



SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED

Stock code : 252



CONTENTS

	<i>Pages</i>
CORPORATE INFORMATION	2
DIRECTORS AND SENIOR MANAGEMENT PROFILE	3
MANAGEMENT DISCUSSION AND ANALYSIS	6
CORPORATE GOVERNANCE REPORT	13
REPORT OF THE DIRECTORS	31
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	40
INDEPENDENT AUDITOR'S REPORT	75
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	82
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	83
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	84
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	86
CONSOLIDATED STATEMENT OF CASH FLOWS	87
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	88
SUMMARY OF MAJOR PROPERTIES HELD FOR INVESTMENT	189
SUMMARY OF MAJOR PROPERTIES UNDER DEVELOPMENT	190
SUMMARY OF MAJOR PROPERTIES HELD FOR OWN USE	191
FIVE YEARS FINANCIAL SUMMARY	192



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chua Nai Tuen (*Chairman*)
Mr. Nelson Junior Chua (*Managing Director*)
Mr. Richard Sy Tan

Non-Executive Directors

Mr. Chan Man Hon, Eric
Mr. Tsai Han Yung
Ms. Vivian Chua
Ms. Shirley Tan Siy

Independent Non-Executive Directors

Mr. Chan Siu Ting
Mr. Tsui Ka Wah
Dr. Luk Siu Chuen
Mr. Kam Cheuk Sun

AUDIT COMMITTEE

Mr. Chan Siu Ting (*Chairman*)
Mr. Chan Man Hon, Eric
Mr. Tsai Han Yung
Mr. Tsui Ka Wah
Dr. Luk Siu Chuen
Mr. Kam Cheuk Sun

REMUNERATION COMMITTEE

Mr. Tsui Ka Wah (*Chairman*)
Mr. Chua Nai Tuen
Mr. Chan Man Hon, Eric
Mr. Chan Siu Ting
Dr. Luk Siu Chuen

NOMINATION COMMITTEE

Mr. Chua Nai Tuen (*Chairman*)
Mr. Chan Man Hon, Eric
Ms. Shirley Tan Siy
Mr. Chan Siu Ting
Mr. Tsui Ka Wah
Dr. Luk Siu Chuen
Mr. Kam Cheuk Sun

PRINCIPAL BANKERS

China CITIC Bank International Limited
China Construction Bank (Asia)
Corporation Limited
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
OCBC Bank (Hong Kong) Limited

SOLICITORS

Vincent T. K. Cheung, Yap & Co.

AUDITOR

Grant Thornton Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

COMPANY SECRETARY

Mr. Lam Wing Yiu

REGISTERED OFFICE

Units 407–410, 4th Floor, Tower 2
Silvercord, No. 30 Canton Road
Tsimshatsui, Kowloon, Hong Kong

SHARE REGISTRAR

Union Registrars Limited
Suites 3301–04, 33/F
Two Chinachem Exchange Square
338 King's Road,
North Point, Hong Kong

STOCK CODE

252

INTERNET ADDRESS HOMEPAGE

www.seapnf.com.hk

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Mr. Chua Nai Tuen, aged 74, was appointed as an Executive Director in 1973 and was further appointed as Chairman of the Company in 2000. He is a member of the Remuneration Committee and the Chairman of the Nomination Committee of the Company. Mr. Chua is responsible for the formulation and execution of the Group's overall strategic planning, business development and seeking business opportunities for the Group. He is also the Director of other companies in the Group. He has over 50 years' experience in finance, property investment and development, hotel, manufacturing and distribution of plastics packaging materials business.

Mr. Nelson Junior Chua, aged 48, was appointed as a Non-executive Director of the Company on 15 April 2008 and was re-designated as an Executive Director on 16 July 2010. Subsequently, he has been appointed as an authorised representative of the Company with effect from 1 April 2014 and as managing director since 3 April 2025, and is responsible for overseeing the management and operation of the Group. He is also a director of various subsidiaries of the Company. Mr. Nelson Junior Chua has over 15 years of experience in operation management and strategic planning especially in the finance, property investment and development and hotel business. He graduated from the Queen Mary & Westfield College in United Kingdom and obtained a Bachelor's degree in Molecular Biology.

Mr. Richard Sy Tan, aged 47, was appointed as an Executive Director of the Company on 26 August 2022 and presently is the Acting Manager of Hotel Benito. Mr. Tan has over 20 years of architecture experience in construction projects in Philippines and Hong Kong. Mr. Tan obtained a Bachelor of Science in Architecture from Mapua Institute of Technology and a Bachelor of Science in Interior Design from Philippine School of Interior Design. He is a licensed architect and interior designer of the Republic of the Philippines Professional Regulation Commission. He is currently a freelance architect involved in planning and designing various residential and commercial developments.

NON-EXECUTIVE DIRECTORS

Mr. Chan Man Hon, Eric, aged 69, was first appointed as an Independent Non-executive Director of the Company in 1994 and was re-designated as a Non-executive Director in 2005. Mr. Chan is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Chan is a practising solicitor in Hong Kong. He obtained a Bachelor of Laws degree from the University of Hong Kong and was admitted as a solicitor in Hong Kong in 1981. He was further admitted as a solicitor in England and Australia in 1984 and 1985 respectively. He is a consultant of Vincent T. K. Cheung, Yap & Co.

Mr. Tsai Han Yung, aged 60, was appointed as a Non-executive Director of the Company in 2000 and was further appointed as a member of the Audit Committee in 2001. Mr. Tsai holds a Master of Business Administration from University of Southern California in the United States. Currently, Mr. Tsai holds management positions in certain companies in Taiwan.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Ms. Vivian Chua, aged 46, was appointed as a Non-executive Director of the Company on 15 April 2008. Ms. Chua joined the Group in 2005. She is a Marketing and Planning Analyst of Nan Sing Plastics Limited and an Assistant Manager responsible for the Group's property management. She graduated from The University of British Columbia in Canada and obtained a Bachelor's degree in Commerce.

Ms. Shirley Tan Siy, aged 61, was appointed as a Non-executive Director of the Company in 2025 and was further appointed as a member of the Nomination Committee in the same year. Ms. Siy has around 30 years of experience in banking, manufacturing and distribution businesses in the Philippines. Ms. Siy holds Bachelor's Degrees in Management of Financial Institutions and Psychology from De La Salle University in Manila. She currently holds management positions in a number of companies in the Philippines.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Siu Ting, aged 74, was appointed as an Independent Non-executive Director of the Company in 2006. Mr. Chan is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Chan has been practising as a Certified Public Accountant in Hong Kong for over 30 years. He is a fellow member of Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

Mr. Tsui Ka Wah, aged 73, was appointed as an Independent Non-executive Director of the Company in 2012. Mr. Tsui is the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Mr. Tsui has extensive experience in banking industry with US based and local banks, and has held various managerial positions in corporate, retail and private banking. He was the President of the Greater China Region of a US-based bank, overseeing operations in Taiwan, Mainland China and Hong Kong. Mr. Tsui holds a Bachelor of Arts degree and a Master of Business Administration from the Chinese University of Hong Kong. Currently, Mr. Tsui is an Independent Non-executive Director of Oriental Explorer Holdings Limited (stock code: 430), Multifield International Holdings Limited (stock code: 898) and Grand Ming Group Holdings Limited (stock code: 1271) respectively whose shares are listed on the Stock Exchange of Hong Kong Limited. Mr. Tsui is presently the CEO of SME Credit Company Ltd.

Dr. Luk Siu Chuen, aged 48, was appointed as an Independent Non-executive Director of the Company on 26 August 2022. Dr. Luk is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Dr. Luk has over 20 years of town planning experience. He obtained Master Degree of Town and Country Planning (Univ. of Man, U.K.) in 2002 and started his town planning career since then. In 2004, he has been a Full Member of the Royal Town Planning Institute (U.K.) and has become a Registered Professional Planner since 2005. Dr. Luk has also been a holder of an Estate Agent (Individual) Licence. He also became an Ordinary Member of the Hong Kong Institute of Real Estate Administrators (H.K.) in November 2011 and later became the Full Member of Hong Kong Institute of Certified Property Managers in 2017. In 2021, Dr. Luk has become a Registered Planner to practice in Qianhai Shenzhen Hongkong Modern Service Industry Cooperation Zone of Shenzhen. In 2022, he further became a Full Member of Hong Kong Institute of Planners and at the same time was conferred with an honorary Doctorate of Business Administration by College de Paris in France.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Dr. Luk is currently the Managing Director at Aikon Development Consultancy Limited providing a full range of town planning and real estate consultancy services to property owners, including services on applications to the Hong Kong Government, project coordination and management with professional teams, strategic advice on development and redevelopment potentials and liaison with Government officers.

Mr. Kam Cheuk Sun, aged 73, was appointed as an Independent Non-executive Director of the Company on 23 August 2024. Mr. Kam is a member of the Audit Committee and the Nomination Committee of the Company. Mr. Kam received his Master of Business Administration from Wharton School of University of Pennsylvania. He started his corporate career with various major corporations in the United States and Asia. He worked around 10 years as the Managing Director for global brands such as GLAD food wrap and zipper bag, STP car care and performance additives for Asia Pacific areas, and afterwards over 25 years as Chairman of Avoteck (Group) Company Limited which produces high performance hygiene film in Asia.

SENIOR MANAGEMENT

Mr. Fu Ka Tsang, aged 68, is the General Manager of the Company and he is also a director of various subsidiaries of the Company. Mr. Fu joined the Group in 1995 and is responsible for the Group's manufacturing business.

Mr. Gilson Chua, aged 46, joined the Group in 2002. He is the Director and Deputy General Manager of Nan Sing Plastics Limited and he is also a director of various subsidiaries of the Company. He graduated from the University of Warwick in United Kingdom and obtained a Bachelor's degree in Computer and Business Studies.

Mr. Lam Wing Yiu, aged 40, is the Group Financial Controller, Company Secretary and Authorised Representative of the Company. Mr. Lam joined the Group in 2017 and is being responsible for oversight of the Group's financial and accounting operations and also overall company secretarial matters. Mr. Lam has more than 15 years of experience in accounting and finance related work. Mr. Lam obtained a Master of Business Administration from Fudan University and a Bachelor of Business Administration in Accounting from the Hong Kong University of Science and Technology. Mr. Lam is currently a member of the Hong Kong Institute of Certified Public Accountants, a member of the Hong Kong Chartered Governance Institute and a member of Chartered Governance Institute.

Messrs. Chua Nai Tuen and Tsai Han Yung are brothers. Messrs. Nelson Junior Chua and Gilson Chua are sons of Mr. Chua Nai Tuen. Mr. Richard Sy Tan is the son-in-law of Mr. Chua Nai Tuen and he is the brother-in-law of Messrs. Nelson Junior Chua and Gilson Chua. Ms. Vivian Chua and Ms. Shirley Tan Siy are nieces of Messrs. Chua Nai Tuen and Tsai Han Yung and they are cousins of Messrs. Nelson Junior Chua and Gilson Chua. Save as disclosed, the directors and senior management do not have any relationships as set out in Rule 12 of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the board (the “Board”) of directors (the “Directors”) of Southeast Asia Properties & Finance Limited (the “Company”, together with its subsidiaries, the “Group”), I am pleased to submit to the shareholders of the Company (the “Shareholders”) the annual report of the Group for the year ended 31 March 2026.

RESULTS

During the year, revenue was HK\$228.5 million (2025: HK\$232.3 million), the loss attributable to owners of the Company was HK\$43.0 million (2025: HK\$25.6 million) and loss per share was HK19.1 cents (2025: HK11.3 cents).

During the year, the Group’s loss before tax was HK\$38.6 million (2025: HK\$21.5 million). Given below is an analysis of the loss from operations of the Group’s principal activities:

	2026 HK\$’000	2025 HK\$’000 (Re-presented)
Property investment, development and leasing	12,164	4,855
Hotel operation	(7,347)	(3,708)
Manufacturing and distribution of plastics packaging materials	23,057	26,183
Broking and securities margin financing	(395)	6,252
Loss arising from change in fair value of investment properties	(45,713)	(36,601)
Loss from operations	(18,234)	(3,019)
Loss on deemed disposal of interest in an associate	–	(15,661)
Unallocated finance costs	(19,951)	(18,771)
Share of results of associates	(385)	15,975
Loss before income tax	(38,570)	(21,476)

DIVIDENDS

The Board has recommended the payment of a final dividend of HK3 cents per ordinary share (2025: HK3 cents per ordinary share) in respect of the year ended 31 March 2026 to all Shareholders whose names appear on the register of members of the Company on 28 August 2026. Subject to the approval of Shareholders at the forthcoming annual general meeting (the “AGM”), the payment of the final dividend will be made on 5 October 2026.

ANNUAL GENERAL MEETING

The AGM will be convened to be held on Friday, 21 August 2026. The notice of AGM will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and sent to the Shareholders, together with the Company’s 2025/26 Annual Report, in due course.

MANAGEMENT DISCUSSION AND ANALYSIS

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from Tuesday, 18 August 2026 to Friday, 21 August 2026, both days inclusive, during which period no share transfers can be registered. The record date will be Friday, 21 August 2026, in order to be eligible to attend and vote at the AGM, all transfer, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Monday, 17 August 2026.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The register of members of the Company will be closed from Thursday, 27 August 2026 to Friday, 28 August 2026, both dates inclusive, during which period no share transfers can be registered. The record date will be Friday, 28 August 2026, in order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Wednesday, 26 August 2026.

FINANCIAL AND BUSINESS REVIEW

For the year ended 31 March 2026, the Group recorded revenue of HK\$228.5 million, representing a decrease of HK\$3.7 million, or 1.6% as compared with HK\$232.3 million for the year ended 31 March 2025. The Group recorded loss for the year attributable to owners of the Company of HK\$43.0 million, representing an increase in loss of HK\$17.5 million, or 68.3% as compared to a loss of HK\$25.6 million in the last financial year. It was mainly attributable to a substantial increase in the accounting depreciation of hotel building of HK\$13.2 million during the year, arising from the commencement of hotel business and the increase in loss of arising on change in fair value of the Group's investment properties in current year as compared with last corresponding year of HK\$9.1 million.

The Board emphasizes that the aforementioned increase in loss are purely non-cash accounting adjustments made in accordance with HKFRS Accounting Standards. These adjustments does not involve any actual cash outflow and does not exert any material adverse impact on the Group's current daily business operations, liquidity, or overall cash flow status.

