Decrease in financial assets at FVTPL	7,784,226	797,624
Decrease (increase) in inventories	159,316	(167,134)
Increase in trade receivables	(1,873,128)	(268,851)
(Increase) decrease in other receivables, deposits and prepayment	(863,241)	639,251
Decrease in trade and other payables and accruals	(660,189)	(278,820)
(Decrease) increase in contract liabilities	(661,917)	584,854
Increase in rental deposits received	28,500	112,000
Cash used in operations	(8,893,986)	(15,285,106)
Income tax paid	(824,462)	(2,019,908)
Net cash used in operating activities	(9,718,448)	(17,305,014)
Investing activities		
Dividend received from an associate	–	450,000
Interest received	119,978	227,274
Addition of investment properties	(73,217)	(26,100)
Addition of property, plant and equipment	(818,498)	(988,886)
Additions of paintings	–	(743,400)
Purchase of debt instrument	–	(3,000,000)
Proceed from disposal of debt instrument	–	3,000,000
Receipt of finance lease receivables	1,603,758	21,233,388
Deposits paid for capital expenditure	(565,800)	(763,889)
Proceeds from disposal of paintings	4,434,000	–
Proceeds from disposal of property, plant and equipment	–	261,049
Proceeds from disposal of right-of-use assets	–	86,000
Net cash from investing activities	4,700,221	19,735,436

Consolidated Statement of Cash Flows

For the year ended 31 March 2025



	2025 HK\$	2024 HK\$
Financing activities		
Proceeds from shares issued upon exercise of share options	–	1,272,200
Repayment of bank borrowing	–	(3,306,427)
Interest paid	(581,354)	(919,283)
Repayment of lease liabilities	(2,512,388)	(6,669,499)
Advance from an associate	516,000	–
Repayment to related companies	(8,700)	(12,850)
Net cash used in financing activities	(2,586,442)	(9,635,859)
Net decrease in cash and cash equivalents	(7,604,669)	(7,205,437)
Cash and cash equivalents brought forward	25,109,626	33,418,651
Effect of foreign exchange rate changes	(1,227,487)	(1,103,588)
Cash and cash equivalents carried forward	16,277,470	25,109,626
Represented by:		
Cash and cash equivalents	7,893,839	22,178,646
Demand deposits held with security broker companies	8,383,631	2,930,980
	16,277,470	25,109,626



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. GENERAL INFORMATION

Far East Hotels and Entertainment Limited (the “Company”) is a public limited company incorporated in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company and its subsidiaries are together referred to as the Group. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate information” in the annual report.

The Company is an investment holding company and provides corporate management services to its subsidiaries. The activities of its principal subsidiaries are set out in note 16.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to Hong Kong Accounting Standard (“HKAS”) 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

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

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

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

HKFRS 18 *Presentation and Disclosure in Financial Statements*

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

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



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

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

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's incurred loss for the year from continuing operations amounting to HK\$29,073,967 for the year ended 31 March 2025 and turned into accumulated loss of HK\$28,889,913 as at 31 March 2025. In the opinion of the directors of the Company, after taking into account, among other things, the financial resources available to the Group including (i) the Group had net current assets of HK\$17,171,931 and net assets of HK\$300,004,343 as at 31 March 2025, (ii) the future cash flows to be generated from the hotel operation in Hong Kong and property investment in Hong Kong and overseas; and (iii) the Group will be able to refinance its existing banking facilities or obtain additional financing from financial institutions by taking into account the current value of the Group's assets which have not been pledged, the directors of the Company are of the opinion that the Group has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period and accordingly these consolidated financial statements have been prepared on a going concern basis.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties also include leased properties which are recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in notes 5 and 25.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of staff quarters that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within “investment properties”.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessor (Continued)

Classification and measurement of leases (Continued)

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset.

Lease modification to operating leases

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets and paintings

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and paintings to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and paintings are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets and paintings (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) 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 had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

All other financial assets are subsequently measured at FVTPL.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and finance lease receivables subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables and deposits, demand deposits held with security broker companies and bank balances) and finance lease receivables which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and financial lease receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and finance lease receivables subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and finance lease receivables subject to impairment assessment under HKFRS 9 (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and finance lease receivables subject to impairment assessment under HKFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including bank borrowing, trade and other payables, rental deposits received, amounts due to an associate and related companies are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss before tax because of income or expense that are taxable or deductible in other years and 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 temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets 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.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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 to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For investment properties amounting to HK\$253,828,529 (2024: HK\$278,736,862) located in Hong Kong and Fiji, the presumption that the carrying amounts of these investment properties measured using fair value model were recovered entirely through sales was not rebutted. The Group has not recognised any deferred tax on changes in fair value of investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Measurement of certain agricultural lands in Survey District No. 4, Tsuen Wan, New Territories (the “Agricultural Lands”)

As disclosed in note 15, the Group holds certain plots of agricultural lands in Survey District No. 4, Tsuen Wan, New Territories as investment properties with carrying amount of HK\$141,507,773 as at year ended 31 March 2025 (2024: HK\$152,832,973). Certain plots of the Group’s Agricultural Lands are subject to potential risk of dispossession due to suspected trespass. In addition, unauthorised structures were erected on certain plots of the Group’s Agricultural Lands and letters issued by the Lands Department of the Hong Kong Special Administrative Region (“HKSAR”) (the “Lands Department”) (the “Letters”) to the Group stated that such unauthorised structures were in breach of lease conditions and the Lands Department required the Group to purge the said breach by demolishing or removing the unauthorised structures. It is further stated in the Letters that in the event that the unauthorised structures still remain on such plots of the Group’s Agricultural Lands on the expiry of the time limit stipulated, the Lands Department shall without further warning re-enter the lot or vest all the interests held under the Government lease in the Financial Secretary Incorporated under the Government Rights Re-entry and Vesting Remedies Ordinance (Chapter 126), in which the rights in the lot held under the Government lease will be forfeited (the “Re-entry issue”). As at 31 March 2020, the allowable time to remove the unauthorised structure has been expired.

For these plots of Agricultural Lands which are subject to potential risks of dispossession due to suspected trespass or unauthorised structures, the directors have taken into account such risks by assessing various factors such as the occupation status of the property, portions of the property are occupied by or encroached by unauthorised and non-conforming users when measuring the fair value of Group’s Agricultural Lands. The plots of lands in which the possibility in recovering is remote were measured at HK\$1.

A net decrease in fair value of HK\$11,325,200 in respect of these plots of Agricultural Lands was recognised in profit or loss for the year ended 31 March 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

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

Fair values of investment properties

The determination of the fair value of investment properties involves certain assumptions of market conditions which are set out in note 15, based on the valuation performed by independent professional valuers.

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. For Agricultural Lands, changes in key inputs, including ex-gratia compensation rate of comparable properties less cost of disposal and the potential risks of dispossession due to the suspected trespass and unauthorised structures for these Agricultural Lands, as well as the possibility in recovering such lands, for other investment properties measurements, key inputs including market unit rate of comparable properties, those key inputs would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

Deferred taxation on unused tax losses

As at 31 March 2025, a deferred tax asset in relation to unused tax losses of HK\$13,025,000 (2024: HK\$13,567,000) has been recognised in the Group's consolidated statement of financial position, details of which are set out in note 32. No deferred tax asset has been recognised on the tax losses of approximately HK\$302,906,000 (2024: HK\$285,272,000) as at 31 March 2025, due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5. REVENUE AND SEGMENT INFORMATION

(a) Revenue

(i) Disaggregation of revenue from contracts with customers

Segment	2025 Hotel operation in Hong Kong HK\$	2024 Hotel operation in Hong Kong HK\$ (restated)
Types of goods or services		
Hotel operation		
– Hotel rooms revenue	10,884,266	14,532,270
– Food and beverages	5,080,982	6,570,625
Total	15,965,248	21,102,895
Geographical market		
Hong Kong	15,965,248	21,102,895
Timing of revenue recognition		
A point in time	5,080,982	6,570,625
Over time	10,884,266	14,532,270
Total	15,965,248	21,102,895

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



5. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Revenue (Continued)

(ii) Performance obligations from contracts with customers

Hotel operation

For income from hotel rooms revenue, revenue is recognised over time using output method when the service and facilities are provided. The Group allows an average credit period of not more than 30 days to travel agents and corporate customers. All the hotel operation services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

For income from food and beverages, revenue is recognised when control of the goods has transferred to customers, being at the point the food and beverages are delivered to the customer.