Property Investment, Development and Leasing

This segment comprises property investment, development and leasing in Hong Kong and Chinese Mainland. For the year ended 31 March 2026, this segment recorded revenue of HK\$21.3 million, representing an increase of HK\$5.9 million or 38.2% as compared with HK\$15.4 million for the year ended 31 March 2025. Without considering the effect on change in fair value of investment properties, segment results recorded profit of HK\$12.2 million, representing an increase in HK\$7.3 million, or 150.6% as compared with profit of HK\$4.9 million in last year. The increase was mainly attributable to the increase in rental income from a tenant in hotel building.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 March 2026, most of the Group's investment properties were leased out to generate steady rental income for the Group.

Hotel Operation

During the financial year, the hotel achieved an average occupancy rate of 97.5%, and generated a total revenue of HK\$23.1 million. While operating expenses were higher than expected due to unforeseen pre-opening costs and additional staff training costs, the hotel showed positive EBITDA (*note 1*) during the financial year and strong early guest feedback from a major platform. The hotel records an average room rate (*note 2*) of HK\$1,086.6. Key challenges include seasonality, staffing and brand awareness.

Notes:

1. EBITDA is defined as earnings before interest income, finance costs, income tax and depreciation.
2. Average room rate is calculated as the total hotel operation income of the hotel during a period divided by the total number of occupied rooms for the relevant period.

Manufacturing and Distribution of Plastic Packaging Materials

For the year ended 31 March 2026, this segment recorded a revenue of HK\$175.9 million, a decrease of 15.0% as compared with HK\$206.9 million in the preceding year. As a result, profit decreased by 11.9% from HK\$26.2 million to HK\$23.1 million.

The U.S.-Israel war with Iran led to the closure of the Strait of Hormuz – a critical maritime chokepoint for petrochemical exports – has dealt a severe blow to the global plastics industry. As the primary transit route for a significant share of the world's crude oil and natural gas liquids, the strait's shutdown has disrupted the flow of essential feedstocks such as ethylene, propylene, and polyethylene resins.

Middle Eastern producers, particularly in Qatar, Kuwait, and the UAE, are among the largest suppliers of raw plastic materials to Asia. With shipments stalled or rerouted through longer, costlier paths, delivery times have lengthened by weeks, and freight rates have surged. Furthermore, the ripple effects are already visible with prices for polyethylene and polypropylene spikes by double digits in just weeks and supply chains are scaling back output or halting production lines. This has created acute shortages for downstream manufacturers in packaging and consumer goods sectors.

Broking and Securities Margin Financing

During the financial year, Hang Seng index surged to its highest point 28,056 by the end of January 2026. However, with the serious escalation is the U.S.-Israel war with Iran, which began in February 2026, due to fears of the conflict spreading, oil prices are highly sensitive to supply risk and geopolitical instability. Concerns over inflation Hang Seng index was pushed down to 24,788 in March 2026. The average daily turnover of the Hong Kong stock market maintain at approximately HK\$250 billion.

MANAGEMENT DISCUSSION AND ANALYSIS

China's property sector downturn persisted throughout the period, property-linked and financial stocks remained under pressure. On the other hand, Hong Kong still reclaimed its position as a global Initial Public Offering (IPO) leader, raising over HK\$285 billion in 2025, up 225% year-on-year.

For the year ended 31 March 2026, the brokerage commission of this segment was HK\$4.7 million, a slight increase of HK\$0.3 million or 7.6% as compared to HK\$4.4 million of the previous period. However, there was a significant decrease in interest income from clients on margin financing, which recorded HK\$1.9 million, while there was HK\$3.9 million in the last reporting period, representing a decrease of HK\$2.0 million or 52.3%. This was due to the clients reducing their positions during periods of higher market risk. Meanwhile, this segment recorded a segment loss of HK\$0.4 million for the current financial year, a decrease of HK\$6.7 million or approximately 106.3% as compared to profit of HK\$6.3 million in last financial year. The turnaround from profit to loss was mainly attributed to the loss arising on change in fair value of financial assets through profit or loss. It recorded a loss of HK\$3.0 million, while there was a gain of HK\$6.5 million in the last financial year.

STRATEGIC AND PROSPECTS

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

Property Investment, Development and Leasing

Though Hong Kong residential property has just stabilized while the commercial property market remains relatively sluggish. It is predicted that the Grade A office leasing market will continue to recover due to the upgrading and relocation of enterprises and the overseas development strategies of Chinese-funded enterprises, while the commercial building market in non-core areas will continue to be relatively under pressure, as market divergence deepens. In a structurally shifting real estate market, success lies in strategic site selection that embraces industry change. But above all, in choosing the right operating asset types to capture policy and recovery upside.

For WorkCave Hong Kong serviced office, our first and second phase office spaces have been operating for over eight years. Throughout this period, we have continued to invest in both hardware and software enhancements, strengthening the reliability, functionality, and experience of our facilities to better meet the evolving needs of our clients. Looking ahead, the Hong Kong commercial property market remains shaped by a shifting macroeconomic environment, with demand continuing to be selective amid prevailing uncertainties. Against this backdrop, serviced office offerings in prime locations such as Tsim Sha Tsui continue to demonstrate resilience, supported by steady tenant demand for flexible, well-equipped workspaces. In recent months, we have recorded modest improvements in occupancy and client activity, and we remain cautiously optimistic, supported by our ongoing service enhancements and commitment to delivering value in the year ahead.

MANAGEMENT DISCUSSION AND ANALYSIS

Gainful Sky Hong Kong Limited, a subsidiary of the Company has submitted an application and proposal for Land Sharing Pilot Scheme for redeveloping the site into a residential development cum Residential Care Home for the Elderly in May 2023 to the Development Bureau (DEVB) for vetting. The application was supported and endorsed in principle in December 2023 afterwards. It is proposed that the overall plot ratio of the redevelopment shall be approximately at 5.4 with domestic gross floor area of about 55,000 square meters and 1,100 additional housing units, and no less than 70% of the increased domestic gross floor area are set aside for public housing or Starter Homes development. We are now finalising the technical issues raised by the government for taking forward the required statutory and land administration procedures.

Hotel Operation

The hotel has successfully navigated its opening period, building brand awareness and stabilizing operations. While revenue still chasing the target, the strong last quarter and positive guest feedback positioned the hotel for consistent profit-making in the upcoming years. Focus will shift from pre-opening catch-up to margin expansion and direct booking growth.

Manufacturing and Distribution of Plastic Packaging Materials

With the Strait of Hormuz still closed, petrochemical feedstocks are constrained, resin prices remained high and supply chain disrupted. The plastic packaging sector remains resilient due to essential demand, but margins are under severe pressure and profitability will depend on diversification of supply sources and cost management strategies.

New regulations, particularly in the EU, will enforce stricter standards on packaging materials, including mandates for recyclability and reduced use of hazardous substances. The EU's Packaging and Packaging Waste Regulation (PPWR) will set a benchmark for global practices, influencing packaging strategies worldwide.

Plastic packaging companies are expected to prioritize recyclability and circular design frameworks to meet consumer expectations and regulatory requirements. This is driving renewed focus on right-sizing, material reduction, and transit efficiency. Packaging simplicity is gaining momentum, both environmentally and financially.

Broking and Securities Margin Financing

Outlook for the financial markets in 2026, the major driving factors are closely linked to geopolitical conflicts and energy market shocks. This has pushed oil prices higher, fueling inflation and leading to a global economic downturn. Moreover, markets remains highly sensitive to interest rate trends, whether entering a rate-cut cycle, undergoing a prolonged pause or resuming policy tightening. All these factors would affect the investment market and the external situation, which would also influence our business performance.

In a high volatility market, in accordance with the requirements of Securities and Futures Commission, we need to strengthen risk management by lower position concentration limits and tighten margin lending standards. In addition, we have to strengthen compliance with due diligence to carry out regular reviews of overall clients' activities.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group takes a consistent capital management strategy, providing adequate liquidity to meet the requirement of the Group's developments and operations and monitors its capital on the basis of net debt to equity ratio. When there is surplus funding, the Group would preserve and achieve stable returns on the principal amount and in order to maximize the utilization of cash generated from business operations as part of the treasury management.

As at 31 March 2026, cash and cash equivalents were HK\$56.1 million (2025: HK\$74.5 million) and trade and other receivables were HK\$51.6 million (2025: HK\$58.3 million). Trade and other payables were HK\$99.1 million (2025: HK\$68.5 million). The total financial investments (including investment in debt instruments measured at amortised cost and financial assets at FVTPL) were HK\$71.1 million (2025: HK\$27.1 million).

As at 31 March 2026, the Group's bank loans were HK\$360.7 million (2025: HK\$342.8 million), in which the short term borrowings amounted to HK\$63.3 million (2025: HK\$290.2 million) and long term borrowings amounted to HK\$297.4 million (2025: HK\$52.5 million). The Group's current year net debt to equity ratio was 26.2% (2025: 24.2%), calculated on the basis of the Group's total debts less restricted bank balances and cash and cash equivalents divided by total equity attributable to owners of the Company. The increase in net debt to equity ratio was primarily attributable to the increase in net debt proportionally outperforming the increase in total equity attributable to owners of the Company as at 31 March 2026 as compared to 31 March 2025.

CAPITAL STRUCTURE

As at 31 March 2026, the total equity attributable to owners of the Company amounted to HK\$1,161.1 million (2025: HK\$1,114.4 million). The Group's consolidated net assets per share was HK\$5.2 (2025: HK\$5.0).

FOREIGN EXCHANGE EXPOSURE

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

As at 31 March 2026, the Group's investment in debt instruments measured at amortised cost amounting to HK\$34.3 million (2025: HK\$Nil) represented U.S. treasury bills.

As at 31 March 2026, the Group's financial assets at FVTPL, with market value of approximately HK\$36.7 million (2025: HK\$27.1 million), mainly represented investment portfolio of 3 equity securities listed in Hong Kong and 1 exchange traded fund listed in Hong Kong (2025: 3 equity securities listed in Hong Kong). The Board considers that the investments as at 31 March 2026 accounting for more than 5% of the Group's total assets as at 31 March 2026 as significant investments. As at 31 March 2026, none of each investment represents 5% or more of the Group's total assets.

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

Other than as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries and associated companies during the years ended 31 March 2026 and 2025.

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.

Chua Nai Tuen
Chairman

Hong Kong, 29 June 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is dedicated to attaining and maintaining high standards of corporate governance. The Directors recognise that good corporate governance practices and procedures are essential to ensure the Company's transparency and accountability and to its long term success as well as to enhance the value of the Shareholders and safeguard their interests. The Company has adopted the code provision (the "Code Provision") of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code of corporate governance.

Throughout the year ended 31 March 2026, the Company has complied with the CG Code save as disclosed in the paragraph headed "Annual General Meeting" below.

CORPORATE CULTURE

Founded in Hong Kong in 1972, the Group has adhered its core philosophy which offering sustainable returns to its Shareholders, while fosters an atmosphere where our employees can grow with the Company. At the same time, the Group pursue long-term sustainability with pragmatic manner in response to market changes and remains focused on development to foster long-term value creation for our stakeholders.

The Board plays a pivotal role in cultivating a strong corporate culture that aligns seamlessly with the Group's purpose, values and strategy, as defined and established by the Board. It also ensures the corporate governance system is both effective and adequate. The Group's management actively promotes the Company's values and culture across all levels of staff through clear communication, effective engagement and regular updates on the Group's strategy and business developments. Together, all employees contribute to fostering and strengthening the Group's culture.

The Group remains committed to upholding the highest standards of business ethics and corporate governance throughout the organisation. All staff are expected to conduct the company's affairs with integrity, accountability, and in full compliance with legal and ethical principles.

The Group's corporate culture and values are embodied in its practices and documented policies or guidelines, such as the whistleblowing policy and anti-corruption policy, among others. The Board believes that the Group's purpose, values, and strategic direction were aligned with its corporate culture. To uphold this alignment, the Board is committed to periodically reviewing the Group's policies and practices, ensuring they remain consistent with the Group's objectives. Looking ahead, the Group firmly believes that this approach will not only maximise value for shareholders but also create meaningful benefits for its stakeholders.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors of the Company, they have confirmed that they have complied with the Model Code during the year.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS

(i) Composition of the Board, number of Board meetings and Directors' attendance

The Board comprises eleven Directors as at the date of this report. Biographical details of Directors and relationship among Directors are disclosed in “Directors and Senior Management Profile” of the Annual Report. The Company’s Board has a balance of skills and experience and a balanced composition of executive and non-executive directors. Nine full board meetings were held during the year. Senior management executives may, from time to time, be invited to attend the board meetings for making presentation and/or answering any queries that may be raised by the Board. All Directors have access to the advice and services of the company secretary and independent professional advice may be sought by the Directors if required.

Each Director of the Company has been appointed on the strength of his/her calibre, experience and his/her potential to contribute to the proper guidance of the Group and its businesses. Apart from formal meetings, matters requiring board approval were arranged by means of circulation of written resolutions.

The Board has set up three committees, namely the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”) to oversee particular aspects of the Group’s affairs. The committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice in appropriate circumstances, at the Company’s expenses.

The attendance records of individual Directors at Board Meetings (BM), Audit Committee Meetings (ACM), Remuneration Committee Meetings (RCM), Nomination Committee Meeting (NCM) and AGM during the financial year are set out below:

	BM	ACM	RCM	NCM	AGM
Executive Directors					
Chua Nai Tuen (<i>Chairman</i>)	9/9	–	1/1	2/2	1/1
Nelson Junior Chua	9/9	–	–	–	1/1
Richard Sy Tan	4/9	–	–	–	1/1
Non-executive Directors					
Chan Man Hon, Eric	4/9	3/3	1/1	2/2	0/1
Jimmy Siy Tiong	0/4	–	–	–	0/1
Tsai Han Yung	4/9	3/3	–	–	1/1
Vivian Chua	4/9	–	–	–	1/1
Shirley Tan Siy	2/5	–	–	–	–
Independent non-executive Directors					
Chan Siu Ting	3/9	3/3	1/1	2/2	1/1
Tsui Ka Wah	4/9	3/3	1/1	2/2	1/1
Luk Siu Chuen	4/9	3/3	1/1	–	1/1
Kam Cheuk Sun	4/9	3/3	–	2/2	1/1

CORPORATE GOVERNANCE REPORT

(ii) The Operation of the Board

The Company is headed by an effective Board which takes decisions objectively in the interests of the Company. The Company's management has closely monitored changes to regulations that affect its corporate affairs and businesses and changes to accounting standards, and adopted an appropriate reporting format in its interim report, annual report and other documents to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospects. Where these changes are pertinent to the Company or Directors' disclosure obligations, the Directors are briefed during Board Meetings to keep them abreast of their responsibilities and of the conduct, business activities and development of the Group. Newly appointed Directors receive information on their legal and other responsibilities as a Director and the role of the Board. The Company has also provided appropriate information in a timely manner to the Directors to enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company. Decisions on important matters, including those affecting the Group's strategic policies, major investments and funding decisions are specifically reserved to the Board whereas decisions on the Group's general operations are delegated to the management.