(iii) Leases

For operating leases:

Lease payments that are fixed

2025 HK\$	2024 HK\$
2,570,206	2,367,590



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information

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

	2025 HK\$	2024 HK\$ (restated)
Hotel operation in Hong Kong		
– Hotel rooms revenue	10,884,266	14,532,270
– Food and beverages	5,080,982	6,570,625
Revenue from contracts with customers	15,965,248	21,102,895
Property investment in Hong Kong	1,044,878	819,639
Property investment overseas	1,525,328	1,547,951
Gross rental income from properties	2,570,206	2,367,590
Total revenue	18,535,454	23,470,485

Information reported to the executive directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance is based on the financial information of subsidiaries engaged in different operations at different locations. No operating segments identified by the chief operating decision makers have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

1. Hotel operation in Hong Kong
2. Property investment in Hong Kong
3. Property investment overseas
4. Securities investment and trading

The serviced property letting business in the Mainland China was discontinued in the current year. The segment information reported below excluded the results of these discontinued operations, which are described in more detail in note 43.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results

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

	2025				
	Hotel operation in Hong Kong HK\$	Property investment in Hong Kong HK\$	Property investment overseas HK\$	Securities investment and trading HK\$	Total HK\$
Revenue	15,965,248	1,044,878	1,525,328	–	18,535,454
Segment profit (loss)	34,317	(25,243,509)	(797,922)	6,060,394	(19,946,720)
Unallocated other gains and losses					1,609,470
Unallocated other income					105,240
Unallocated expenses					(10,593,890)
Unallocated finance costs					(549,443)
Share of results of associates					718,634
Loss before tax					(28,656,709)



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results (Continued)

	2024				
	Hotel operation in Hong Kong HK\$	Property investment in Hong Kong HK\$	Property investment overseas HK\$	Securities investment and trading HK\$	Total HK\$ (restated)
Revenue	21,102,895	819,639	1,547,951	–	23,470,485
Segment profit (loss)	1,232,790	(15,450,138)	1,833,501	(1,817,495)	(14,201,342)
Unallocated other gains and losses					(73,678)
Unallocated other income					19,258
Unallocated expenses					(13,908,120)
Unallocated finance costs					(659,332)
Share of results of associates					675,770
Loss before tax					(28,147,444)

The accounting policies of the operating segments are same as the Group's accounting policies. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of certain other gains and losses, certain other income, corporate expenses including auditor's remuneration, directors' emoluments, administrative staff costs and depreciation of unallocated corporate assets, certain finance costs and share of results of associates. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Information about major customers

There is no revenue from customers for the years ended 31 March 2025 and 2024 contributing over 10% of the total operating revenue of the Group.

Segment assets and liabilities

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

	2025 HK\$	2024 HK\$ (restated)
Segment assets from continuing operations		
Hotel operation in Hong Kong	16,077,212	17,894,517
Property investment in Hong Kong	228,372,673	250,087,267
Property investment overseas	28,387,333	30,360,530
Securities investment and trading	22,209,411	22,297,576
Total segment assets	295,046,629	320,639,890
Paintings	2,281,549	5,113,967
Assets relating to discontinued operations	6,200,735	21,257,080
Other unallocated assets	19,477,882	17,293,515
Consolidated assets	323,006,795	364,304,452
Segment liabilities from continuing operations		
Hotel operation in Hong Kong	1,886,377	2,006,831
Property investment in Hong Kong	2,514,354	1,714,980
Property investment overseas	791,500	850,839
Securities investment and trading	67,000	150,000
Total segment liabilities	5,259,231	4,722,650
Bank borrowing	8,433,757	8,433,757
Liabilities relating to discontinued operations	6,192,762	8,349,534
Unallocated lease liabilities	1,126,267	2,357,172
Other unallocated liabilities	1,990,435	2,928,529
Consolidated liabilities	23,002,452	26,791,642



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment assets and liabilities (Continued)

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

- all assets are allocated to reportable segments other than paintings, other unallocated corporate assets (including interests in associates) and assets relating to discontinued operations.
- all liabilities are allocated to reportable segments other than amounts due to an associate and related companies, bank borrowing, provision for long service payments (other than those staff employed for hotel operation), certain unallocated lease liabilities, other corporate liabilities and liabilities relating to discontinued operations.

Other segment information

The following segment information is included in the measurement of segment profit or loss and segment assets and segment liabilities:

	2025						
	Hotel operation in Hong Kong HK\$	Property investment in Hong Kong HK\$	Property investment overseas HK\$	Securities investment and trading HK\$	Segment total HK\$	Unallocated HK\$	Total HK\$
Continuing operations							
Cost of sales	13,509,343	557,168	225,858	-	14,292,369	-	14,292,369
Additions of property, plant and equipment	818,498	-	-	-	818,498	-	818,498
Additions of investment properties	-	15,300	416,720	-	432,020	-	432,020
Depreciation of property, plant and equipment	2,161,403	-	-	-	2,161,403	473,625	2,635,028
Depreciation of right-of-use assets	28,016	-	-	-	28,016	1,182,357	1,210,373
Decrease in fair values of investment properties	-	22,300,500	2,097,392	-	24,397,892	-	24,397,892
Finance costs	-	-	-	-	-	549,443	549,443
Increase in fair values of financial assets at FVTPL	-	-	-	(5,374,770)	(5,374,770)	-	(5,374,770)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Other segment information (Continued)

	2024						
	Hotel operation in Hong Kong HK\$	Property investment in Hong Kong HK\$	Property investment overseas HK\$	Securities investment and trading HK\$	Segment total HK\$	Unallocated HK\$	Total HK\$ (restated)
Continuing operations							
Cost of sales	16,075,328	304,485	224,110	–	16,603,923	–	16,603,923
Additions of property, plant and equipment	292,414	–	–	–	292,414	28,801	321,215
Additions of right-of-use assets	–	–	–	–	–	2,432,517	2,432,517
Additions of investment properties	–	26,100	1,373,537	–	1,399,637	–	1,399,637
Depreciation of property, plant and equipment	2,137,646	–	–	–	2,137,646	483,399	2,621,045
Depreciation of right-of-use assets	28,017	–	–	–	28,017	1,279,281	1,307,298
Decrease (increase) in fair values of investment properties	–	10,844,428	(362,574)	–	10,481,854	–	10,481,854
Finance costs	–	–	–	–	–	659,332	659,332
Decrease in fair values of financial assets at FVTPL	–	–	–	2,741,393	2,741,393	–	2,741,393

Geographical information

The Group's operations are located in Hong Kong, the Mainland China and overseas.

The Group's revenue from external customers and the Group's non-current assets by geographical location are analysed below.

	Revenue from external customers		Non-current assets	
	2025 HK\$	2024 HK\$ (restated)	2025 HK\$	2024 HK\$
Hong Kong	17,010,126	21,922,534	256,889,716	283,824,744
Mainland China	–	–	706,514	1,076,410
Overseas	1,525,328	1,547,951	26,890,756	29,810,048
	18,535,454	23,470,485	284,486,986	314,711,202



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. OTHER GAINS OR LOSSES

Continuing operations

Increase (decrease) in fair values of financial assets at FVTPL	5,374,770	(2,741,393)
Gain on disposal of paintings	1,609,470	–
Loss on disposal of property, plant and equipment	(2,841)	(22,915)
Loss on disposal of right-of-use assets	–	(73,678)

2025 HK\$	2024 HK\$ (restated)
5,374,770	(2,741,393)
1,609,470	–
(2,841)	(22,915)
–	(73,678)
6,981,399	(2,837,986)

7. FINANCE COSTS

Continuing operations

Interests on borrowings	475,419	611,159
Interests on lease liabilities	74,024	48,173

2025 HK\$	2024 HK\$ (restated)
475,419	611,159
74,024	48,173
549,443	659,332

For the year ended 31 March 2025

8. LOSS BEFORE TAX

	2025 HK\$	2024 HK\$ (restated)
Loss before tax from continuing operations has been arrived at after charging:		
Auditor's remuneration		
– Audit service	870,000	1,205,000
– Non-audit services	40,000	100,000
Cost of inventories recognised as an expense	2,373,922	2,888,614
Depreciation of property, plant and equipment	2,635,028	2,621,045
Depreciation of right-of-use assets	1,210,373	1,307,298
Staff costs:		
– Directors' remuneration (note 9)	1,593,800	2,178,771
Other staff:		
– Salaries and other allowances	8,369,341	10,729,436
– Retirement benefit schemes contributions	276,526	320,403
	8,645,867	11,049,839
and crediting:		
Interest income (included in other income):		
– Bank deposits	113,022	32,002
– Debt instrument	–	125,000
	113,022	157,002
Dividend income from financial assets at FVTPL (included in other income)	678,743	786,893



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the directors were as follows:

Name of directors	Fees HK\$	Salaries and other allowances HK\$	Retirement benefit schemes contributions HK\$	Estimated money value of other benefits HK\$ (Note a)	Total HK\$
2025					
Executive directors:					
Mr. Derek Chiu	10,000	465,000	18,000	-	493,000
Ms. Amanda Chiu	10,000	336,000	16,800	658,800	1,021,600
	20,000	801,000	34,800	658,800	1,514,600
Non-executive directors:					
Madam Chiu Ju Ching Lan	10,000	240,000	-	-	250,000
Mr. Alex Chiu	10,000	-	-	-	10,000
	20,000	240,000	-	-	260,000
Independent non-executive directors:					
Mr. Ip Shing Hing (retired on 2 September 2024)	76,000	-	-	-	76,000
Mr. Ng Wing Hang Patrick (deceased on 9 November 2024)	90,000	-	-	-	90,000
Mr. Choy Wai Shek Raymond	180,000	-	-	-	180,000
Mr. Ng Chi Kin	132,000	-	-	-	132,000
	478,000	-	-	-	478,000
	518,000	1,041,000	34,800	658,800	2,252,600

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Name of directors	Fees HK\$	Salaries and other allowances HK\$	Retirement benefit schemes contributions HK\$	Estimated money value of other benefits HK\$ (Note a)	Total HK\$
2024					
Executive directors:					
Mr. Derek Chiu	10,000	706,890	18,000	–	734,890
Ms. Amanda Chiu	10,000	439,181	16,800	658,800	1,124,781
	20,000	1,146,071	34,800	658,800	1,859,671
Non-executive directors:					
Madam Chiu Ju Ching Lan	10,000	325,287	–	–	335,287
Mr. Alex Chiu	10,000	–	–	–	10,000
	20,000	325,287	–	–	345,287
Independent non-executive directors:					
Mr. Ip Shing Hing	180,000	–	–	–	180,000
Mr. Ng Wing Hang Patrick	180,000	–	–	–	180,000
Mr. Choy Wai Shek Raymond	180,000	–	–	–	180,000
Mr. Ng Chi Kin (appointed on 19 July 2023)	92,613	–	–	–	92,613
	632,613	–	–	–	632,613
	672,613	1,471,358	34,800	658,800	2,837,571

Note:

- (a) Other benefits include certain property of the Group with estimated rateable value of HK\$658,800 (2024: HK\$658,800) occupied by Ms. Amanda Chiu (2024: Ms. Amanda Chiu) as her residence.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

For the years ended 31 March 2025 and 2024, no share options were granted. Details of the share option schemes are set out in note 36 to the Group's consolidated financial statements.

Mr. Derek Chiu is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

No emolument was paid to any directors as an inducement to join or upon joining the Group or as compensation for loss of office in both years ended 31 March 2025 and 2024.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were mainly for their services as directors of the Company or its subsidiaries. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two directors (2024: two directors), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employee who are neither a director nor Chief Executive of the Company are as follows:

	2025 HK\$	2024 HK\$
Salaries and other allowance	1,943,000	2,302,616
Retirement benefit schemes contributions	54,000	36,000
	1,997,000	2,338,616

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025 No. of employees	2024 No. of employees
Nil to HK\$1,000,000	3	3

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



11. INCOME TAX EXPENSE

	2025 HK\$	2024 HK\$ (restated)
Continuing operations		
Current tax:		
Fiji	332,831	406,367
Deferred taxation (note 32)	84,427	32,163
	417,258	438,530

No provision for Hong Kong Profits Tax is required as the individual companies comprising the Group either incurred a loss or has tax losses brought forward from prior years to offset the assessable profits.

Fiji corporate income tax is calculated in accordance with Income Tax Act at a rate of 25% for both years.

The tax expense (credit) for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$	2024 HK\$ (restated)
Loss before tax from continuing operations	(28,656,709)	(28,147,444)
Tax at the Hong Kong Profits Tax rate of 16.5% (note)	(4,728,357)	(4,644,328)
Tax effect of share of results of associates	(118,575)	(111,502)
Tax effect of expenses not deductible for tax purposes	4,351,317	1,779,736
Tax effect of income not taxable for tax purposes	(1,027,164)	(135,118)
Tax effect of tax losses not recognised	1,921,306	3,367,568
Effect of different tax rates of subsidiaries operating in other jurisdictions	(67,824)	64,172
Others	86,555	118,002
Income tax expense for the year	417,258	438,530

Note: The domestic tax rate which is Hong Kong Profits Tax rate in the jurisdiction where the operation of the Group is substantially based is used.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

12A. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

12B. LOSS PER SHARE

For continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the loss for the year of HK\$29,073,967 (2024: HK\$28,585,974) and the number of shares as calculated below.

	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	752,529,810	752,387,733

The computation of the diluted loss per share for the years ended 31 March 2025 and 2024 did not assume the exercise of the Company's share options, because this would result in decrease in the loss per share.

From discontinued operations

Basic and diluted loss per share for the discontinued operations is HK0.84 cents per share (2024: HK0.59 cents per share), based on the loss for the year from the discontinued operations of HK\$6,284,875 (2024: HK\$4,431,253) and the denominators detailed above for both basic and diluted loss per share.

From continuing and discontinued operations

Basic and diluted loss per share for the continuing and discontinued operations is HK4.70 cents per share (2024: HK4.39 cents per share), based on the loss for the year from the continuing and discontinued operations of HK\$35,358,842 (2024: HK\$33,017,227) and the denominators detailed above for both basic and diluted loss per share.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



13. PROPERTY, PLANT AND EQUIPMENT

	Hotel building HK\$	Owned property HK\$	Leasehold improvements HK\$	Furniture, fixtures, equipment, motor vehicles and others HK\$	Total HK\$
COST					
At 1 April 2023	37,323,408	19,846,984	9,057,691	41,726,381	107,954,464
Exchange adjustments	–	–	–	(150,348)	(150,348)
Additions	–	–	219,800	797,886	1,017,686
Disposals/written off	–	–	–	(634,387)	(634,387)
At 31 March 2024	37,323,408	19,846,984	9,277,491	41,739,532	108,187,415
Exchange adjustments	–	–	–	(76,471)	(76,471)
Additions	–	–	–	818,498	818,498
Disposals/written off	–	–	–	(453,493)	(453,493)
At 31 March 2025	37,323,408	19,846,984	9,277,491	42,028,066	108,475,949
DEPRECIATION					
At 1 April 2023	29,609,968	8,702,068	4,089,003	37,108,853	79,509,892
Exchange adjustments	–	–	–	(131,518)	(131,518)
Provided for the year	746,472	454,895	634,224	949,328	2,784,919
Eliminated on disposals/ written off	–	–	–	(445,236)	(445,236)
At 31 March 2024	30,356,440	9,156,963	4,723,227	37,481,427	81,718,057
Exchange adjustments	–	–	–	(60,765)	(60,765)
Provided for the year	746,472	454,895	634,224	968,011	2,803,602
Eliminated on disposals/ written off	–	–	–	(413,538)	(413,538)
At 31 March 2025	31,102,912	9,611,858	5,357,451	37,975,135	84,047,356
CARRYING VALUES					
At 31 March 2025	6,220,496	10,235,126	3,920,040	4,052,931	24,428,593
At 31 March 2024	6,966,968	10,690,021	4,554,264	4,258,105	26,469,358



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 March 2025, furniture and fixtures amounted to HK\$4,464,468 (2024: HK\$3,877,605) are fully depreciated but still in use.

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Hotel building	Over 50 years
Owned property	Over the shorter of the terms of the lease, or 50 years
Leasehold improvements	Over the shorter of the terms of the lease, or 10 years
Furniture, fixtures, equipment, motor vehicles and others	10% to 33.3%

14. RIGHT-OF-USE ASSETS

	Leasehold land HK\$	Leased properties HK\$	Motor vehicles HK\$	Total HK\$
As at 31 March 2025				
Carrying amount	581,172	670,768	920,170	2,172,110
As at 31 March 2024				
Carrying amount	609,188	1,775,578	1,146,218	3,530,984
For the year ended 31 March 2025				
Depreciation charge	(28,016)	(1,101,620)	(226,048)	(1,355,684)
For the year ended 31 March 2024				
Depreciation charge	(28,016)	(1,281,159)	(209,112)	(1,518,287)

	2025 HK\$	2024 HK\$
Expense relating to short-term leases	94,154	117,857
Total cash outflow for leases	2,712,477	7,095,480
Additions to right-of-use assets	—	2,432,517

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14. RIGHT-OF-USE ASSETS (Continued)

For the year ended 31 March 2025, the Group leases office, staff quarters and motor vehicles (2024: office, staff quarters and motor vehicles) for its operation. Lease contracts are entered into for fixed term of one to five years (2024: one to five years).