The Company has established the following mechanisms to ensure independent views and input are available to the Board:

- (a) Where appropriate, the Company shall arrange suitable and sufficient resources to cover any matters relating to the obtaining of an independent advice or opinion by the Board, including but not limited to the engagement of a legal team or any other professionals for such purpose, where appropriate, at the Group's expenses.
- (b) Where appropriate, the directors shall give a notice to the Company Secretary of the Company to obtain an independent advice or opinion, including but not limited to engaging a professional team for such purpose.
- (c) The Board is required to review its structure, size, composition (including skills, knowledge and experience) and diversity policy at least annually to ensure that the composition of the Board complies with the relevant requirements of the Listing Rules including maintaining a balanced mix of executive and non-executive directors (including independent non-executive directors) so that the Board has a strong element of independence which can effectively exercise independent judgement. If all the independent non-executive directors have served on the Board for more than nine years, the Company should consider to appoint a new independent non-executive director at the forthcoming annual general meeting.

The Board reviewed the implementation and effectiveness of the abovementioned mechanisms and considered that such mechanisms are effective.

CORPORATE GOVERNANCE REPORT

(iii) Directors' and Officers' Liability

Appropriate insurance cover on directors' and officers' liabilities has been in force to protect the Directors and Officers of the Group from their risk exposure arising from the businesses of the Group.

(iv) Directors' Continuous Training and Development

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Directors are regularly briefed on the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime with written materials. During the year ended 31 March 2026, all Directors, namely Mr. Chua Nai Tuen, Mr. Nelson Junior Chua, Mr. Richard Sy Tan, Mr. Chan Man Hon, Eric, Mr. Jimmy Siy Tiong, Mr. Tsai Han Yung, Ms. Vivian Chua, Ms. Shirley Tan Siy, Mr. Chan Siu Ting, Mr. Tsui Ka Wah, Dr. Luk Siu Chuen and Mr. Kam Cheuk Sun 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.

ANNUAL GENERAL MEETING

Pursuant to Code Provision C.1.6, independent non-executive directors and non-executive directors, as equal board members, should attend general meeting of the Company. During the year, Mr. Chan Man Hon, Eric and Mr. Jimmy Siy Tiong were unable to attend the annual general meeting of the Company held on 22 August 2025 as he had other business engagements.

NON-EXECUTIVE DIRECTORS

All non-executive Directors were appointed subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. At the Board meetings and Board committee meetings where constructive views and comments of the non-executive Directors are given, the non-executive Directors provide independent judgement on the issues relating to the strategy, performance, conflict of interest and management process.

CORPORATE GOVERNANCE REPORT

REMUNERATION OF DIRECTORS

The Company has set up a Remuneration Committee consisting of three independent non-executive directors, one executive director and one non-executive director. Mr. Tsui Ka Wah is currently the Chairman of the Remuneration Committee.

During the year ended 31 March 2026, the Remuneration Committee held one meeting and also dealt with matters by way of circulation. The terms of reference of the Remuneration Committee are aligned with the Code Provision. Given below are the main duties of the Remuneration Committee:

- (i) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management;
- (ii) to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management;
- (iii) to review and approve the remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (iv) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment;
- (v) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct; and
- (vi) to ensure that no director or any of his associates is involved in deciding his own remuneration.

The work performed by the Remuneration Committee during the year is summarised below:

- (i) review of the Company's policy and structure of all remuneration of Directors and senior management;
- (ii) consideration of the emoluments for all Directors and senior management; and
- (iii) review of the level of Directors' fees.

The basis of determining the emoluments payable to its Directors and senior management by the Company ties with their duties and responsibilities within the Group. The Directors' fees are from time to time approved by the Shareholders and they are regularly reviewed and compared with other listed companies in Hong Kong.

CORPORATE GOVERNANCE REPORT

NOMINATION OF DIRECTORS

The Company has established the Nomination Committee in compliance with the Listing Rules. The Nomination Committee currently comprises one executive Director, two non-executive Directors and four independent non-executive Directors. Mr. Chua Nai Tuen is currently the Chairman of the Nomination Committee.

The Nomination Committee is primarily responsible for considering and nominating suitable candidates to become members of the Board. Criteria adopted by the Nomination Committee in considering the suitability of a candidate for directorship includes his/her qualifications, experience, expertise and knowledge as well as the requirements under the Listing Rules.

During the year ended 31 March 2026, the Nomination Committee held two meetings during which it had reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company and assessed the independence of all the independent non-executive directors of the Company.

NOMINATION POLICY

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- (a) Reputation for integrity;
- (b) Relevant skills and experience in relevant sectors;
- (c) Commitment in respect of sufficient time, interest and attention to the Company's business;
- (d) Diversity in all aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge;
- (e) Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive director; and
- (f) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Company's Articles of Association and other applicable rules and regulations.

The secretary of the Nomination Committee shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also nominate candidates for its consideration.

CORPORATE GOVERNANCE REPORT

In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.

In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy ("Board Diversity Policy") to enhance the quality of its performance. The Nomination Committee is responsible for reviewing and assessing the diversity at the Board level for and on behalf of the Board in term of (including but not limited to) gender, age, cultural and educational background, professional experience, skills and such other qualities as may be considered important by the Nomination Committee from time to time. In identifying suitable candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and also the benefits of diversity on the Board. In reviewing the Board composition, the Committee considers the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience and diversity on the Board. The Nomination Committee will review the Board Diversity Policy in a timely manner to ensure that the Board Diversity Policy is effective.

As at the date of this report, it is noted that 2 out of 11 Directors, representing approximately 18.18%, are female. The Directors' ages are widely spread between 46 and 74. Regarding the educational and professional background, the Board members come from diverse educational and professional backgrounds, holding qualifications across business, law, architecture and finance, and possessing extensive operational and managerial experience in real estate, banking, hotel operation and manufacturing. It is therefore believed that the Board has achieved diversity in terms of gender, age, educational and professional background.

DIVERSITY IN WORKFORCE

As at 31 March 2026, the Group had 151 male employees (31 March 2025: 151 male employees) and 103 female employees (31 March 2025: 95 female employees) and the male-to-female ratio in the workforce, including the senior management, was approximately 1.47 (31 March 2025: 1.59), which is regarded by the Board as satisfactory.

The Company will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time with the ultimate goal of achieving gender parity, such that there is a pipeline of female senior management and potential successors to the Board in the future.

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

The fees in relation to the audit services provided by external auditors of the Company for the financial year ended 31 March 2026 and 2025 are as follows:

	2026 HK\$	2025 HK\$
– Audit service	918,000	920,000
– Non-audit service		
– Internal control services (paid to Grant Thornton Advisory Services Limited)	–	340,000
	<u>918,000</u>	<u>1,260,000</u>

CORPORATE GOVERNANCE FUNCTION

The Board delegated the Audit Committee to perform corporate governance duties and Audit Committee has adopted written terms of reference on its corporate governance functions.

The duties of the Audit Committee in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year, the Audit Committee has performed the corporate governance duties in accordance with its terms of reference.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Audit Committee currently consists of four independent non-executive directors and two non-executive directors.

All members have sufficient experience in reviewing audited consolidated financial statements as aided by the external auditor of the Group whenever required. In addition, Mr. Chan Siu Ting has the appropriate professional qualifications and experience in financial matters.

During the year ended 31 March 2026, the Audit Committee held three meetings and also dealt with matters by way of circulation. The Audit Committee discharged the duties and responsibilities under its terms of reference and the CG Code. Given below are the main duties of the Audit Committee:

- (i) to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of those auditors;
- (ii) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;
- (iii) to review the Company's annual report and accounts, half-year report and quarterly reports before submission to the Board, the Audit Committee should focus particularly on:
 - (a) any changes in accounting policies and practices;
 - (b) major judgmental areas;
 - (c) significant adjustments resulting from audit;
 - (d) the going concern assumptions and any qualifications;
 - (e) compliance with accounting standards; and
 - (f) compliance with the Listing Rules and other legal requirements in relation to financial reporting.
- (iv) to discuss problems and reservations arising from the audits, and any matters the external auditors may wish to discuss;
- (v) to review the audit programme, and ensure co-ordination with external auditors, of the internal audit function; and
- (vi) corporate governance function.

CORPORATE GOVERNANCE REPORT

The work performed by the Audit Committee during the year is summarised below:

- (i) review of the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (ii) review of half-year and annual consolidated financial statements before submission to the Board, with particular consideration of the points mentioned in paragraph (iii) above regarding the duties of the Audit Committee;
- (iii) discussion with the external auditors, the nature and scope of the audit;
- (iv) review of the Group's internal control and risk management systems, in conjunction with the impact arising from the Unauthorised Withdrawal; and
- (v) corporate governance function.

The Company's annual report for the year ended 31 March 2026 has been reviewed by the Audit Committee. The accounts for the year were audited by Grant Thornton Hong Kong Limited whose term of office will expire upon the forthcoming AGM. The Audit Committee has recommended to the Board that Grant Thornton Hong Kong Limited be nominated for re-appointment as the auditors of the Company at the forthcoming AGM.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements for the year ended 31 March 2026, which give a true and fair view in accordance with statutory requirements and appropriate financial reporting standards, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

INTERNAL CONTROLS AND RISK MANAGEMENT

I. The Purpose of Risk Management

Effective management of risks is essential for the long-term growth and sustainability of the Group's business; it blends seamlessly into strategic, operational and financial management in our Group's holistic approach to management control. It is always a challenge to determinately identify and manage the pertinent risks so that they are treated, transferred, terminated or simply taken, where appropriate. To achieve this, the Board delegates to the Audit Committee to ensure that there is a framework of continuous risk management process of identifying, evaluating and managing significant risks faced by the Group.

CORPORATE GOVERNANCE REPORT

2. The Approach and Processes of Risk Management and Risk Categories

The Approach

The Group adopts an integrated top-down approach complemented by a bottom-up approach in the risk management process. The top-down approach involves the corporate view from the Board and management on risks which may have significant impact to the Group. The bottom-up approach identifies, evaluates and manages key risks of each business units. Our process is designed to manage risks and not eliminate all risks.

The Process

The processes used to identify, evaluate and manage significant risks faced by the Group, are summarised as follows:

Risk Identification

- Identifies risks that may potentially affect the Group's business and operations.

Risk Evaluation

- Evaluates the risks identified by using the criteria developed by the management; and
- Considers the impact and consequence on the business and the likelihood of their occurrence.

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting

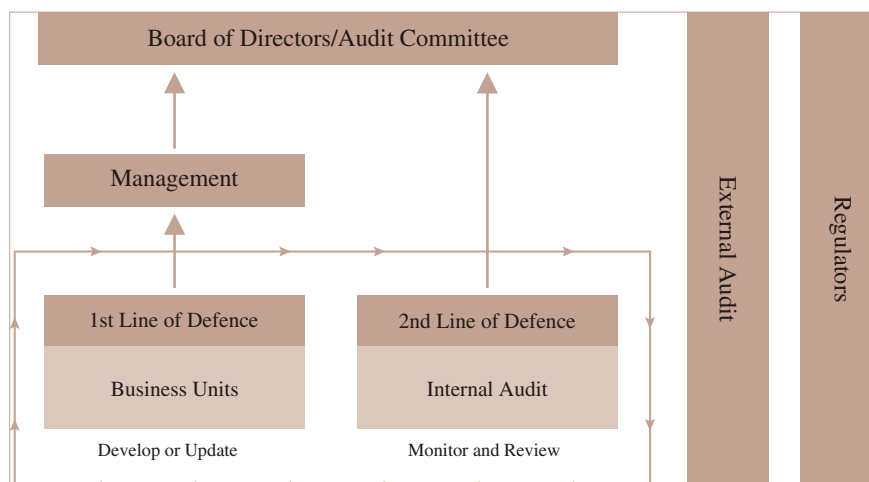
- Performs ongoing and periodic monitoring of the risk and ensures the appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to the management and the Board regularly.

Control procedures have been designed to (i) safeguard assets against misappropriation and disposition; (ii) ensure compliance with relevant laws, rules and regulations; (iii) ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and (iv) to provide reasonable assurance against material misstatement, loss or fraud.

CORPORATE GOVERNANCE REPORT

3. Our framework of Risk Management

Our framework of risk management is “Two Lines of Defence” model as depicted below:



3.1 Board of Directors/Audit Committee

The Board has overall responsibility for the system of risk management and internal controls of the Group and has reviewed its effectiveness. Our Board has delegated the responsibility for overseeing overall risk management and internal control systems to Audit Committee.

As disclosed in the Company’s announcement dated 26 June 2024, the Company reported that a complaint was made by a customer of Stockwell Securities Limited (“SWS”), a subsidiary of the Company engaged in the business of stock broking and commodities dealing, relates to an incident involving a transfer of funds from that client’s account effected by a responsible officer (“RO”) of SWS (the “Unauthorised Withdrawal”). Subsequent to the discovery of the Unauthorised Withdrawal, SWS has conducted an internal investigation of the Unauthorised Withdrawal (the “Internal Investigation”) and afterwards reported this case to the Securities and Futures Commission (“SFC”). SFC requested SWS to perform a special internal control review of the Unauthorised Withdrawal by an independent consultancy firm. The scope is to conduct a review of SWS’s internal control procedures and systems and make recommendations to SFC and the management to address and rectify the weaknesses identified, if any. The external advisor has issued their final draft report and the recommendations of which were reviewed and agreed by SFC and the management on 18 September 2025 and the final report was tabled and accepted by the Audit Committee at its meeting on 20 November 2025.

The management has been continuously improving the internal control system of the Company. They have reviewed the findings regarding internal control and taken appropriate remedial measures based on the recommendations proposed by the external advisor to address the findings in relation to internal control.

CORPORATE GOVERNANCE REPORT

Key Findings

SWS's response

SWS did not have a comprehensive policies and procedures and provide staff training to cover the following key areas:

- change of clients' particulars;
- handling deposits and withdrawals of client money and securities;
- staff training to keep the staff abreast of the latest applicable internal policies and procedures and regulatory requirements;
- follow-up undelivered/returned mails and deactivation and re-activation of client accounts; and
- operation of bank accounts.

Certain transactions selected for review did not have sufficient or appropriate evidence to support the performance of controls especially for the review and approval.

User access right of systems and authorized signature of bank account was not segregated, review and updated timely.

The management will establish a comprehensive set of control policies and procedures setting out critical controls in the above-mentioned areas and reviewed by management periodically or any updates of regulatory requirements. Besides, adequate training will be provided to the relevant staff.

The management would emphasize the importance of producing and maintaining written evidence and/or proper documentations to support the performance of controls especially for the review and approvals.