Lease terms are negotiated on an individual basis. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group is the registered owner of a hotel property and a residential unit in Hong Kong, including the underlying leasehold land. Lump sum payments were made upfront to acquire these properties. The leasehold land component of the hotel property is presented separately as a right-of-use assets as the payments made therefore can be ascertained reliably. As regards the residential unit, as the purchase cost cannot be allocated reliably between the leasehold land and the building components, the entire property is classified as property, plant and equipment.

15. INVESTMENT PROPERTIES

	HK\$
FAIR VALUE	
At 1 April 2023	288,490,803
Exchange adjustments	(671,724)
Additions	1,399,637
Net decrease in fair values recognised in profit or loss	(10,481,854)
At 31 March 2024	278,736,862
Exchange adjustments	(942,461)
Additions	432,020
Net decrease in fair values recognised in profit or loss	(24,397,892)
At 31 March 2025	<u>253,828,529</u>

The Group leases out properties under operating leases with rentals generally payable monthly. The leases generally run for an initial period of a few months to 5 years (2024: a few months to 5 years), without any termination or extension options. All of the Group's property interests which are held to earn rentals, for capital appreciation purposes or for an undetermined future use are measured using the fair value model and are classified and accounted for as investment properties.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain any residual value guarantees or any lessee's option to purchase the property.

The investment properties which are stated at fair value at the end of the reporting period are situated in Hong Kong and Fiji.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

15. INVESTMENT PROPERTIES (Continued)

On 12 November 2013, the High Court of the HKSAR dismissed the claims of a subsidiary of the Group and a related company controlled by Mr. Derek Chiu and his family ("Chiu Family") as trustee for the Group in respect of the possession of seven plots of the Agricultural Lands. The titles in these plots of the Agricultural Lands were extinguished and accordingly, the respective plots of land of HK\$4,981,457 were de-recognised and charged to profit or loss in the year ended 31 March 2014.

In view of this event, the directors have performed internal assessment on the potential risk of dispossession in relation to the Group's Agricultural Lands. Certain plots of Agricultural Lands are considered having risks of dispossession due to suspected trespass.

In addition, unauthorised structures were erected on certain plots of the Group's Agricultural Lands and Letters issued by the Lands Department to the Group stated that such unauthorised structures were in breach of lease conditions and the Lands Department required the Group to purge the said breach by demolishing or removing the unauthorised structures. It is further stated in the Letters that in the event that the unauthorised structures still remain on such plots of the Group's Agricultural Lands on the expiry of the time limit stipulated, the Lands Department shall without further warning re-enter the lot or vest all the interests held under the Government lease in the Financial Secretary Incorporated under the Government Rights Re-entry and Vesting Remedies Ordinance (Chapter 126), in which the rights in the lot held under the Government lease will be forfeited. The allowable time to remove the unauthorised structure has been expired as at 31 March 2020.

The carrying amount of the Agricultural Lands is HK\$141,507,773 as at year ended 31 March 2025 (2024: HK\$152,832,973). When measuring the fair value of the Agricultural Lands, the Directors have taken into account the potential risks of dispossession due to suspected trespass or unauthorised structures by assessing various factors such as the occupation status of the property, portions of the property are occupied by or encroached by unauthorised and non-conforming users.

As at 31 March 2025, the carrying amount of those plots of Agricultural Lands which are subject to potential risks of dispossession amounted to HK\$11,887,187 (2024: HK\$12,831,712). The plots of Agricultural Lands in which the possibility in recovering is remote were measured at HK\$1.

As at 31 March 2025, a subsidiary of the Company has removed certain occupiers or entered rental agreements with certain occupiers who have been occupying certain plots of Agricultural Lands in previous years. Pursuant to signed rental agreements, the occupiers forfeited the right to possess the ownership of the plots of Agricultural Lands they occupied previously and the Group considers the risk of dispossession are remote. As at 31 March 2025, the carrying amount of these plots of Agricultural Lands is HK\$129,620,586 (2024: HK\$140,001,261) in which the risk of dispossession is remote.

A net decrease in fair value of HK\$11,325,200 in respect of these plots of Agricultural Lands was recognised in profit or loss for the year ended 31 March 2025.

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15. INVESTMENT PROPERTIES (Continued)

In estimating the fair values of other investment properties, the Group uses market-observable data to the extent it is available. The Group engages a third party qualified valuer to perform the valuation of the Group's investment properties. At the end of each reporting period, the Group works closely with the qualified external valuer to establish and determine the appropriate valuation techniques and inputs to the model.

For the Group's investment properties located in Hong Kong, the fair value of HK\$226,937,773 at 31 March 2025 (2024: HK\$249,222,973) has been arrived at on the basis of a valuation carried out on that date by Moore Transaction Services Limited, an independent qualified professional valuer not connected with the Group. The valuation was arrived at by adopting the direct comparison approach making reference to the recent transactions of similar properties under the prevailing property market conditions and adjusted based on the knowledge of the independent qualified professional valuer and management of the Group on the factors specific to the respective properties. In the valuation under direct comparison approach, which falls under Level 3 of the fair value hierarchy, market unit rate of comparative properties and the ex-gratia compensation rates of comparable properties less cost of disposal are the key inputs for the Group's residential units and the lands respectively. The higher/lower the market unit rate or ex-gratia compensation rate of comparable properties less cost of disposal is the higher/lower the fair value will be. The adopted market unit rates for the Group's residential units are from range of HK\$3,286 to HK\$3,657 (2024: HK\$4,029 to HK\$4,457) per square foot and the ex-gratia compensation rates of comparable properties less cost of disposal for the Group's interests in various lots of land range from HK\$474 to HK\$533 (2024: HK\$526 to HK\$575) per square foot.

For the Group's investment property located in Fiji, the fair value of HK\$26,890,756 at 31 March 2025 (2024: HK\$29,513,889) has been arrived at on the basis of a valuation carried out on that date by Savills Valuations Pty Ltd., an independent qualified professional valuer not connected with the Group. The valuation was arrived at by adopting the direct comparison approach making reference to the recent transactions of similar properties under the prevailing property market conditions and adjusted based on the knowledge of the independent qualified professional valuer and management of the Group on the factors specific to the respective properties. In the valuation under direct comparison approach, which falls under Level 3 of the fair value hierarchy, market unit rates of comparable properties are the key inputs for the Group's investment property. The higher/lower the market unit rates is the higher/lower the fair value will be. The adopted market unit rate for the Group's investment property is FJ\$11 (equivalent to HK\$37) (2024: FJ\$12 (equivalent to HK\$41)) per square foot.



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16. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

Name of subsidiaries	Issued and fully paid ordinary share capital/ registered capital	Proportion of issued share capital/ registered capital held by the Company		Principal activities
		2025	2024	
		%	%	
Direct owned subsidiaries				
Alabama Investment Company Limited	HK\$9,000	97.8	97.8	Hotel operation
Kingwell Century Limited	HK\$2	100	100	Property holding
Lai Chi Kok Amusement Park Company, Limited	HK\$25,200,000	100	100	Property investment
Mainstar International Limited	HK\$1	100	100	Property investment
Rex Entertainment Limited	HK\$100,000	100	100	Property investment
Sino Noble Development Limited	HK\$100	100	100	Property investment
Indirect owned subsidiaries				
Beijing Hai Lian Property Management Co., Ltd.	US\$3,000,000 Paid up registered capital	90	90	Property investment
Oneyon Limited	HK\$2	100	100	Investment holding
Tradeland Investments Limited	HK\$250,000	100	100	Investment holding
Yuk Sue Investment Limited	HK\$2	100	100	Securities trading and investment
Far East Beach Villa Pte Limited	FJ\$250,000	100	100	Property investment

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16. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (Continued)

The directors of the Company are of the opinion that a complete list of the particulars of all subsidiaries of the Company will be of excessive length and therefore the above list contains only the particulars of principal subsidiaries which have a significant impact on the results or assets of the Group.

All principal subsidiaries are incorporated and operate in Hong Kong except for Beijing Hai Lian Property Management Co., Ltd. which is a sino-foreign equity joint venture registered and operates in the Mainland China and Far East Beach Villa Pte Limited which is incorporated and operates in Fiji.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. All these other subsidiaries were established in the Hong Kong and their principal activities are mainly either investment holding or inactive.

17. INTERESTS IN ASSOCIATES

	2025 HK\$	2024 HK\$
Unlisted shares, at cost	2	2
Share of post-acquisition results, net of dividends received	1,282,503	563,869
	1,282,505	563,871

The financial year end date of the associates is 31 December which is different from that of the Company. For the purpose of applying the equity method of accounting, their financial statements for the year ended 31 December 2025 (2024: 31 December 2024) have been adopted and adjusted for the effects of significant transactions, if any, that occur from 1 January 2025 to 31 March 2025 (2024: 1 January 2024 to 31 March 2024).