User access rights and authorized signors arrangement will be regularly reviewed in the consideration of physical and functional segregation of incompatible duties and commensurate with the prevailing roles.

After review of the contents and results of the special internal control report prepared by the external advisor and taking into consideration the remedial measures having been taken, the Board believes that SWS has adequate financial reporting procedures and internal control procedures in place to fulfill its obligation under the Listing Rules. The Board also believes that the SWS's existing financial reporting procedures and internal control procedures can effectively prevent unauthorised withdrawal of funds from client's account in the future.

CORPORATE GOVERNANCE REPORT

The Company does not have an internal audit department. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, as opposed to diverting resources to establish a separate internal audit department, it would be more cost effective to appoint an independent professional firm as an internal control consultant to perform independent review of the adequacy and effectiveness of the risk management and internal control systems of the Group. Nevertheless, the Board will continue to review at least annually the need for an internal audit department. The Audit Committee has engaged an internal control consultant to conduct the annual review of the risk management and internal control systems for the year ended 31 March 2026. Such review is conducted annually and cycles reviewed are under rotation basis. The scope of review was previously determined and approved by the Audit Committee. The external adviser has reported findings and areas for improvement to the Audit Committee and the management. The Audit Committee are of the view that save for the internal control deficiencies identified in the special internal control review of SWS, there are no material internal control deficiencies noted. All recommendations from the internal control consultant are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board, therefore, through the reviews made by the Audit Committee and the recommendation on the remedial measures taken up to address the internal control deficiencies arising from the Unauthorised Withdrawal, considered that the risk management and internal control systems are effective and adequate.

CORPORATE GOVERNANCE REPORT

3.2 *Two Lines of Defence*

Our framework is not a standalone program. It is an integrated and continuous process, in which elements in the framework are integrated into the Group's day-to-day operations and are continually applied under cycles of developing, monitoring, reviewing and updating.

3.2a *1st Line of Defence – Operational Management and Internal Controls*

Key internal control activities are integrated into daily operations with clear policies and procedures with the elements of governance, risk management and compliance. The policies and procedures are reviewed and updated on a regular basis to ensure their effectiveness, and shared with our employees and appropriate training.

Key Group Policies and Procedures

Key Group Policies and Procedures apply to the employees:

- **Whistleblowing Policy** provides a proper reporting channel for employees to raise genuine concerns about malpractice or suspected wrongdoing.
- **Inside Information Policy** ensures inside information of the Group is to be kept in strict confidence or otherwise disseminated to the public in a timely manner in accordance with the applicable laws and regulations.
- **Connected Transactions Policy** provides a clear guideline to employees for handling connected transaction in order to comply with the Listing Rules requirement.
- **Code of Conduct** stipulates the Group policy on matter of personal conduct and relationships.
- **Approval Authority** sets clear authority limits on business decision and daily operations.
- **Operational Policies and Procedures** are set in each business and functional units to provide guideline in daily operations within the corporate governance framework.

CORPORATE GOVERNANCE REPORT

The key functions of Finance Department with direct access to Audit Committee, include:

- Establish and maintain appropriate and effective risk management system to facilitate the business units to continuously identify, evaluate and monitor risks to business objectives;
- Support management to assess and respond to emerging risks;
- Lead in modifying the control procedures of identified and/or potential irregularities at the business units;
- Assist in developing and updating the policies and procedures to ensure that key control and monitoring procedures over compliance and risk management have been integrated into the daily operations; and
- Regularly report key risks and advise mitigating strategies to the management and Audit Committee.

3.2b 2nd Line of Defence – Internal Audit

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business.

As alternative, the Audit Committee as delegated by the Board, has engaged an internal control consultant, as its risk management and internal control review adviser to conduct the annual review of the risk management and internal control systems for the year ended 31 March 2026. For details, please refer to section 3.1 Board of Directors/Audit Committee.

3.2c External Auditor

The external auditor further supplements the Internal Audit, the 2nd Line of Defence, by providing independent review on internal controls in relation to financial reporting process during the course of its audit work. The external auditor would report on any control issues to the Audit Committee.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

Company secretary is to ensure there is a good information flow within the Board and between the Board and senior management, provides advice to the Board in relation to directors' obligations under the Listing Rules and applicable laws and regulations and assists the Board in implementing the corporate governance practices. Company secretary has provided his training records to the Company indicating his compliance with the training requirement under Rule 3.29 of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' DEALING IN SECURITIES

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

CONSTITUTIONAL DOCUMENTS

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. During the year ended 31 March 2026, no amendments were made to the constitutional documents of the Company.

DIVIDEND POLICY

The Board adopts the dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

The Board shall also take into account the factors, such as operations, earnings, financial condition, cash requirements and availability, capital expenditure, future development requirements, business conditions and strategies, interests of shareholders, any restrictions on payment of dividends of the Group and any other factors that the Board may consider relevant when considering the declaration and payment of dividends.

SHAREHOLDERS' RIGHTS

Under the Hong Kong Companies Ordinance (Cap. 622), shareholders holding at least 5% of the paid up capital of the Company ("5% Shareholder") may convene an extraordinary general meeting by requisition stating the objects of the meeting, and deposit the signed requisition at the Company's registered office (Units 407–410, Tower 2, Silvercord, No. 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong. Attention: The Company Secretary). Any 5% Shareholder may make a request for the circulation of resolutions to be moved at a general meeting; and circulation of statements regarding resolution proposed. The special documents should be deposited at the Company's registered address as detailed above.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a policy of disclosing clear and relevant information to the Shareholders in a timely manner. The general meetings of the Company provide a forum for communication between Shareholders and the Directors. The Directors and the external auditors will attend the annual general meetings. The Directors will answer questions raised by the Shareholders on the performance of the Group.

Review of the general meeting proceedings is carried out by the Board from time to time so as to ensure that the Company has followed the best corporate governance practices. Notice of the general meeting together with the circular setting out details of each of the proposed resolutions (including procedures for demanding a poll where required under the CG Code), voting procedures and other relevant information are delivered to all the Shareholders with sufficient notice as required under the Listing Rules and the Articles of Association of the Company before the date appointed for the general meeting. At the commencement of the general meeting, procedures for demanding (where required) and conducting a poll are explained by the chairman of the meeting to the Shareholders and the votes cast are properly counted and recorded by the scrutineer appointed by the Company. Poll results of the general meeting are posted on the websites of the Company and the Stock Exchange on the day of the general meeting.

The Company's website (www.seapnf.com.hk) also contains a "Released Documents" section which enables the Shareholders to have timely access to the Company's financial reports, announcements and circulars.

The Board has reviewed the implementation of the shareholders' communications policy and is satisfied that it is effective for the Board to understand the views and opinion of the Shareholders through the available channels.

REPORT OF THE DIRECTORS

The Directors submit their report and the audited consolidated financial statements for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are investment holding and property investment. The activities of the subsidiaries are set out in note 48 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segment is set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2026 are set out in the consolidated financial statements on pages 82 to 188 of this report.

The Board has recommended the payment of a final dividend of HK3 cents per ordinary share (2025: HK3 cents per ordinary share), in respect of the year ended 31 March 2026 to all Shareholders whose names appear on the register of members of the Company on 28 August 2026.

DONATIONS

Charitable and other donations made by the Group amounted to HK\$102,200 (2025: HK\$Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment are set out in note 16 to the financial statements.

BUSINESS REVIEW AND PERFORMANCE

A review of the business of the Group during the year ended 31 March 2026 and a discussion on the Group's future business development, principal risks and uncertainties that the Group may be facing are provided in the "Management Discussion and Analysis" on pages 6 to 12 of this Annual Report.

The financial risk management of the Group can be found in note 46 to the consolidated financial statements.

An analysis of the Group's performance during the year ended 31 March 2026 using financial key performance indicators is provided in the "Management Discussion and Analysis" on pages 6 to 12 and "Five Years Financial Summary" on page 192 of this Annual Report.

Discussion on the Group's environmental policies, compliance with relevant laws and regulations and relationships with its key stakeholders (including employees, customers and suppliers) which have a significant impact on the Group's operation are provided in the "Environmental, Social and Governance Report" on pages 40 to 74 of this Annual Report.

REPORT OF THE DIRECTORS

SHARE ISSUED AND SHARE CAPITAL

Details of the shares issued in the year ended 31 March 2026 are set out in note 38 to the consolidated financial statements.

PROPERTIES

Details of the major properties held for investment, under development and held for own use are set out on pages 189 to 191 of the annual report.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 254 employees as at 31 March 2026 (2025: 246 employees). Employees were remunerated according to the nature of job and market trend.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2026, calculated under Part 6 of the new Hong Kong Companies Ordinance (Cap. 622), amounted to HK\$308,985,311 (2025: HK\$322,768,388).

BANK LOANS

Particulars of bank loans and as at 31 March 2026 and 2025 are stated in note 32 to the consolidated financial statements.

PARTICULARS OF DEBT SECURITIES, CONVERTIBLE SECURITIES OR OPTIONS ISSUED BY THE COMPANY AND ITS SUBSIDIARIES

The Company and its subsidiaries have not issued, during the year ended 31 March 2026, any debt securities, convertible securities or options.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's purchases and sales for the year attributable to the major suppliers and customers respectively were as follows:

Percentage of purchases attributable to the Group's largest supplier	33%
Percentage of purchases attributable to the Group's five largest suppliers	88%
Percentage of sales attributable to the Group's largest customer	19%
Percentage of sales attributable to the Group's five largest customers	44%

None of the directors or their associates, nor does any shareholder owning (to the knowledge of the directors) more than 5% of the Company's issued share capital, hold any interest in the share capital of the suppliers and customers noted above.

The Group believes that good relationships with both customers and suppliers are key for the Group's success. To improve the Group's overall performance, the Group has closely monitoring its customers and suppliers through setting rules and policies.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Chua Nai Tuen (*Chairman*)
Mr. Nelson Junior Chua (*Managing Director*)
Mr. Richard Sy Tan

Non-executive Directors

Mr. Chan Man Hon, Eric
Mr. Jimmy Siy Tiong (retired on 22 August 2025)
Mr. Tsai Han Yung
Ms. Vivian Chua
Ms. Shirley Tan Siy (appointed on 22 August 2025)

Independent Non-executive Directors

Mr. Chan Siu Ting
Mr. Tsui Ka Wah
Dr. Luk Siu Chuen
Mr. Kam Cheuk Sun

REPORT OF THE DIRECTORS

In accordance with Article 103(A) of the Articles of Association of the Company, Mr. Nelson Junior Chua, Mr. Chan Man Hon, Eric, Mr. Chan Siu Ting and Dr. Luk Siu Chuen, shall retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election at the AGM.

None of the Directors proposed for re-election at the 2026 AGM has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out in pages 3 to 5 of this annual report.

DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 31 March 2026, the directors of the Company had the following beneficial interests, all being long positions, in the share capital of the Company, the subsidiaries and associates of the Company:

		Number of shares held			% of the Issued Share Capital
		Personal Interests	Family Interests	Corporate Interests	Other Interests
(a) The Company					
(Ordinary shares)					
Chua Nai Tuen	8,333,296	—	97,669,758	—	47.02
(Note 1)					
Nelson Junior Chua	6,954,391	—	—	—	3.09
Richard Sy Tan	—	1,000,000	—	—	0.44
Tsai Han Yung	5,120,490	—	—	—	2.27
Vivian Chua	1,040,000	—	—	—	0.46
Shirley Tan Siy	1,000,000	—	—	—	0.44
(b) Nan Sing Plastics Limited					
(Ordinary shares)					
Chua Nai Tuen	—	—	6,965	—	4.64

REPORT OF THE DIRECTORS

	Number of shares held				% of the Issued Share Capital
	Personal Interests	Family Interests	Corporate Interests	Other Interests	
(c) Titan Dragon Properties Corporation					
(Capital stock of Peso1,000.00 per share)					
Chua Nai Tuen	12,799	—	4,000	—	10.50
Nelson Junior Chua	3,200	—	—	—	2.00
Shirley Tan Siy	—	—	—	1	0.00
(d) Hang Sheng Development Corp.					
(Capital stock of Peso100.00 per share)					
Chua Nai Tuen	19,200	—	6,000	—	21.00
Nelson Junior Chua	4,800	—	—	—	4.00
Shirley Tan Siy	1,200	—	—	—	1.00
(e) Embassy Hills Properties Inc.					
(Capital stock of Peso100.00 per share)					
Chua Nai Tuen	—	—	—	1 (Note 2)	0.00
Shirley Tan Siy	—	—	—	1 (Note 2)	0.00

Notes:

1. The shares regarding 'Corporate interests' in which Mr. Chua Nai Tuen was taken to be interested as stated above were the interests of corporations in general meetings of which he was either entitled to exercise (or was taken under Part XV of the Securities and Futures Ordinance (the "SFO") to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations.
2. The share was held as trustee.

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange pursuant to the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers:

- (a) there were no interests, both long and short positions, held as at 31 March 2026 by any of the directors or chief executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), and
- (b) there existed during the financial year no rights to subscribe for shares, underlying shares or debentures of the Company which were held by any of the directors or chief executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercises during the financial year of any such rights by any of them.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties, other than persons who are Directors of the Company, which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company and the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at 31 March 2026 as recorded in the register kept by the Company under section 336 of the SFO:

	No. of Ordinary Shares held	% of the Issued Share Capital
J & N International Limited ("J & N") (<i>Note 1</i>)	59,435,758	26.37
Sonliet Investment Company Limited ("Sonliet Investment") (<i>Note 1</i>)	38,234,000	16.96
Mr. Chua Nai King (<i>Note 2</i>)	21,204,931	9.41
Julius Baer Trust Company (Singapore) Limited ("Julius Baer") (<i>Note 2</i>)	16,880,140	7.49
Loriking Limited ("Loriking") (<i>Note 2</i>)	16,880,140	7.49

Notes:

1. For the avoidance of doubts and double counting, it should be noted that J & N's and Sonliet Investment's interests are entirely duplicated with Mr. Chua Nai Tuen's interests.
2. For the avoidance of doubts and double counting, it should be noted that Julius Baer's and Loriking's interests are entirely duplicated with Mr. Chua Nai King's interests.

All the interests stated above represented long positions and as at 31 March 2026, there were no short positions recorded in the said register.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as "Related Parties" under applicable accounting principles. These mainly relate to transactions entered into by the Group in the ordinary course of business and on an arm's length basis. Details are set out in note 43 to the consolidated financial statements.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group paid consultancy fee of HK\$884,175 (2025: HK\$1,195,241) to Sonliet Investment Company Limited, in which Mr. Chua Nai Tuen, the Director of the Company, is the controlling shareholder and also director.