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For the year ended 31 March 2025

17. INTERESTS IN ASSOCIATES (Continued)

Particulars of the associates are as follows:

Name of associates	Place of incorporation/ operation	Issued share capital	Proportion of nominal value of issued share capital held by the Group		Principal activities
			2025 %	2024 %	
Central More Limited ("Central More")	Hong Kong	HK\$2 Ordinary shares	50	50	Property development
Nob Hill Management Limited ("Nob Hill")	Hong Kong	HK\$2 Ordinary shares	50	50	Property management

The Group holds 50% of the issued share capital of its associates. However, under the agreement, the other shareholders control the composition of the board of directors of these associates and have control over these associates. The directors of the Company consider that the Group has significant influence over these associates and they are therefore classified as associates of the Group.

All of these associates are accounted for using equity method in these consolidated financial statements.

No individual or aggregate financial information of Central More and Nob Hill is presented as they are not individually material to the Group.

18. PAINTINGS

Paintings are stated at cost less impairment at the end of the reporting period. The accumulated impairment losses of HK\$395,188 at 31 March 2025 (2024: HK\$1,182,173) were made by the directors of the Company with reference to the open market values of those paintings.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



19. FINANCIAL ASSETS AT FVTPL

	2025 HK\$	2024 HK\$
Equity securities listed in Hong Kong and Singapore, at fair value	13,788,467	16,197,923

These investments are held-for-trading and their fair values have been determined by reference to the quoted market bid prices available on the Stock Exchange and Singapore Stock Exchange Limited at the end of each reporting period.

20. INVENTORIES

The amount mainly represents food and beverage and other consumables and is stated at the lower of cost and net realisable value.

21. FINANCE LEASE RECEIVABLES

The Group entered into a sublease arrangement as a lessor for lease of premises.

The term of subleases are two to five years with expiry date till 31 May 2024 and 31 December 2026. As the head lease of the properties would originally expire in September 2024, the Group accounted the sublease arrangements as finance leases for the lease terms covering till the end of the expiry date of the head lease on 30 September 2024, accordingly.

During the year ended 31 March 2025, the landlord issued written notices to the Group requesting the Group to deliver the possession of the leased properties to the landlord. Accordingly, the Group had delivered the leased properties to the landlord in June and December 2024. The rental income from one of the subleases beyond the original lease period (i.e. from 1 October 2024 to 31 December 2024) is accounted as operating lease.



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21. FINANCE LEASE RECEIVABLES (Continued)

All interest rate inherent in the lease is fixed at the contract date over the lease terms.

Finance lease receivables comprise:

Gross investment in the lease and within one year

Analysed as:

Current

2025	
Minimum lease payments HK\$	Present value of minimum lease payments HK\$
3,250,975	3,250,975
	3,250,975

Finance lease receivables comprise:

Gross investment in the lease and within one year

Less: unearned finance income

Present value of minimum lease payment receivables

Analysed as:

Current

2024	
Minimum lease payments HK\$	Present value of minimum lease payments HK\$
4,915,855	4,853,324
(62,531)	–
4,853,324	4,853,324
	4,853,324

The finance lease receivables as at 31 March 2025 represent gross receivables from the tenant.

Interest rate implicit in the above finance lease as at 31 March 2024 was ranging from 5.3% to 5.9%.

Details of impairment assessment of finance lease receivables are set out in note 39.

Notes to the Consolidated Financial Statements

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22. TRADE RECEIVABLES

Trade debtors mainly comprise of receivable from renting of properties and hotel operation. Rentals are payable on presentation of demand notes. No credit is allowed to these customers. Hotel room revenue is normally settled by cash or credit card. The Group allows an average credit period of not more than 30 days to travel agents and corporate customers.

	2025 HK\$	2024 HK\$
Trade receivables		
– contracts with customers	343,439	216,290
– leases	2,207,150	475,503
	2,550,589	691,793

As at 1 April 2023, trade receivables from contracts with customers amounted to HK\$106,362.

The following is an aged analysis of trade receivables based on the invoice dates at the end of the reporting period which approximate the respective date of rendering of services.

	2025 HK\$	2024 HK\$
0–30 days	922,685	691,793
Over 60 days	1,627,904	–
	2,550,589	691,793

Trade receivables aged over 30 days are normally past due. As at 31 March 2025, Group's trade receivables balance of HK\$1,627,904 (2024: HK\$Nil) has been past due 90 days or more. The directors of the Company are of the view that there has been no significant increase in credit risk nor default because that debtor is with continuous settlements and no default history noted.

Trade receivable due from the related party

As at 31 March 2025, included in the Group's trade receivables is an unsecured amount due from the Group's related company of HK\$447,128 (2024: HK\$448,819). None of the balance is past due at the reporting date. No impairment has been recognised in accordance with ECL model in respect of the amount outstanding from the related company. The related company was controlled by a common director of a subsidiary of the Company.

Details of impairment assessment of trade receivables are set out in note 39.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

23. DEMAND DEPOSITS HELD WITH SECURITY BROKER COMPANIES/CASH AND CASH EQUIVALENTS

Bank balances and demand deposits held with security broker companies carry interest at prevailing market rate of 0.06% (2024: 0.22%) per annum.

Details of impairment assessment of bank balances and demand deposits held with security broker companies are set out in note 39.

24. TRADE AND OTHER PAYABLES AND ACCRUALS

	2025 HK\$	2024 HK\$
Trade payables	323,659	389,346
Other payables and accruals	6,225,424	6,919,960
Rental receipt in advance	117,926	111,875
	6,667,009	7,421,181

The following is an aged analysis of the trade payables based on invoice date:

	2025 HK\$	2024 HK\$
0–30 days	238,508	151,604
31–60 days	58,215	189,916
Over 60 days	26,936	47,826
	323,659	389,346

The average credit period on purchase of goods is 60 days.

Included in the other payables and accruals of HK\$1,541,424 (2024: HK\$1,802,172) related to accrued professional fees.

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For the year ended 31 March 2025



25. CONTRACT LIABILITIES

	2025 HK\$	2024 HK\$
Hotel rooms operation	48,908	49,012
Management service income	–	661,813
	48,908	710,825

As at 1 April 2023, contract liabilities amounted to HK\$125,971.

During the year ended 31 March 2025, contract liabilities of HK\$710,825 (2024: HK\$125,971) at the beginning of the year was recognised as revenue.

26. AMOUNT DUE TO AN ASSOCIATE

The amount is non-trade related, unsecured, interest-free and repayable on demand.

27. AMOUNTS DUE TO RELATED COMPANIES

The amounts are non-trade related, unsecured, interest-free and repayable on demand. The related companies are controlled by a director of the Company, who is also a shareholder of the Company.

28. BANK BORROWING

	2025 HK\$	2024 HK\$
Carrying amount of secured bank borrowing that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	674,701	8,433,757
Within a period of more than one year but not exceeding two years	674,701	–
Within a period of more than two years but not exceeding five years	7,084,355	–
	8,433,757	8,433,757

During the year ended 31 March 2025, the Group has renewed the existing banking facility with the banker and the banking facility will be expired in January 2030.

The amounts due are based on scheduled repayment dates set out in the loan agreements. The bank borrowing is secured by the pledge of assets as set out in note 33.



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28. BANK BORROWING (Continued)

The bank borrowing carries floating-rate interest based on the the HIBOR plus 1.6% and the effective interest rates ranged from 5.38% to 5.83% (2024: 3.38% to 6.93%) per annum.

In respect of a bank borrowing with carrying amount of HK\$8,433,757 as at 31 March 2025 (2024: HK\$8,433,757), the Group is required to comply with the following financial covenant throughout the continuance of the relevant borrowing and as long as the loan is outstanding:

- the ratio of the borrowing to fair value of the owned property classified under property, plant and equipment shall not be more than 0.4:1.

The Group has complied with the covenant throughout the reporting period.

29. LEASE LIABILITIES

	2025 HK\$	2024 HK\$
Lease liabilities payable:		
Within one year	2,017,696	3,692,956
Within a period of more than one year but not more than two years	105,445	880,471
Within a period of more than two year but not more than five years	140,967	246,300
	2,264,108	4,819,727
Less: Amount due for settlement with 12 months shown as current liabilities	(2,017,696)	(3,692,956)
Amount due for settlement after 12 months shown as non-current liabilities	246,412	1,126,771

The incremental borrowing rates applied to lease liabilities range from 3.6% to 5.9% (2024: from 3.6% to 5.9%).

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30. SHARE CAPITAL

	Number of shares	HK\$
Issued and fully paid:		
Ordinary shares with no par value		
As at 1 April 2023	748,529,810	327,866,573
Exercise of share options (note a)	4,000,000	1,272,200
As at 31 March 2024 and 2025	752,529,810	329,138,773

Note:

(a) Details of the exercise of share options during the year ended 31 March 2024 are set out in note 36.