During the year, a tenancy agreement was made on arm's length basis in connection with the leasing of a premises owned by Sonliet Realty Company Limited, a company controlled by Mr. Chua Nai Tuen, to Nan Sing Warehouse Limited, a subsidiary of the Company. The total amount of lease payment by the Group during the year was HK\$1,418,250 (2025: HK\$1,431,000).

The above transactions fall within the continuing connected transactions under the Rule 14A.33 of the Listing Rules and were exempted from the reporting, announcement and independent shareholders' approval requirements.

Save for contracts amongst the Group and the aforementioned transaction, no other significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTOR'S AND MANAGEMENT EMOLUMENTS

Particulars of director's emoluments and the five highest paid individuals in the Group are set out in notes 14 and 15 to the financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2026, none of the Directors nor their respective associates was interested in any business which is considered to compete or is likely to compete, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

MANAGEMENT CONTRACTS

No contracts for the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

PERMITTED INDEMNITY PROVISIONS

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 taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover the certain legal actions brought against its directors and officers.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 March 2026.

AUDITOR

Grant Thornton Hong Kong Limited, the auditor of the Company, will retire at the conclusion of the forthcoming AGM of the Company and be eligible to offer themselves for re-appointment. A resolution will be submitted to the forthcoming AGM to seek Shareholders' approval for the re-appointment of Grant Thornton Hong Kong Limited as the Company's auditor until the conclusion of the next AGM.

REPORT OF THE DIRECTORS

DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 20 August 2025, SAP Realty Company Limited, a subsidiary of the Company, as borrower (the “Borrower”) and the Company, together with Hotel Benito Management Limited and Nan Sing Plastics Limited, both subsidiaries of the Company, as guarantors entered into a facility agreement (the “Facility Agreement”) with a bank (the “Lender”), pursuant to which the Lender has granted the Borrower a term loan facility up to an aggregate principal amount of HK\$285,000,000 (the “Facility”). The Facility will be used to refinance the Borrower’s existing indebtedness and to finance the unpaid construction costs and professional fees for the superstructure works for Hotel Benito at No. 7 Cameron Road, Tsim Sha Tsui, Kowloon, Hong Kong.

Pursuant to the Facility Agreement, the Borrower has undertaken to ensure that Mr. Chua Nai Tuen, the Chairman of the board of directors and the controlling shareholder of the Company, remains the single largest shareholding interest of the Company, otherwise the Facility shall be cancelled and all outstanding amounts (including principal, accrued interest and all other amounts accrued) owing by the Borrower to the Lender under the Facility Agreement shall become immediately due and payable.

FORWARD-LOOKING STATEMENTS

This annual report contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company’s control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

On behalf of the Board

Chua Nai Tuen

Chairman

Hong Kong, 29 June 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SCOPE AND REPORTING PERIOD

This is the tenth environmental, social and governance report (the “Report”) prepared by Southeast Asia Properties & Finance Limited (the “Company”, together with its subsidiaries referred to as the “Group”), highlighting its environmental, social and governance (the “ESG”) performance, with disclosure reference made to the Environmental, Social and Governance Reporting Code as described in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

REPORTING BOUNDARY

The Group is principally engaged in property investment, development and leasing, hotel operation, manufacturing and distribution of plastic packaging materials, broking and securities margin financing.

This ESG Report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of below four operational locations in Dongguan, the People’s Republic of China (the “PRC”), and Hong Kong, from 1 April 2025 to 31 March 2026 (the “Reporting Period”), unless otherwise stated.

- the manufacturing operation under the brand name of “Nan Sing” in Chinese Mainland (hereafter “Nan Sing”);
- the hotel operation under the brand name of “Hotel Benito” in Hong Kong (hereafter “Hotel Benito”) since 28 July 2025;
- the operation of co-working space in Hong Kong (hereafter “Everglory Centre”); and
- the headquarter in Hong Kong (hereafter the “Headquarter”).

Nan Sing is located in Dongguan, the PRC; Hotel Benito is located in Tsim Sha Tsui, Hong Kong; and the property and financial services, and other daily business operations are located within the Everglory Centre and the Headquarter, both in Tsimshatsui, Hong Kong.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant environmental and social issues, key stakeholders have been involved to help the Group to meet its potential growth and prepare for future challenges.

Based on our assessment, key material issues raised by the stakeholders all focused on environmental and social aspects. Followings topics have been deemed as the most important by stakeholders:

- Air emission
- Packaging materials
- Energy use and efficiency
- Wastes management
- Development and Training
- Labour Standards
- Customer Privacy and Customer Service
- Anti-corruption

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at general@seapnf.com.hk.

THE GROUP'S SUSTAINABILITY MISSION AND VISION

A key mission of the Group is to extend the environmental protection and social welfare. The Group adopts cleaner production principles and integrates management on product quality, environmental protection, and labour management, aiming to reach the optimum balance to achieve maximum profit, responsibility and satisfaction for stakeholders.

The Group continues to introduce state-of-the-art pollution control facilities to reduce energy and other resources use. Policy-wise promotion on environmental protection has also been implemented among internal employees and suppliers. The Group reinforced several environmental protection policies including Environmental Health and Safety Policy and Carbon Emission Reduction Program, to further standardize environmental health and safety management and emission reduction practices.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

BOARD STATEMENT ON ESG GOVERNANCE

The Board holds the overall responsibility on the ESG strategy and reporting. The ESG working group that is made up of the Group's key management personnel is responsible for identifying material ESG issues, collecting relevant ESG data periodically and ensuring appropriate ESG risk management and internal control system has been established. The ESG working group is also responsible for formulating relevant ESG policies and procedures in line with the ESG strategy set out by the Board. Meetings are arranged regularly by the Board to evaluate the effectiveness of current policies and procedures and formulate appropriate solutions to improve the overall ESG performance.

REPORTING PRINCIPLES

During the preparation for this ESG Report, the Group has applied the reporting principles in Appendix C2 as follows:

Reporting principles	Application
Materiality	During the reporting period, materiality assessment was conducted to identify key aspects of the Group's long-term sustainability. Please refer to "Stakeholder engagement and materiality" for more details.
Quantitative	This ESG report has disclosed the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).
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 judgements of stakeholder.
Consistency	The KPIs used, methods and other relevant factors are substantially unchanged, comparing to the previous year. For changes in scope of disclosure and calculation methodologies, proper disclosures and explanations are provided.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL

The major environmental impacts were generated from Nan Sing. During the manufacturing of plastic packaging materials, exhaust gas has been properly vented and filtered before releasing to the atmosphere. Minimal hazardous waste is generated on-site.

Direct and indirect environmental impacts generated by the Group during the Reporting Period mainly included the following activities: (1) consumption of gasoline and diesel (for Group-owned vehicles) and town gas; (2) consumption of purchased electricity and town gas; and (3) processing of freshwater and sewage. Their corresponding emissions were calculated and presented in section A1.

The Group is aware of the importance of environmental protection. An activated carbon adsorption and regenerative catalytic oxidation (RCO) system was installed to deal with the VOCs emissions in the printing workshop of Nan Sing. The RCO system utilizes a packed bed system with activated carbon as adsorbents, where the activated carbon comes in contact with the gaseous stream to remove pollutants by adsorbing them onto the activated carbon. A follow-up combination of oxygen (O) with outlet VOCs (CXHY) is reacted within the RCO system. Through heat recovery in the RCO system, a large amount of energy is saved as the heat exchanger allows the inlet gas temperature rises to reaction temperature by absorbing heat released during combustion processes. In case that the reaction temperature is not reached, extra heat will be supplied via the automatic control system (the programmable logic controller (PLC) system) to make the reaction a complete combustion, achieving a removal rate of over 97% for the exhaust gas.

In addition, Nan Sing installed a real-time energy management system provided by a professional energy auditing firm, which enables the Group to visualize the energy consumption, to monitor and analyze the energy reduction opportunities, and to prevent waste of energy. The energy visualization LCD panel has been installed at the doorway of Nan Sing, all employees would have observed it, potentially leading to an energy education and/or promotion of environmentally-friendly behaviors.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas (GHG) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste had been identified during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1. Emissions

A1.1 Air Emissions

VOCs from printing workshop was the major direct on-site air emissions generated at Nan Sing. Non-methane hydrocarbon from film blowing workshops and cooking fumes from canteen are other types of air emissions at Nan Sing. All on-site air emissions were monitored and met the emission level set by both national standards – Integrated Emission Standard of Air Pollutants (GB16297-1996) and local standard – Emission Limit of Air Pollutants (DB44/27-2001).

Direct air emissions, including both GHG and non-GHG were generated from the consumption of gasoline and diesel for group-owned vehicles and consumption of purchased town gas for Hotel Benito. Indirect GHG emissions, due to the Group's activity but owned or controlled by another entity were also generated from the consumption of purchased electricity and town gas, and processing of freshwater and sewage.

As Hotel Benito, Everglory Centre and the Headquarter did not generate major air emissions, no such data is presented in this Report.

Vehicle Operation and Emissions

Passenger cars operated on gasoline as well as lorries operated on diesel were used for daily business operations. Their combustion generated several air emissions include nitrogen oxides (NO_x), sulphur oxides (SO_x) and respiratory suspended particles (PM).

Non-GHG Emission	Mobile fuel source	2026 (kg)	2025 (kg)
NO _x	Gasoline and diesel	702.22	704.63
SO _x	Gasoline and diesel	1.1	1.29
PM	Gasoline and diesel	52.08	51.73

Note: Emission factors for calculations on environmental parameters throughout the Report were made reference to Appendix C2 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

Town Gas Consumption and Emissions

During the Reporting Period, town gas supplied by The Hong Kong and China Gas Company Limited was used for Hotel Benito, resulting in an annual consumption of 17,998 MJ of town gas. The consumption of town gas generated SO_x and NO_x were 0.0004 kg and 0.07 kg, respectively.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1.2 Hazardous Waste

Hazardous waste generated at Nan Sing included waste oil and ink bottles and thinner bottles, all of which were recollected by suppliers, without recording the waste amount. Other hazardous waste materials including waste cloth containing waste ink were treated according to the local standard and were all subject to the supervision by local Environmental Protection Agency. To further avoid regulatory and operational risks, the Group has established contracts with special waste collectors, by transportation in barrel and using incineration treatment methods specified in the contract.

Hazardous waste type per National Catalogue of Hazardous Wastes		Hazardous waste name	2026 (tonnes)	2025 (tonnes)
HW12		Waste ink	0.27	0.37
HW49		Waste activated carbon	2.68	6.52
HW49		Waste cloth containing ink	0.47	0.55

For Hotel Benito, Everglory Centre and the Headquarter, their business operations did not involve generation of significant hazardous wastes, hence no such data is presented in this Report.

A1.3 Non-hazardous Waste

Major non-hazardous waste generated at Nan Sing mainly included: waste office paper, waste packaging materials, other non-office paper, and the scrap materials during production. Scraps were reused/re-manufactured at Nan Sing to reduce on-site waste generation as well as for economic purposes.

Non-hazardous waste generated in Hong Kong mainly included: waste office paper, waste packaging materials, and other non-office paper such as newspapers and cardboard.

Non-hazardous waste	2026 (tonnes)	2025 (tonnes)
Office paper	0.15	0.73
Packaging materials	1.7	2.3
Other non-office paper	5.9	5.2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1.4 Emissions Targets and Initiatives

The air pollution control system installed in Nan Sing effectively control the VOCs and other exhaust gaseous emissions during film blowing and printing processes. The exhaust gas from the printing shop can be centrally collected and discharged. Everglory Centre and the Headquarter did not involve any significant direct emissions hence no information related to emission mitigation is presented.

In alignment with the national goal of achieving carbon neutrality, the Group aims to reduce carbon emissions from its business operations gradually in Nan Sing of at least 3% as a 3-year target using financial year 2024/25 as baseline year. During the year, the carbon emissions dropped and will continue to reduce the carbon emission to achieve 3-year target. To effectively reduce its emission, the Group is dedicated to monitor and control its direct emissions from vehicle use for transportation through key approaches as follows:

- Avoid unnecessary transportation by utilising appropriate logistical planning, arranging transportation time, maximising load factors and transportation efficiency.
- Reduce fuel consumption by maintaining good driving habits, including turning off idling engines when stopping and not rushing to brake and accelerate.
- Improve energy efficiency by ensuring all vehicles are in good conditions.

A1.5 Wastes Reduction Targets and Initiatives

Nan Sing formulated the Waste Control Guidelines to regulate waste management. The practices brought in a waste reduction, resource saving, as well as economic benefits for the Group. For example:

- the Group reused incoming wooden pallets without any new purchase;
- the on-site industrial waste generation was largely reduced by re-using production scraps during the manufacturing processes;
- proper training and daily supervision were provided to production personnel to reduce the generation of scrap materials;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- the incoming waste packaging materials such as waste paper, wood pallets were internally maintained, repaired, and reused whenever possible, or further collected by qualified companies;
- waste categorization bins were provided to control the separation of hazardous and non-hazardous waste, and increase recovery of recyclable waste; and
- waste paper was collected and treated by designated department (e.g. pressing) for downstream recycling.

In Everglory Centre and the Headquarter, we encourage employees to adopt pro-environmental behaviors such as printing paper on both sides.

To better manage its impacts of wastes discharge to the environment, the Group set a target of reducing the hazardous waste and non-hazardous waste at least 3% as a 3-year target using financial year 2025/26 as baseline year. The Group will continue to find more ways to improve both hazardous and non-hazardous waste for achieving target. The Group will continue identifying areas to better manage and improve the waste management system, to further reduce waste generation and the burden to landfill.

A2. Use of Resources

A2.1 Energy Consumption

Total electricity consumption by the Group was 9,557,560 Kilowatt-hour (kWh) (2025: 9,996,716 kWh) during the Reporting Period. Due to different operational nature, the intensity was calculated separately for each site.

Direct energy source (electricity)	2026		2025	
	Consumption (kWh)	Intensity (kWh/m ²)	Consumption (kWh)	Intensity (kWh/m ²)
Nan Sing	8,486,500	1,697	9,781,540	1,956
Hotel Benito	852,449	388	–	–
Everglory Centre	103,366	114	101,880	112
Headquarter	115,245	172	113,296	169
Total	9,557,560		9,996,716	

Consumption of gasoline, diesel and town gas were converted to indirect energy consumption.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indirect energy source	2026		2025	
	Direct consumption	Indirect consumption (kWh)	Direct consumption	Indirect consumption (kWh)
Gasoline (in liter)	461	4,202	1,687	15,377
Diesel (in liter)	67,992	685,354	78,473	791,001
Town gas (in MJ)	17,998	4,999	–	–
Total		694,555		806,378

Note: Conversion factors were made reference to IEA Energy Statistics Manual and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

A2.2 Water Consumption

The Group did not consume a significant amount of water for its business activities. The total water consumption for the Group was 29,990 m³ (2025: 31,304 m³) during the Reporting Period. Water has been consumed for commercial and domestic purposes as the manufacturing processes in Nan Sing does not involve consumption of water. The water bill in the Headquarter was paid by the building management hence no information related to the consumption data is presented.