31. RETIREMENT BENEFIT

The Group operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) for all qualifying employees in Hong Kong commencing from December 2000. The Group contributes 5% of relevant payroll costs to the MPF Scheme or HK\$1,500, whichever is the lower.

According to the relevant laws and regulations in the Mainland China, the Mainland China subsidiary is required to contribute a certain percentage of the salaries of its employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

Provision for long service payments represents the present value of the retirement benefit obligation as adjusted for unrecognised past service cost in accordance to the Employment Ordinance, Cap. 57.

During the year ended 31 March 2025 and 2024, the Group had no forfeited contributions under the retirement benefits scheme utilised to reduce future contributions.



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32. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Finance lease receivables HK\$	Lease liabilities related to right-of-use assets disposed HK\$	Accelerated tax depreciation HK\$	Tax losses HK\$	Total HK\$
At 1 April 2023	6,171,303	(2,454,718)	855,789	(2,370,064)	2,202,310
Charge (credit) to profit or loss	(5,009,410)	2,062,746	(98,653)	130,816	(2,914,501)
Exchange realignment	(212,381)	84,477	53,926	–	(73,978)
At 31 March 2024	949,512	(307,495)	811,062	(2,239,248)	(786,169)
Charge (credit) to profit or loss	(932,843)	302,097	1,591,127	89,054	1,049,435
Exchange realignment	(16,669)	5,398	22,254	–	10,983
At 31 March 2025	–	–	2,424,443	(2,150,194)	274,249

For the purpose of presentation in the consolidated statement of financial position, the above deferred tax assets and liabilities have been offset.

At 31 March 2025, the Group has unused tax losses of approximately HK\$315,931,000 (2024: HK\$298,839,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$13,025,000 (2024: HK\$13,567,000) of such tax losses. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately HK\$302,906,000 (2024: HK\$285,272,000) due to the unpredictability of future profit streams.

As at 31 March 2025 and 2024, all unrecognised tax losses may be carried forward indefinitely at the end of each reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



33. PLEDGE OF ASSETS/RESTRICTIONS ON ASSETS

The secured bank borrowing is secured by assets of the Group analysed as follows:

	2025 HK\$	2024 HK\$
Property, plant and equipment	10,244,726	10,709,221

Lease liabilities of HK\$430,575 (2024: HK\$647,600) are secured over the related right-of-use assets of motor vehicles amounting to HK\$920,170 as at 31 March 2025 (2024: HK\$1,146,218). In addition, lease liabilities of HK\$695,693 (2024: HK\$1,886,871) are recognised with related right-of-use assets of leased properties amounting to HK\$609,188 (2024: HK\$1,775,578) as at 31 March 2025. Furthermore, lease liabilities of HK\$1,137,840 (2024: HK\$2,285,256) are recognised with finance lease receivables of HK\$3,250,975 as at 31 March 2025 (2024: HK\$4,853,324). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

34. OPERATING LEASES

The Group as lessee

A subsidiary entered into an agreement with its non-controlling shareholder for the lease of its properties for a non-cancellable period of twenty-eight years at a fixed rent of RMB4,200,000 per year. Supplementary agreement has been entered to increase the rent to RMB5,000,000 per year effective from 1 October 2019. The lease expired on 30 September 2024.

The Group as lessor

The Group's investment properties have committed tenants under operating leases for a remaining term of one to seven years (2024: one to eight years) at fixed rental.

Minimum lease payments receivable on leases are as follows:

	2025 HK\$	2024 HK\$
Within one year	2,757,733	2,010,379
In the second year	2,510,408	1,917,671
In the third year	2,897,700	1,901,271
In the fourth year	2,897,700	2,096,271
In the fifth to eighth year	3,191,174	548,516
	14,254,715	8,474,108



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

35. RELATED PARTY DISCLOSURES

The Group has entered into an agreement with a related company which is controlled by Ms. Tammie Tam, the director of the Company's subsidiary. The agreement grants a licence to the related company to operate the Group's hotel properties in Fiji. In February 2023, the agreement (the "Old Agreement") was renewed for 5 years at effective annual rental of US\$220,000. In March 2025, the Group has early terminated the Old Agreement and entered into a new agreement with the related company to operate the Group's hotel properties in Fiji for 5 years at effective annual rental of US\$330,000. During the year ended 31 March 2025, rental income from this related company is amounting to HK\$1,525,328 (2024: HK\$1,547,951).

Remuneration to the key management personnel comprising the directors and three (2024: three) highest paid employees is disclosed in notes 9 and 10, respectively. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Balances with associates and related companies are set out in the Group's consolidated statement of financial position and related notes.

36. SHARE OPTION SCHEMES

The share option scheme (the "Scheme") was approved and adopted on 1 June 2007 for the purpose of providing incentives and rewards to employees or executive or officers (including executive and non-executive directors) of the Company or any of its subsidiaries and business associates or any other person who will contribute or have contributed to the Company or any of its subsidiaries. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The Scheme was terminated by an ordinary resolution duly passed at the general meeting of the Company held on 2 September 2016. Upon termination of the Scheme, no further options were granted thereunder, and the options granted prior to and remaining outstanding at termination shall continue to be valid and exercisable in accordance with the terms of the Scheme.

Without prior approval from the Company's shareholders, (a) the total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time; (b) the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

Options vested immediately may be exercised at any time not exceeding a period of 10 years from the date on which the share options are accepted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

Notes to the Consolidated Financial Statements

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36. SHARE OPTION SCHEMES (Continued)

On 2 September 2016, the Company terminated the Scheme adopted on 1 June 2007 and adopted a new share option scheme (the “New Scheme”). The New Scheme was approved by the Company for the purpose of providing incentives and rewards to employees or executive or officers (including executive and non-executive directors) of the Company or any of its subsidiaries and business consultants, agents and legal or financial advisers who will contribute or have contributed to the Company or any of its subsidiaries. Under the New Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

Without prior approval from the Company’s shareholders, the total number of shares to be issued under the New Scheme is not permitted to exceed 10% of the shares of the Company then in issue; and the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company then in issue. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the shares of the Company then in issue and with a value in excess of HK\$5,000,000 must be approved in advance by the Company’s shareholders.

Options granted will be taken up upon payment of HK\$1 by the grantee. Options vested immediately may be exercised at any time not exceeding a period of 10 years from the date on which the share options are accepted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company’s shares on the date of grant; and (ii) the average closing price of the shares for the five business days immediately preceding the date of grant.

No share options were granted during the years ended 31 March 2024 and 2025.

At 31 March 2025, the number of share options held by the directors and employees remained outstanding under the Scheme was 54,293,000 (2024: 58,293,000), which, if exercise in full, the new shares issued would represent 7% (2024: 7%) of the enlarged capital of the Company.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

36. SHARE OPTION SCHEMES (Continued)

The following table sets out the movements of the Company's share options during the year ended 31 March 2025 and 2024:

2025

Eligible person	Date of grant	Fair value of the options at the grant date	Exercise period	Exercise price HK\$	Number of options			
					Outstanding as at 1.4.2024	Lapsed during the year	Exercised during the year	Outstanding as at 31.3.2025
Directors	23.10.2015	0.307	23.10.2015 to 22.10.2025	0.5600	8,000,000	(1,000,000)	-	7,000,000
	23.10.2017	0.254	23.10.2017 to 22.10.2027	0.4430	14,070,000	(1,000,000)	-	13,070,000
	6.8.2018	0.340	6.8.2018 to 5.8.2028	0.3570	6,200,000	-	-	6,200,000
	18.3.2019	0.340	18.3.2019 to 17.3.2029	0.3400	12,100,000	-	-	12,100,000
	25.3.2020	0.071	25.3.2020 to 24.3.2030	0.1420	11,823,000	(1,000,000)	-	10,823,000
	18.8.2021	0.057	18.8.2021 to 17.8.2031	0.1272	4,300,000	(1,000,000)	-	3,300,000
					56,493,000	(4,000,000)	-	52,493,000
Employees and other providing similar services	23.10.2015	0.307	23.10.2015 to 22.10.2025	0.5600	800,000	-	-	800,000
	18.8.2021	0.048	18.8.2021 to 17.8.2031	0.1272	1,000,000	-	-	1,000,000
					1,800,000	-	-	1,800,000
Exercisable at the end of the year					58,293,000	-	-	54,293,000
Weighted average exercise price					0.3404	0.3181	-	0.3420

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For the year ended 31 March 2025