Site	2026		2025	
	Water consumption (m ³)	Intensity (m ³ /m ²)	Water consumption (m ³)	Intensity (m ³ /m ²)
Nan Sing	26,106	5.22	31,202	6.24
Hotel Benito	3,777	1.72	–	–
Everglory Centre	107	0.12	102	0.11
Total	29,990		31,304	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A2.3 Energy Use Efficiency Targets and Initiatives

Nan Sing was the major energy user and the Group has formulated the Energy Management Procedures and Guidelines to regulate relevant activities. In detail, the following energy saving measurement and achievements were recorded:

- the Group has replaced most of the lighting system to energy efficient LED lighting system; with an ultimate goal of replacing all old lighting system;
- the clean production audit was completed, and relevant energy conservation and emission reduction measures were carried out according to the clean production audit plan, so that the total VOCs emissions per unit product and the comprehensive energy consumption per unit product were greatly reduced; and
- old motors were replaced by energy-saving motors, resulting a reduction in energy consumption.

For Hotel Benito, the following energy saving and efficiency schemes were implemented:

- using energy efficient LED lighting systems for public areas;
- using motion sensing lights for wardrobe in hotel rooms;
- pre-setting room temperature for public areas at 25 degrees Celsius; and
- placing signs in hotel rooms to encourage guests to reuse bedsheets and towels.

Electricity was the most significant source of emission in office settings, consequently, employees are reminded to switch off lights, air conditioners, computers, monitors and equipment before leaving work.

By formulating the system for energy utilization and implementing measures on energy conservation and emission reduction, the Group continues to improve energy efficiency. Using financial year 2024/25 as baseline year, the Group aim to reduce energy consumption gradually in Nan Sing of at least 3% as a 3-year target by inspiring its employees on conservation habitats and regularly monitor the consumption of energy. During the year, the energy consumption dropped and will continue to reduce energy consumption to achieve a 3-year target.

A2.4 Water Use Efficiency Targets and Initiatives

The Group's business operation did not involve any significant use of water and has no issues on sourcing water during the Reporting Period. Dual flush toilets were installed at Hotel Benito. For Nan Sing, Everglory Centre and the Headquarter, water was mainly used for domestic purpose, hence no information in relation to water use efficiency initiatives is presented in this Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A2.5 Packaging Material Targets and Initiatives

Nan Sing consumed packaging materials, which are mainly cartons and gummed paper purchased from outside suppliers. The Group set target to reduce at least 3% as a 3-year target using financial year 2025/26 as baseline year. The Group targets to explore the possibilities to improve the recyclability of packaging materials in the future. Certain waste cartons and packaging paper have been collected by qualified recyclers during the Reporting Period.

No major packaging materials were involved for business operations in Hong Kong.

A3. The Environment and Natural Resources

For the production processes, Nan Sing has formulated Chemical Control Procedures to manage the use of chemicals, mainly including lacquer thinner, solvent ink, and water-based ink. All chemicals were stored in a special warehouse, accessible only by designated personnel, who was responsible for the management of chemicals. Production department can only claim for a certain amount of chemicals for daily consumption not exceeding a pre-set quota, to ensure no excess chemicals stored in the production workshop.

In addition to the chemical usage, the major impacts on the environment were the air pollution caused by exhaust gases, with the new treatment facility installed, it is expected that air pollutants will be further controlled and reduced. The indirect impacts caused by the consumption of electricity has been identified as another major source of environmental impacts. The Group is actively planning to apply for the cleaner production certification, while strengthening environmental protection and reducing energy consumption.

The Group's water consumption and wastewater discharge have been managed properly to minimize impacts on the regional water body. Domestic wastewater has been treated at on-site septic tanks before discharging into the municipal wastewater pipelines.

The Group's production does not cause a major impact on the surrounding acoustic environment. Various machinery and cooling tower all meet the requirements.

The Group will continue to keep a close eye on any updates of relevant laws and regulations.

Environmental impacts of the business operations in Hong Kong were not significant during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL

I. Employment and Labour Practices

B1. Employment

Several internal procedures including the Guidelines and Policies for the Management of Social Responsibility, the Employment Management Procedure, the Labour and Welfare Control Procedure, the Human Resources Management Procedure continue to serve as the guideline and working procedure to manage employment and labour-related practices. During the Reporting Period, there were no major changes in employment policies for the Group's business operation.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

Employees' rights and benefits, including public holidays, annual paid leave, sick leave, maternity leave have been formulated and executed per the Labour Law of the PRC, Labour Contract Law of the PRC, Salary Payment Regulations of the PRC, and the Employment Ordinance in Hong Kong. Employees have been provided with medical insurance, social insurance coverage, housing provident fund in the PRC, and mandatory provident fund in Hong Kong. Free accommodation and discounted meal plans have also been provided to Nan Sing employees.

Equal opportunity is provided to all employees in respect of promotion, appraisal, training, development and other aspects. Employees are not discriminated against or deprived of opportunities based on gender, nationality, ethnic background, religion, political affiliation, age, marital status, and physical disability.

As at 31 March 2026, the Group had a total number of 254 employees (2025: 246 employees).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	2026	2025
Total number of employees	254	246
By employee type		
Full-time	252	245
Part-time	2	1
By employee category		
Senior management	6	10
Middle management	51	48
Frontline and other staff	197	188
By age group		
18–25	9	2
26–35	14	14
36–45	55	63
46–55	89	85
56 or above	87	82
By gender		
Male	151	151
Female	103	95
By region		
Chinese Mainland	195	199
Hong Kong	59	47

The overall staff turnover rate was around 19% (2025: 6%) during the Reporting Period, all turnover staff were full-time employees. Among the total 49 (2025: 14) employees who left the Group, 15 (2025: 10) were frontline staff in Nan Sing, 29 (2025: Nil) were mostly frontline staff in the Hotel Benito, such high turnover is a common phenomenon in the manufacturing industry in Chinese Mainland and in the hotel industry in Hong Kong.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	2026	2025
Number of employees left	49	14
Turnover rate	19%	6%
By employee category		
Senior management	1	1
Middle management	4	–
Frontline and other staff	44	13
By age group		
18–25	3	4
26–35	8	–
36–45	9	1
46–55	15	6
56 or above	14	3
By gender		
Male	31	9
Female	18	5
By region		
Chinese Mainland	15	10
Hong Kong	34	4

Note: The employee turnover rates are calculated using number of employees leaving employment during the year and divided by total number of employees at the year end.

B2. Health and Safety

The Group has in place internal safety guidelines to provide employees with a safe workplace and ensure compliance with relevant laws and regulations in Chinese Mainland and Hong Kong. The Group has formulated the Environmental Health and Safety Policy and Environmental Health and Safety Management Procedures to manage employee environmental health and safety. The Group specially implemented following schemes to ensure a healthy and safe working environment for employees, and to minimize the potential risk of work-related accidents and injuries:

- hiring an external testing company to test the workshop environment to ensure the indoor air pollutants were all within the permissible level;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- performing internal checks using company-owned noise meter, volatile organic compounds sensor and hygrometer;
- providing annual occupational disease inspection for employees who were exposed to chemical products and/or who worked in workshops with a high level of noise;
- providing personal protective equipment such as helmet, masks, gloves, and earplugs to workshop employees; and
- installing new exhaust gas system and treatment facility in the workshop to strengthen ventilation.

The Group strictly follows relevant laws and regulations such as Law of the PRC on the Prevention and Control of Occupational Diseases, and Law on Safety Production. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to occupational health and safety had been identified during the Reporting Period.

Work-related minor injuries cases were reported in Nan Sing. The Group will continue to evaluate the potential causes leading to the past work injuries and identify corresponding measures to enhance the safety working environment.

	2026	2025	2024
Work-related fatality	–	–	–
Work injury cases > 3 days	3	3	2
Work injury cases ≤ 3 days	2	1	–
Total lost days due to work injury	140	158	37

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B3. Development and Training

The Human Resources Management Procedure continues to serve to manage employee development and training, guiding orientation training, on-the-job training activities, as well as training effects measurement. Training needs were identified at the end of each year, according to the employees' performance and feedback, the changes of the external environment, and forecast of production and development trends.

General training sessions provided to employees included those organized by the human resource department such as orientation, quality, operation skills, and management system training. The training effects have been measured through written examinations, interviews, and on-site operation assessment. In addition, external training such as management and leadership skills training were provided to management personnel.

A total of 239 (2025: 230) employees of the Group received 1,046 (2025: 1,192) hours of training during the reporting period.

	2026		2025	
	% of employees trained	Average training hours	% of employees trained	Average training hours
By gender				
Male	100	4.37	97	5.31
Female	83	4.39	88	4.95
By employee category				
Senior management	83	15	50	17.50
Middle management	65	5.52	73	6.19
Frontline and other staff	100	3.93	100	4.67

Notes:

1. The percentage of employees trained is calculated using number of trained employees divided by number of employees at the end of reporting period.
2. Average training hours per employee are calculated using total training hours divided by number of employees trained for the year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B4. Labour Standards

The Group strictly follows the Labour Law of the PRC, the labour Contract Law of the PRC, the Law on the Protection of Minors, and the Employment Ordinance in Hong Kong to manage labour practices. Internally, the Employment Management Procedure continues to guide recruitment policies, to eliminate recruitment of child or forced labour.

Background checks were conducted for new employees and all employees must show their original identity card to prove their legal identity. In case of any child or forced labour encountered, labour contract will be ceased immediately, and the Group will report to the legal entity. The Group would also investigate the causes of improper events and discipline against the wrongdoer. During the Reporting Period, no non-compliance in relation to labour standards as required by related laws and regulations was noted, and there was no child nor forced labour in the Group's business operation.

II. Operating Practices

B5. Supply Chain Management

The Group has standard procedures for engaging suppliers and contractors related to its business operation. A supplier vetting process included but not limit to background check and market reputation, is required for all new suppliers, which are adhered under the Group's corporate culture of integrity and professional standard.

For Nan Sing production, key suppliers were reviewed and screened carefully to ensure that their quality, price, and production capability meet the Group's expectations and standards.

Hotel Benito maintained a preferred supplier list, they have undergone the year-end evaluation to ensure high standards of their products and/or service provided on a continuous basis.

The Group performs annual evaluation of the supplier's performance regarding the safety, validity, quality and traceability of product. A qualified test report is required for evaluation process and the authenticity of the report will be identified by procurement department. Poor performance identified will be requested for corrective actions. If no improvements have been made for three times, the suppliers will be delisted. The Group encourages suppliers to maintain a high standard on business ethics and conducts, with satisfactory environmental and social performance. The Group takes note of such details during the procurement process and will terminate the business relationship with the suppliers with negative past records of material environmental or social issues, such as excessive pollutions, discharges to the environment, exploitation of workers and safety incidents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group maintained stable business relationship with all its suppliers. As at 31 March 2026 the Group had a total number of 105 (2025: 40) suppliers. To avoid excessive reliance on sole suppliers, we have two to three regular suppliers for each type of purchased material to ensure supply continuity.

	2026	2025
By geographical region		
Chinese Mainland	32	35
Hong Kong	71	3
Others	2	2

B6. Product Responsibility

Product Labelling, Health and Safety, and Advertising

The Group ensures that any labelling information and marketing materials do not contain any misleading content. Specific standards have been followed such as GB 21660 (2008): The general requirement for environment protection, safety, identification and marking of plastics shopping bags.

The Group strictly abided by applicable laws and regulations to guide marketing, advertising, and trading activities such as the Advertisement Law of the PRC, the Customs Law of the PRC, Foreign Trade Law of the PRC.

For packaging materials produced at Nan Sing that are particularly used in food industry, the Group applies national, industrial, and company-specific standards to ensure consumer's health and safety, including for example GB 4806.6-2016 National Food Safety Standard Plastic Resin used in Food-contact. During the Reporting Period, no products sold or shipped subject to recalls for health and safety reasons.

For Hotel Benito, all staff have received appropriate training in hygiene matters that are in line with their work activity and to maintain high standards of hygiene in working areas.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided had been identified during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Quality Assurance

The Group formulated specific customer complaint handling processes to manage any complaints received from clients. The Control Procedures on Non-Compliance and Potentially Unsafe Products assures the packaging product quality at Nan Sing. The procedure oversees the quality management from incoming materials to the manufacturing process and outgoing products. The quality personnel will examine the returned products, Customer Complaints Handling Form will be filled, root causes analysis will be performed on complaints, followed by corrective measures if needed. Preventive measurement will be implemented to avoid future mistakes. The Group applies various national, industrial, and company-specific standards during the product quality assurance and quality control, including for example:

- GB/T 2410-2008 Determination of the Luminous Transmittance and Haze of Transparent Plastics
- GB 13022-91 Plastics – Determination of Tensile Properties of Films
- GB 4806.6-2016 National Food Safety Standard Plastic Resin used in Food-contact

In Nan Sing, we strive for providing the best products to our customer and will handle all queries and complaints on timely manner. We will continue monitor and provide sufficient training to our employees in order to maintain high standard of our products. No major complaints were received or products sold subject to recalls for health and safety reasons during the Reporting Period, while five feedback pertaining to the product minor deficiencies in batch production have been handled in a timely manner, with effective communication with customers, replacement or refund, and enhancement of quality control carried out to improve our product quality.

For Hotel Benito, the Group formulated customer services policy to ensure high-quality services are provided to customers. No major complaints were received during the Reporting Period, other minor complaints have been handled in a timely manner, with effective communication with customers carried out to avoid any misunderstanding.

Customer Data Protection

The Group acknowledges the importance of protecting privacy and confidentiality of its customers' information. The Group prohibits the use of any personal information of clients by other parties for direct marketing purposes, without the explicit and implicit consent of the client. Collection of personal information is used for said purposes only.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group issued the Policies & Procedures – Information Technology to prevent data leakage and misuse or abuse of customer sensitive information. For example, the Group utilizes separate broadband services for hotel guests and hotel internal use to ensure hotel network security. Anti-virus software and firewall are installed on all networked servers and constantly updated to prevent virus attack and external hacking.

Intellectual Property

The Group has constantly monitored trademarks (e.g. “Nan Sing” and “Hotel Benito”) and domain names, which were also renewed upon their expiration. To protect clients’ intellectual property rights, the Group signed a confidentiality agreement with clients when appropriate. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to intellectual property rights had been identified during the Reporting Period.

B7. Anti-corruption

The Group is committed to managing all businesses without undue influence and has regarded honesty, integrity, and fairness as its corporate culture. The Group issued Prevention of Bribery and Corruption policy to remind all employees that no one may solicit or accept, without the prior and specific approval of the top management, for his/her personal benefit and advantage, in money or in kind, from any customers, guests, brokers, vendors, suppliers, dealers, or person having business relation with the Group.

The Group has strictly monitored the implementation of relevant policies and procedures for anti-corruption and anti-money laundering. The Group continues to adopt basic elements of an anti-money laundering program, including:

- formulating written internal policies, procedures and controls;
- performing ongoing employee training for those responsible for carrying out transactions, initiating or establishing business relationships; and
- conducting internal audit function.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group continues to implement its whistleblowing policy for all levels and operations under the Group to raise concerns, in confidence, about possible improprieties in any matter related to the Group such as misconduct and malpractice. Employees who raise true and appropriate allegations will be treated fairly, and are protected from unfair dismissal, harm, or improper disciplinary actions, even if the allegations raised cannot be proven. Any matters of genuine concern are to be thoroughly investigated by the management and actions will be taken accordingly. The Group ensures that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption. The Board would monitor the aforesaid implementation and arrange training related to anti-corruption and anti-bribery on a regular basis.

The Group has not violated, engaged to violate any law relating to corruption. The Group has not been involved in, or seek to engage in, money laundering. The Group has not aided, abetted, assisted or colluded with an individual who has committed, or conspired to commit any unlawful activities. No legal case regarding corrupt practices brought against the Group or its employees; nor non-compliance with relevant laws and regulations that have a significant impact on the Group relating to corruption, bribery, fraud and money laundering had been identified during the Reporting Period.

B8. Community Investment

Guided by its corporate culture as a responsible corporate citizen, we care about the well-being of our society and the development of our community. We showed our passion to the society by engaging in various community activities held by local organizations. The Group's approach towards community involvement includes the followings:

- Fulfil corporate social responsibility through the sustainable development strategy to expand its efforts in the areas of charity work.
- Provide career opportunities to the locals and promoting the development of the community's economy.
- Encourage our staff to participate in voluntary services and charitable activities.

In the future, the Group will continue to participate actively in social welfare activities to better serve the community and seek for opportunities to get involved in various community programs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CLIMATE-RELATED DISCLOSURES

In alignment with the recent enhancements to the ESG Reporting Guide under the Listing Rules, the Group is committed to enhancing its climate change preparedness and resilience. The following disclosures are structured around the four core pillars recommended by the Taskforce on Climate-related Financial Disclosures (TCFD): Governance, Strategy, Risk Management, and Metrics and Targets.

Governance

Governance body	Role description
The Board	– Oversees the Group's overall climate-risk strategy and implementation – Reviews and approves the climate-related disclosures – Sets and monitors the Group's climate risks metrics and targets – Reviews climate-related strategy, policy and the progress of targets set
The ESG working group	– Implements the Group's climate risk management strategy, policy and initiatives – Monitors updates on regulatory requirements regarding climate-related issues – Collects and manages the Group's climate-related data – Provides recommendations on climate-risk target setting and identifies improvements

Strategy

In overseeing the Group's strategy, major transaction decisions, risk management processes and related policies, the Board systematically evaluates climate-related risks and opportunities that could materially impact the Group, ensuring they are embedded in the Group's strategic objectives. During the reporting period, the Board and the ESG working group convened regularly to deliberate on and review the Group's exposure to climate-related risks and opportunities, assess progress against climate-related performance objectives, and review climate-related disclosures in the ESG report. The assessment evaluated the potential impact on the Group's business operations and value chain based on key factors: (i) the severity of the impact on financial performance, (ii) the likelihood of occurrence, and (iii) the expected speed of materialization. Based on the degree of impact, climate-related risks were prioritized and assessed relative to other types of risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To enhance competency and maintain appropriate skills for overseeing strategies designed to respond to climate-related risks and opportunities, the Group provides regular ESG-themed capacity-building sessions for both the Board and the ESG working group. These sessions address critical topics such as climate trends, regulatory requirements, and potential financial and operational impacts. To facilitate the integration of climate considerations into strategic decision making and planning cycles across different business functions, the Group has identified several climate related risks that could impact its business and operations, categorised as short term, medium-term, and long-term.

Risks	Time horizon	Effects on business model	Effects on value chain	Responses
Physical risks				
Acute risk	Short term	Extreme weather events such as typhoons and floods may result in damage to facilities and work suspension, which increase the risk of failure to meet contract milestones and customers' urgent work requirements.	Delay in delivery of raw material for production. Delay in goods delivery schedule to customers.	Established emergency plan for manufacturing process and logistic arrangement.
Chronic risk	Long term	The changes in weather patterns such as level of precipitation and the temperature may affect utility costs for cooling and water supply.	Increase in energy consumption, repair and maintenance costs.	Implement energy saving measures and identify energy-efficient machinery and hotel facilities.
Transition risks				
Policy and legal risks	Medium term	The tightening of laws and regulations on climate change will impose stricter requirements on carbon emissions, energy consumption and other aspects of the Group's operations, resulting in higher operating and compliance cost.	Increased compliance requirements imposed on selection of suppliers and machinery.	Procure legal liability insurance. Keep track of the updates of the regulatory reporting obligation, policies and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risks	Time horizon	Effects on business model	Effects on value chain	Responses
Technology risk	Medium term	Failure to efficiently integrate the rapid evolution of green technology and increasing environmental standards could erode the demand for the products and services.	Increase cost of purchase for environment materials and machinery. Increase research and development costs to reduce the environment emission impact in our operation.	By sourcing suppliers who are leaders in environmental innovation to drive continuous improvement in the environmental performance of our products and hotel facilities.
Market risk	Medium term	A significant and sustained shift in consumer preference for environmentally sustainable materials are driving a structural transformation in the market. A failure to promptly integrate sustainable materials and functions into our product lines and services may erode the competitiveness and weaken market demand.	Increase cost of purchase for environment materials and machinery.	To maintain competitive edge by closely monitoring evolving customer preferences through structured market analysis and feedback mechanisms, and by continuously enhancing the environmental attributes of our products and services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risks	Time horizon	Effects on business model	Effects on value chain	Responses
Reputation risk	Medium term	Expectations regarding climate performance are rapidly escalating across the Group's stakeholder ecosystem. Regulators are implementing stricter disclosure, investors are integrating climate risk into capital allocation decisions, and consumers are favouring sustainable brands. Any perceived failure to meet these standards, or negative publicity related to climate strategy, may pose a material risk to investor sentiment and directly impact the share price and erode long-term shareholder value.	Negative ESG issues such as poor waste management, excessive water usage, or labor issues on construction sites directly impact guest perception and affect the hotel occupancy rate. Any sourcing decision that is perceived to damage the environment can severely damage the brand name.	To provide investors and regulators with clear, consistent, and comparable data on climate risks, emissions, and mitigation strategies. Sourcing suppliers that demonstrate strong climate performance and prioritize the use of sustainable materials and machinery.
Opportunities	Time horizon	Effects on business model	Effects on value chain	Responses
Opportunities of resource efficiency	Long term	Enhancing energy efficiency across the workplace operations presents a significant dual opportunity to reduce the environmental footprint while simultaneously lowering the operational expenditure.	Reduced energy consumption directly lowers major operating expenses, improving profit margins.	To embed energy efficiency into workplace culture and invest in energy-efficient development to maximize resource efficiency and cost savings across the operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To ensure a comprehensive assessment of climate-related risks and opportunities throughout its business development, the Group considered key variables such as global temperature increase pathways, policy developments, and varying impact time horizons. Accordingly, scenario assumptions and parameters were selected from the Intergovernmental Panel on Climate Change (“IPCC”) Sixth Assessment Report (AR6) and the Network for Greening the Financial System (“NGFS”) Phase 5 public release. These scenarios are aligned with the characteristics of the Group’s industry and its strategic objectives. By assessing both low-emission and high-emission scenarios, the Group seeks to gain a deeper understanding of the potential impacts of climate change and to enhance the robustness of its long-term strategic planning. The Group analyses the current impacts of climate risks and opportunities, as well as their expected impacts over the short, medium and long term (up to 2030, 2040, and 2050). In the scenario analysis, the Group assumes that its climate-related policies and reporting scope will remain unchanged within the expected impact range of the risks.

Scope	Same as the reporting boundary
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Scenario used	
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	<i>IPCC for physical risks</i>
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	SSP 1-2.6: Global warming reaches 2°C. Governments’ social, economic and clean energy transitions align with historical trends. Stringent policies amplify transition risks for enterprises, while physical risks remain notable.
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	SSP 5-8.5: Global warming exceeds 4°C. Delayed government climate action, stalled emission reduction/adaptation and insufficient policies drive extreme climate impacts, increasing enterprises’ immediate and long-term physical risks.
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	<i>NGFS for transition risks analysis:</i>
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	Net Zero 2050: Early adoption of stringent climate policies. By reducing energy demand and advancing low-carbon technologies, it aims to limit global warming to well below 1.5°C and achieve global net-zero carbon dioxide emissions around 2050.
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	Current Policies: Only currently implemented climate policies remain in place, leading to continued growth in Greenhouse gas (“GHG”) emissions. Global warming is projected to exceed 3°C, resulting in severe physical risks.
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Management

The Group has incorporated the identification, evaluation, prioritisation and monitoring of climate-related risks and opportunities into its overall risk management framework, thereby embedding climate considerations into its day-to-day operations and enabling an effective response to climate-related challenges. This integration is aligned with the Group's existing risk governance structure, and no material changes were made to the underlying processes during the year. Under the integrated risk management approach, climate-related risks are managed in accordance with established procedures to ensure systematic identification, robust evaluation, effective prioritisation and ongoing monitoring.

Identification

The Group conducts climate-related scenario analyses to facilitate a comprehensive and objective assessment of potential climate-related risks and opportunities across all operational locations, ensuring coverage throughout key stages of the value chain. Identified physical risks include flooding and extreme weather events that may result in asset damage or operational disruption, while transition risks encompass policy, technological and market challenges.

Evaluation

The Group performs a comprehensive assessment to analyse the potential impacts of identified climate-related risks and opportunities on its business model, value chain and financial performance, taking into account both the severity of impact and the likelihood of occurrence.

Prioritisation

Based on the evaluation outcomes, climate-related risks and opportunities are prioritised according to their relative significance and probability. This prioritisation process is aligned with the Group's broader risk management framework and strategic objectives, supporting informed decision-making.

Monitoring

Climate-related risks are subject to continuous monitoring in response to ongoing developments in climate science, regulatory requirements and market expectations. The Group regularly update its scenario analyses and risk management practices to maintain resilience and ensure alignment with international standards, including HKEX climate-related disclosure requirements. Key findings are reported to management on a regular basis to ensure timely oversight and appropriate response.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Metrics and Targets

In alignment with the Code and international climate-related disclosure standards, the Group discloses its Greenhouse Gas (“GHG”) emissions and related intensity metrics under the Metrics and Targets framework. The following table summarises Scope 1, Scope 2 and Scope 3 GHG emissions for the Reporting Period and last corresponding period:

GHG Emission		2026 (tonnes of CO ₂ eq.)		2025 (tonnes of CO ₂ eq.)	
			%		%
Scope 1					
Direct GHG emissions	Gasoline and diesel ¹	180.70	3.7	211.80	4.0
Town gas (stationary)		1.00			
Scope 1 total		181.70			
Scope 2					
Indirect GHG emissions	Purchased electricity ²	4,660.82	95.8	5,059.10	95.5
Purchased town gas		0.21			
Scope 2 total		4,661.03			
Scope 3					
Other Indirect GHG emissions	Freshwater and sewage	23.55	0.5	24.41	0.5
Scope 3 total		23.55			
Total GHG		4,866.28	100.0	5,295.31	100.0

Notes:

1. Emission factors were made reference to Appendix C2 to the Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.
2. Emission factor (EF) of 0.49 and 0.50 kg CO₂eq./kWh (2025: 0.51 and 0.38 kg CO₂eq./kWh) was used for purchased electricity in Dongguan and Hong Kong, respectively during the Reporting Period.
3. Emission factor (EF) of 0.55 kg CO₂eq./unit was used for scope 2 GHG of purchased town gas.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

There were 4,866.28 tonnes (2025: 5,295.31 tonnes) of carbon dioxide equivalent (CO₂eq.) GHG (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation during the Reporting Period. The GHG reported included the following activities and scopes:

- Direct (scope 1) GHG emissions from the consumption of gasoline, diesel, and town gas;
- Energy indirect (scope 2) GHG emissions from purchased electricity and town gas; and
- Other indirect (scope 3) GHG emissions from municipal freshwater and sewage processing.