36. SHARE OPTION SCHEMES (Continued)

2024

Eligible person	Date of grant	Fair value of the options at the grant date	Exercise period	Exercise price HK\$	Number of options			
					Outstanding as at 1.4.2023	Lapsed during the year	Exercised during the year	Outstanding as at 31.3.2024
Directors	6.2.2014	0.074	6.2.2014 to 5.2.2024	0.2320	6,000,000	(6,000,000)	–	–
	23.10.2015	0.307	23.10.2015 to 22.10.2025	0.5600	9,000,000	–	(1,000,000)	8,000,000
	23.10.2017	0.254	23.10.2017 to 22.10.2027	0.4430	15,070,000	–	(1,000,000)	14,070,000
	6.8.2018	0.340	6.8.2018 to 5.8.2028	0.3570	6,200,000	–	–	6,200,000
	18.3.2019	0.340	18.3.2019 to 17.3.2029	0.3400	12,100,000	–	–	12,100,000
	25.3.2020	0.071	25.3.2020 to 24.3.2030	0.1420	12,823,000	–	(1,000,000)	11,823,000
	18.8.2021	0.057	18.8.2021 to 17.8.2031	0.1272	5,300,000	–	(1,000,000)	4,300,000
					66,493,000	(6,000,000)	(4,000,000)	56,493,000
Employees and other providing similar services	23.10.2015	0.307	23.10.2015 to 22.10.2025	0.5600	800,000	–	–	800,000
	18.8.2021	0.048	18.8.2021 to 17.8.2031	0.1272	1,000,000	–	–	1,000,000
					1,800,000	–	–	1,800,000
Exercisable at the end of the year					68,293,000	–	–	58,293,000
Weighted average exercise price					0.3295	0.2320	0.3181	0.3404

No share options were granted or cancelled during the two years ended 31 March 2025 and 2024. 4,000,000 (2024: 6,000,000) share options were lapsed during the year ended 31 March 2025.



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37. CAPITAL COMMITMENT

Capital expenditure in respect of the acquisition of property, plant and equipment and investment properties contracted for but not provided in the consolidated financial statements

2025 HK\$	2024 HK\$
2,250,613	275,813

38. 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 capital structure of the Group consists of bank borrowing, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves as disclosed in consolidated statement of changes in equity.

The management of the Group reviews the capital structure periodically. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Currently, the management mainly uses short-term funding to finance its daily operation to minimise finance costs. The Group will balance its overall capital structure through raising new debt or repayment of existing debt.

There are no changes on the Group's approach to capital management during the year.

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39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 HK\$	2024 HK\$
<i>Financial assets</i>		
Amortised cost	19,280,659	26,150,019
Financial assets at FVTPL	13,788,467	16,197,923
<i>Financial liabilities</i>		
Amortised cost	14,086,757	13,406,863

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables and deposits, demand deposits held with security broker companies, cash and cash equivalents, trade and other payables, rental deposits received, amounts due to an associate and related companies and bank borrowing. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no significant change to the Group's exposure to risks or the manner in which they manage and measure the risks.

(i) Currency risk

Certain subsidiaries of the Company have foreign currency inter-company balances which expose the Group to foreign currency risk in which settlement is neither planned nor likely to occur and therefore forming part of the net investment in the relevant foreign operations. Other than that, the transactions made by the group entity is denominated in the group entities' respective functional currencies. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

In management's opinion, the foreign currency risks related to these balances are insignificant and no further details to be disclosed.



Notes to the Consolidated Financial Statements

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39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) *Interest rate risk*

The Group has exposures to cash flow interest rate risk as the bank balances, demand deposits held with security broker companies and bank borrowing are carried at variable interest rate.

In addition, the Group also has exposures to fair value interest rate risk relating to its lease liabilities which are carried at amortised cost at a fixed effective interest rate.

The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the floating rates and ensure they are within reasonable range.

In management's opinion, the Group's exposure to cash flow interest rate risk is insignificant and no further details to be disclosed.

(iii) *Other price risk*

The Group is exposed to price risks arising from financial assets at FVTPL. The management manages the exposure to price risk by maintaining a portfolio of investments in various securities.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to price risks of financial assets at FVTPL at the end of the reporting period. If the market price of the financial assets at FVTPL had been 15% (2024: 15%) higher/lower while all other variables were held constant, the Group's loss after tax for the year would decrease by approximately HK\$1,727,000 (2024: HK\$2,029,000), as a result of the changes in fair value of the financial assets at FVTPL.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

Notes to the Consolidated Financial Statements

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39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables, deposits, demand deposits held with security broker companies, bank balances and finance lease receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables and finance lease receivables

Before accepting any new customer or tenant, the Group uses an internal credit grading system to assess the potential customer's or tenant's credit quality and defines credit limits. Limits and scoring attributed to customers or tenants are reviewed regularly. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk on trade receivables as 69% (2024: 68%) of the total trade receivables was due from the Group's largest customer within the serviced property letting in the Mainland China segment (2024: related company within the property investment overseas segment).

The Group has concentration of credit risk on finance lease receivables as the total finance lease receivables was due from one customer (2024: one) within the serviced property letting in the Mainland China segment. 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.

In addition, the Group performed and applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL on trade receivable and finance lease receivables balances individually. The directors of the Company consider that the impairment on trade receivables are insignificant as there has been no significant increase in credit risk of these amounts since initial recognition or events of default occurred. For the years ended 31 March 2025 and 2024, the Group assessed the ECL was insignificant and thus no loss allowance was recognised.

Other receivables and deposits

For other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group provided impairment based on 12m ECL. For the years ended 31 March 2025 and 2024, the Group assessed the ECL on other receivables and deposits was insignificant and thus no loss allowance was recognised.



Notes to the Consolidated Financial Statements

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39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

Demand deposits held with security broker companies and bank balances

The credit risks on demand deposits held with security broker companies and bank balances are limited because the counterparties are banks and financial institutions with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for demand deposits held with security broker companies and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on demand deposits held with security broker companies and bank balances was considered to be insignificant.

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

Internal credit grading	Description	Trade receivables and finance lease receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
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

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39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and finance lease receivables, which are subject to ECL assessment:

	NOTES	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
					2025 HK\$	2024 HK\$
Financial assets at amortised cost						
Trade receivables	22	N/A	Low risk	Lifetime ECL – not credit impaired	922,685	691,793
			Watch list	Lifetime ECL– not credit impaired	1,627,904	–
					2,550,589	691,793
Other receivables and deposits	N/A	N/A	Low risk	12m ECL	452,600	348,600
Demand deposits held with security broker companies and bank balances	23	Baa2–Aa1	N/A	12m ECL	16,173,675	25,004,862
Other item						
Finance lease receivables	21	N/A	Low risk	Lifetime ECL – not credit impaired	3,250,975	4,853,324

(v) Liquidity risk

The Group finances its working capital requirements through a combination of funds generated from operations and banking facilities.

The directors of the Company believe that these loan facilities will continue to be made available to the Group and will not be withdrawn by the banks within the next twelve months from the end of the reporting period. In the opinion of the directors of the Company, the Group has a number of sources of finance available to fund its operations. The Group will be able to refinance its existing banking facilities or obtain additional financing from financial institutions by taking into account the current value of the Group's assets which have not been pledged. As at 31 March 2025 and 2024, the Group has no available unutilised overdraft and bank borrowing facilities.



Notes to the Consolidated Financial Statements

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39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(v) Liquidity risk (Continued)

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	Weighted average effective interest rate %	Repayable on demand or less than 1 year HK\$	1-2 years HK\$	2-5 years HK\$	Total undiscounted cash flows HK\$	Carrying amounts HK\$
2025						
Non-derivative instruments						
Trade payables	-	323,659	-	-	323,659	323,659
Other payables	-	3,632,804	-	-	3,632,804	3,632,804
Rental deposits received	-	245,800	-	-	245,800	245,800
Amount due to an associate	-	803,381	-	-	803,381	803,381
Amounts due to related companies	-	647,356	-	-	647,356	647,356
Bank borrowing at variable rate	5.66	8,433,757	-	-	8,433,757	8,433,757
Lease liabilities	4.51	2,046,985	117,396	146,745	2,311,126	2,264,108
		16,133,742	117,396	146,745	16,397,883	16,350,865
2024						
Non-derivative instruments						
Trade payables	-	389,346	-	-	389,346	389,346
Other payables	-	3,423,023	-	-	3,423,023	3,423,023
Rental deposits received	-	217,300	-	-	217,300	217,300
Amount due to an associate	-	287,381	-	-	287,381	287,381
Amounts due to related companies	-	656,056	-	-	656,056	656,056
Bank borrowing at variable rate	5.85	8,433,757	-	-	8,433,757	8,433,757
Lease liabilities	4.38	3,799,964	909,114	264,141	4,973,249	4,819,727
		17,206,827	909,114	264,141	18,380,112	18,226,590

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39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(v) Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

Bank borrowing with a repayment on demand clause are included in the “repayable on demand or less than 1 year” time band in the above maturity analysis. As at 31 March 2025, the carrying amount of the bank borrowing amounted to HK\$8,433,757 (2024: HK\$8,433,757). Taking into account the Group’s financial position, the management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The management believes that such bank loans will be repaid within 1 year after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	On demand or less than 1 year HK\$	1-2 years HK\$	2-5 years HK\$	Total undiscounted cash flows HK\$	Carrying amounts HK\$
As at 31 March 2025					
Bank borrowing with a repayment on demand clause	1,125,250	1,088,734	8,064,039	10,278,023	8,433,757
As at 31 March 2024					
Bank borrowing with a repayment on demand clause	8,818,336	–	–	8,818,336	8,433,757

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(vi) *Fair value measurements of financial instruments*

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices; and
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

The only financial instrument of the Group that is measured at fair value is the financial assets at FVTPL and is grouped into Level 1 whose fair value measurements are derived from quoted prices (unadjusted) in an active market for identical assets with carrying value of HK\$13,788,467 (2024: HK\$16,197,923).

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40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liability arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those 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.

	Amount due to an associate HK\$	Amounts due to related companies HK\$	Lease liabilities HK\$	Bank borrowings HK\$	Total HK\$
At 1 April 2023	737,381	668,906	9,340,502	11,740,184	22,486,973
Financing cash flows	–	(12,850)	(6,977,623)	(3,917,586)	(10,908,059)
Non-cash transaction	(450,000)	–	–	–	(450,000)
New lease liabilities	–	–	2,432,517	–	2,432,517
Finance costs	–	–	308,124	611,159	919,283
Exchange adjustments	–	–	(283,793)	–	(283,793)
At 31 March 2024	287,381	656,056	4,819,727	8,433,757	14,196,921
Financing cash flows	516,000	(8,700)	(2,618,323)	(475,419)	(2,586,442)
Finance costs	–	–	105,935	475,419	581,354
Exchange adjustments	–	–	(43,231)	–	(43,231)
At 31 March 2025	803,381	647,356	2,264,108	8,433,757	12,148,602

41. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2024, the Group entered into a new lease agreement for the use of motor vehicle for 5 years. On the lease commencement date, the Group recognised right-of-use assets and lease liabilities amounted to HK\$519,900, respectively.

During the year ended 31 March 2024, the Group entered into one new lease agreement for the use of office for two year. On the lease commencement, the Group recognised right-of-use assets and lease liabilities amounted to HK\$1,912,617, respectively.

For the year ended 31 March 2024, dividend declared by an associate amounted to HK\$900,000 of which HK\$450,000 was set off with the amount due to an associate.



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42. FINANCIAL POSITION OF THE COMPANY

Below is the financial position of the Company at the end of the reporting period:

	2025 HK\$	2024 HK\$
Non-current assets		
Property, plant and equipment	29,197	38,327
Interests in subsidiaries (Note 2)	258,112,051	258,317,509
Paintings	1,840,087	4,664,617
	259,981,335	263,020,453
Current assets		
Financial assets at FVTPL	176,742	225,346
Other receivables, deposits and prepayment	343,360	234,436
Cash and cash equivalents	1,674,607	1,853,335
	2,194,709	2,313,117
Current liabilities		
Other payables and accrued charges	188,300	905,348
Amounts due to subsidiaries	6,542,113	6,060,755
Amounts due to related companies	742,690	751,390
	7,473,103	7,717,493
Net current liabilities	(5,278,394)	(5,404,376)
Total assets less current liabilities	254,702,941	257,616,077
Capital and reserves		
Share capital	329,138,773	329,138,773
Reserves (Note 1)	(74,642,373)	(71,676,335)
Total equity	254,496,400	257,462,438
Non-current liability		
Provision for long service payments	206,541	153,639
Net assets	254,702,941	257,616,077

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 25 June 2025 and is signed on its behalf by:

DEREK CHIU
DIRECTOR

AMANDA CHIU
DIRECTOR

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025



42. FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

- (1) The movements in reserve of the Company are presented below.

	Share option reserve HK\$	Accumulated losses HK\$	Total HK\$
At 1 April 2023	11,998,924	(72,996,851)	(60,997,927)
Loss for the year	–	(10,678,408)	(10,678,408)
Lapsed share options transferred to accumulated losses	(442,980)	442,980	–
Share issued upon exercise of share options	(695,170)	695,170	–
At 31 March 2024	10,860,774	(82,537,109)	(71,676,335)
Loss for the year	–	(2,966,038)	(2,966,038)
Lapsed share options transferred to accumulated losses	(627,101)	627,101	–
At 31 March 2025	10,233,673	(84,876,046)	(74,642,373)

- (2) Included in interests in subsidiaries of HK\$154,638,642 (2024: HK\$153,382,770) represented the net investments in subsidiaries.

43. DISCONTINUED OPERATIONS

During the year ended 31 March 2025, the Group had delivered the leased properties to the landlord. Accordingly, the serviced property letting business in the Mainland China was discontinued in the current year.

The loss for the year from the discontinued operation is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the serviced property letting business in the Mainland China as a discontinued operation.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

43. DISCONTINUED OPERATIONS (Continued)

	2025 HK\$	2024 HK\$
Revenue		
Contracts with customers	3,637,416	6,168,336
Leases	1,428,570	–
	5,065,986	6,168,336
Cost of sales	(6,738,702)	(7,772,009)
Other income	93,567	1,266,022
Other gains or losses	(37,114)	94,813
Administrative expenses	(3,771,694)	(4,402,519)
Finance costs	(31,911)	(259,951)
	(5,419,868)	(4,905,308)
Loss before tax		
Income tax (expense)/credit	(865,007)	474,055
	(6,284,875)	(4,431,253)

The net cash flows attributable to the operating, investing and financing activities of serviced property letting business in the Mainland China are shown as follows:

	2025 HK\$	2024 HK\$
Net cash used in operating activities	(10,809,349)	(11,424,210)
Net cash from investing activities	555,437	21,923,515
Net cash used in financing activities	(3,215,687)	(14,754,646)

44. CONTINGENT LIABILITY

A non-wholly owned subsidiary of the Company incorporated in the Mainland China (the “Subsidiary”) made an application to the court in January 2025 for an order against the landlord for, among others, compensation for the losses of the Subsidiary as a result of the landlord’s failure to renew the lease, and the costs and expenses previously incurred by the Subsidiary for the re-development, extension and refurbishment of the leased properties. Subsequent to 31 March 2025, the landlord made a claim against the Subsidiary for lease payments from July 2024 until the termination date of one of the subleases, which represents the date on which control of the respective leased property is transferred back to the landlord. As of the date of this report, the legal disputes remain ongoing.

As at 31 March 2025, the Group had recognised related lease liabilities of HK\$1,137,840, presenting the total lease payment from 1 July 2024 until the date of termination of the sublease based on the original head lease agreement and the directors of the Company considered the amount is sufficient and appropriate.

List of Major Properties Held by the Group



Location	Approximate gross floor area/ site areas* (square feet)	Group's interest	Existing land use	Term of lease
Leasehold land and buildings				
Duplex No. 1 on 1/F and 2/F with Garden and Rear Open Yard of House 15 (Dynasty Villa 6) and car park space No. 202, Dynasty Heights, No. 2 Yin Ping Road, Kowloon, Hong Kong	2,592	100.0%	Residential	Medium-term
Hotel property				
East Bay, Cheung Chau, New Territories, Hong Kong 8443/9000 parts or shares of and in C.C.L. 1147	27,000*	97.8%	Hotel	Medium-term
Investment properties				
Wing On Street, Peng Chau, New Territories, Hong Kong 370/700 parts or shares of and in P.C.L. 415	5,230*	100.0%	Cinema	Medium-term
Various agricultural lots in Survey District No. 4 in Lai Chi Kok, Kowloon, Hong Kong	265,579*	100.0%	Agricultural land	Medium-term
Various agricultural lots in DD118, Yuen Long, New Territories, Hong Kong	149,846*	100.0%	Agricultural land	Medium-term
Nasausau & Raramakawa Lots 1 & 2 on N1825, Coral Coast, Viti Levu, Fiji	717,673*	100.0%	Resort	Long lease



Five-Year Financial Summary

RESULTS

	For the year ended 31 March				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Revenue	49,692	51,070	37,166	29,639	23,601
Profit (loss) before taxation	8,098	52,188	(8,733)	(33,053)	(34,077)
Income tax (expense) credit	(207)	1,794	787	36	(1,282)
Profit (loss) for the year attributable to owners of the Company	7,891	53,982	(7,946)	(33,017)	(35,359)

ASSETS AND LIABILITIES

	At 31 March				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Total assets	389,114	433,360	407,678	364,305	323,007
Total liabilities	(63,749)	(50,530)	(36,218)	(26,792)	(23,003)
Equity attributable to owners of the Company	325,365	382,830	371,460	337,513	300,004