Other indirect GHG emissions during the Reporting Period such as those from waste paper landfilling, mitigated GHG from paper recycling, and business air travel were excluded due to their insignificant impact.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENT INDEX

ENVIRONMENTAL		Section Reference
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.	• Environmental
KPI A1.1	The types of emissions and respective emissions data.	• Emissions
KPI A1.2	Repealed on 1 January 2025	• Repealed on 1 January 2025
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	• 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.	• Emissions
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	• 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).	• Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	• Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	• 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.	• Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	• Use of Resources

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL		Section Reference
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	• 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.	• The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Repealed on 1 January 2025	• Repealed on 1 January 2025
SOCIAL		Section Reference
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.	• Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	• Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	• Employment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL

Section Reference

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.	• Employee 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.	• Employee Health and Safety
KPI B2.2	Lost days due to work injury.	• Employee Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	• Employee 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.	• Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	• Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	• Development and Training

Aspect B4: Labour 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.	• Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	• Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	• Labour Standards

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL		Section Reference
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	• Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	• 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.	• 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.	• 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.	• Supply Chain Management
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.	• Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	• Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	• Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	• Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	• Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	• Product Responsibility

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL		Section Reference
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.	• Anti-corruption
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.	• Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	• Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	• Anti-corruption
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.	• Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	• Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	• Community Investment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CLIMATE-RELATED DISCLOSURE REQUIREMENTS

Governance	Description of: (a) the Board's oversight of climate-related risks and (b) opportunities; and the integration of climate governance into the Group's overall governance and sustainability framework.	• Climate-related Disclosures
Strategy	Information on: (a) the climate-related risks and opportunities identified over short, medium and long term; (b) the impact of climate-related risks and opportunities on the Group's business model, strategy and financial planning; and (c) scenario analysis conducted to assess potential impacts of climate change under different timeframes and conditions.	• Climate-related Disclosures
Strategy	Description of: (a) the processes for identifying, assessing and managing climate related risks; and (b) how these processes are integrated into the Group's overall risk management framework.	• Climate-related Disclosures
Metrics and Targets	Information on: (a) the metrics used to assess climate-related risks and opportunities (including Scope 1, Scope 2 and Scope 3 GHG emissions, resource consumption and intensity ratios); and (b) the targets set to manage climate-related risks and opportunities, and performance against these targets.	• Climate-related Disclosures

INDEPENDENT AUDITOR'S REPORT



To the members of Southeast Asia Properties & Finance Limited
(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Southeast Asia Properties & Finance Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 82 to 188, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, 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 Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities. We have also 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.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

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

Valuation of investment properties

Refer to notes 2.6, 4.1 and 18 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2026, the Group had investment properties amounting to HK\$744,004,007. Loss arising from change in fair value of investment properties amounting to HK\$45,713,311 was recognised in the consolidated statement of profit or loss during the year ended 31 March 2026. The estimate of the fair value of the Group's investment properties requires significant management estimation and judgement, taking into account the conditions and locations of the properties, as well as the latest market transactions. The Group has engaged independent external valuers ("Valuers") to perform valuations on the investment properties at the end of the reporting period. We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with significant management estimation and judgement associated with when determining the fair value.	Our audit procedures to assess the valuation of investment properties included: – evaluating the competence, capabilities and objectivity of the Valuers; – obtaining an understanding from the Valuers about the valuation methodologies, significant unobservable inputs and critical judgement on key inputs and data used in the valuations; – assessing the reasonableness of valuation methodologies used by the Valuers; – assessing the reasonableness of significant unobservable inputs used by the Valuers by comparing them to publicly available information of similar comparable properties; – evaluating the reasonableness of adjusting factors on the conditions and locations of the properties made by the Valuers by comparing them with historical adjusting factors applied, comparability and other market factors for similar properties; and – discussing the valuations with the Valuers and challenging the key estimates adopted in the valuations, with the assistance of a property valuation specialist engaged by us.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Cont'd)

Expected credit losses (“ECL”) assessment of trade receivables

Refer to notes 2.9, 4.1, 25 and 46.5 to the consolidated financial statements

The Key Audit Matter

How the matter was addressed in our audit

As at 31 March 2026, the Group had trade receivables of HK\$49,821,740, net of ECL allowance of HK\$6,021,258. The Group recognises ECL allowance for trade receivables by adopting the ECL model. In calculating the ECL allowance, the loss rates are estimated based on probability of default and recovery rate; and exposure of default after consideration of underlying collaterals, if any, and adjusted for forward-looking information that is available without undue cost or effort. To support the management's determination of the ECL, the Group has engaged an independent external valuer (“Valuer”) to perform valuations on the impairment assessment of trade receivables at the end of the reporting period.

We identified the ECL assessment of trade receivables as a key audit matter due to the significance of trade receivables to the consolidated financial statements and the involvement of management judgement and estimates in evaluating the ECL allowance of the Group's trade receivables at the end of the reporting period.

Our audit procedures to assess the ECL assessment of trade receivables included:

- evaluating the competence, capabilities and objectivity of the Valuer;
- discussing the Group's policies and procedures on credit periods given to customers with the management;
- checking, on a sample basis, the aging profile of the trade receivables as at 31 March 2026 to the underlying financial records;
- inquiring the management for the status of each of the material trade receivables past due as at 31 March 2026 and corroborating explanations from the management with supporting evidence, such as understanding on-going business relationship with the customers based on trade records, checking historical settlement records and other correspondence with the customers; and
- assessing the appropriateness of the ECL provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information used to determine the ECL allowance.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Cont'd)

Interests in major associates

Refer to notes 2.3, and 19 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
The Group holds equity interests in Titan Dragon Properties Corporation and Hang Sheng Development Corp. (the “Philippines associates”) (note 19), which are accounted for under the equity method. These associates are primarily engaged in property investment in the Philippines. As at 31 March 2026, the Group’s share of the net assets of the Philippines associates were HK\$242,719,116. The amounts noted below are those in the Philippines associates’ financial statements (i.e. on 100% basis). In the context of our audit of the consolidated financial statements, the key audit matter relating to the Group’s share of the net assets of the Philippines associates is summarised below: Valuation of investment properties – The investment properties held by the Philippines associates represent parcels of land situated in the Philippines (the “Land”). As at 31 March 2026, the investment properties of the Philippines associates were approximately HK\$1,127,045,519. We identified the valuation of the investment properties as a key audit matter relating to Group’s share of the net assets of the Philippines associates due to the significance of the balance to the Philippines associates’ financial statements as a whole, combined with the significant judgement and estimates made by the Philippines associates’ management when determining the fair value.	Our audit procedures to assess the valuation of investment properties of the Philippines associates included: - performing site visit to the Land and obtaining and examining the details in the land title certificates; - obtaining the legal opinion from the lawyer relating to the ownership of the Land and assessing his capabilities, objectivity and competence; - evaluating the competence, capabilities and objectivity of an independent valuer (“Valuer”) engaged by the management of the Philippines associates; - obtaining an understanding from the Valuer about the valuation methodologies, significant unobservable inputs and critical judgement on key inputs and data used in the valuations; - assessing the reasonableness of valuation methodologies used by the Valuer; - assessing the reasonableness of significant unobservable inputs used by the Valuer by comparing them to publicly available information of similar comparable land; and - discussing the valuations with the Valuer and challenging the key estimates adopted in the valuations, with the assistance of a property valuation specialist engaged by us.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2026 annual report of the Company, 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 FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

The directors assisted by the Audit Committee 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. We report our opinion solely to you, as a body, in accordance with section 405 of the 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.

INDEPENDENT AUDITOR'S REPORT

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

As part of an audit in accordance with HKSAAs, we exercise professional judgement 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 (Cont'd)

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters 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.

Grant Thornton Hong Kong Limited

Certified Public Accountants

11th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong SAR

29 June 2026

Wun Ho Chun

Practising Certificate No.: P08307

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

	Notes	2026 HK\$	2025 HK\$
Revenue	6	228,533,157	232,260,459
Cost of sales and services		<u>(163,872,294)</u>	<u>(160,538,684)</u>
Gross profit		64,660,863	71,721,775
Other revenue and other income	7	17,107,468	11,927,771
Loss arising from change in fair value of investment properties	18	(45,713,311)	(36,601,413)
(Loss)/Gain arising from change in fair value of financial assets at fair value through profit or loss ("FVTPL")	10	(3,013,692)	6,479,501
Selling and distribution expenses		(3,561,724)	(4,567,978)
Administrative expenses		(48,094,062)	(48,868,708)
Reversal of/(Provision for) expected credit loss ("ECL") allowance of trade and other receivables	10	1,250,849	(2,054,628)
Other operating expenses		(870,712)	(1,055,468)
Finance costs	8	(19,950,415)	(18,770,984)
Loss on deemed disposal of interest in an associate	19	–	(15,661,473)
Share of results of associates	19	(385,222)	15,975,753
Loss before income tax		(38,569,958)	(21,475,852)
Income tax expenses	9	(3,778,699)	(4,345,315)
Loss for the year	10	<u>(42,348,657)</u>	<u>(25,821,167)</u>
Loss for the year attributable to:			
Owners of the Company		(43,019,807)	(25,568,231)
Non-controlling interests		671,150	(252,936)
		<u>(42,348,657)</u>	<u>(25,821,167)</u>
Loss per share attributable to owners of the Company			
Basic and diluted (HK cents)	12	<u>(19.1)</u>	<u>(11.3)</u>

The notes on pages 88 to 188 are an integral part of these consolidated financial statements. Details of dividends proposed for the year are set out in note 11.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Note	2026 HK\$	2025 HK\$
Loss for the year	10	(42,348,657)	(25,821,167)
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Financial assets at fair value through other comprehensive income ("FVOCI") (non-recycling) – net movement in fair value reserves (non-recycling)		14,045,845	4,711,636
Share of other comprehensive (expense)/income of an associate		(49,668)	26,403,025
Revaluation surplus regarding to transfer from property, plant and equipment and right-of-use assets at cost to investment properties at fair value, net of tax		82,231,551	10,541,626
Remeasurement of long service payment ("LSP") obligations		(35,199)	132,370
		96,192,529	41,788,657
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		12,920,972	(855,314)
Share of other comprehensive expense of associates		(11,855,958)	(5,618,912)
		1,065,014	(6,474,226)
Other comprehensive income for the year		97,257,543	35,314,431
Total comprehensive income for the year		54,908,886	9,493,264
Total comprehensive income attributable to:			
Owners of the Company		53,499,193	9,852,126
Non-controlling interests		1,409,693	(358,862)
		54,908,886	9,493,264

The notes on pages 88 to 188 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 HK\$	2025 HK\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	317,322,651	292,052,569
Right-of-use assets	17	6,051,666	11,233,226
Investment properties	18	744,004,007	669,251,758
Interests in associates	19	257,379,035	270,186,940
Intangible assets	20	981,500	3,201,501
Other assets	21	2,700,000	2,700,000
Financial assets at FVOCI (non-recycling)	22	110,664,827	95,416,457
Loan receivables	23	30,532,416	28,750,351
Prepayment for acquisition of property, plant and equipment	26	1,153,979	1,354,363
Deferred tax assets	36	132,774	344,659
		1,470,922,855	1,374,491,824
Current assets			
Inventories	24	40,506,212	44,756,941
Trade and other receivables	25	51,627,437	58,287,789
Deposits and prepayments	26	4,966,531	3,968,391
Tax recoverable		3,212,382	1,926,173
Investments in debt instruments measured at amortised cost	27	34,315,805	–
Financial assets at FVTPL	27	36,743,500	27,052,000
Trust accounts of shares dealing clients	28	31,617,045	31,490,556
Restricted bank balances	29	1,268,689	–
Cash and cash equivalents	29	56,106,356	74,468,842
		260,363,957	241,950,692
Current liabilities			
Trade and other payables	30	99,084,380	68,508,125
Contract liabilities	31	1,153,107	791,230
Bank loans	32	63,285,565	290,229,378
Lease liabilities	33	1,016,403	1,048,284
Amount due to a non-controlling interest	35	–	3,460,000
Tax payable		2,983,166	3,916,970
		167,522,621	367,953,987
Net current assets/(liabilities)		92,841,336	(126,003,295)
Total assets less current liabilities		1,563,764,191	1,248,488,529

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 HK\$	2025 HK\$
Non-current liabilities			
Bank loans	32	297,431,173	52,551,077
Amount due to an associate	34	51,695,043	57,540,664
Deferred tax liabilities	36	42,579,981	13,353,023
LSP obligations	37	1,056,829	924,322
		392,763,026	124,369,086
Net assets		1,171,001,165	1,124,119,443
EQUITY			
Share capital	38	245,062,941	245,062,941
Reserves		916,072,376	869,311,831
Equity attributable to owners of the Company		1,161,135,317	1,114,374,772
Non-controlling interests		9,865,848	9,744,671
Total equity		1,171,001,165	1,124,119,443

The notes on pages 88 to 188 are an integral part of these consolidated financial statements.

Chua Nai Tuen
Director

Nelson Junior Chua
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the Company						Non-controlling interests HK\$	Total equity HK\$
	Share capital HK\$	Other reserve* HK\$ (Note (a))	Fair value reserve (non-recycling)* HK\$	Property revaluation reserve* HK\$ (Note (b))	Exchange reserve* HK\$	Retained profits* HK\$		
At 1 April 2024	245,062,941	-	19,857,491	4,278,755	23,217,314	843,195,892	1,135,612,393	1,145,715,926
Loss for the year	-	-	-	-	-	(25,568,231)	(25,568,231)	(25,821,167)
Other comprehensive income:								
Financial assets at FVOCI (non-recycling)								
– net movement in fair value reserves (non-recycling)	-	-	4,711,636	-	-	-	4,711,636	4,711,636
Remeasurement of LSP obligations	-	-	-	-	-	131,788	131,788	132,370
Revaluation surplus regarding to transfer from property, plant and equipment at cost to investment properties at fair value, net of tax	-	-	-	10,541,626	-	-	10,541,626	10,541,626
Exchange differences on translation of foreign operations	-	-	-	-	(748,806)	-	(748,806)	(855,314)
Share of other comprehensive income/ (expense) of associates	-	-	26,403,025	-	(5,618,912)	-	20,784,113	20,784,113
Total comprehensive income for the year	-	-	31,114,661	10,541,626	(6,367,718)	(25,436,443)	9,852,126	9,493,264
Share of other reserve of an associate	-	(24,327,146)	-	-	-	-	(24,327,146)	(24,327,146)
2024 final dividends paid (Note 11)	-	-	-	-	-	(6,762,601)	(6,762,601)	(6,762,601)
At 31 March 2025 and at 1 April 2025	245,062,941	(24,327,146)	50,972,152	14,820,381	16,849,596	810,996,848	1,114,374,772	1,124,119,443
Loss for the year	-	-	-	-	-	(43,019,807)	(43,019,807)	(42,348,657)
Other comprehensive income:								
Financial assets at FVOCI (non-recycling)								
– net movement in fair value reserves (non-recycling)	-	-	14,045,845	-	-	-	14,045,845	14,045,845
Remeasurement of LSP obligations	-	-	-	-	-	(34,410)	(34,410)	(35,199)
Revaluation surplus regarding to transfer from property, plant and equipment at cost to investment properties at fair value, net of tax	-	-	-	82,231,551	-	-	82,231,551	82,231,551
Exchange differences on translation of foreign operations	-	-	-	-	12,181,640	-	12,181,640	12,920,972
Share of other comprehensive expense of associates	-	-	(49,668)	-	(11,855,958)	-	(11,905,626)	(11,905,626)
Total comprehensive income for the year	-	-	13,996,177	82,231,551	325,682	(43,054,217)	53,499,193	54,908,886
Acquisition of further interest in a subsidiary	-	23,953	-	-	-	-	23,953	(93,050)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(1,171,513)
2025 final dividends paid (Note 11)	-	-	-	-	-	(6,762,601)	(6,762,601)	(6,762,601)
At 31 March 2026	245,062,941	(24,303,193)	64,968,329	97,051,932	17,175,278	761,180,030	1,161,135,317	1,171,001,165

Notes:

- (a) Other reserve represents (i) the difference between the consideration paid and the proportionate share of the carrying amount of the net assets attributable to the additional interest acquired in a subsidiary and (ii) the Group's share of other reserve of an associate arising from the group reorganisation of the associate in 2024.
- (b) Property revaluation reserve relates to the properties reclassified from owner-occupied properties to investment properties. The accumulated increase in fair value in excess of any impairment losses recognised at the date of reclassification is included in property revaluation reserve, which will be transferred to retained profits upon retirement or disposal of the relevant property.
- * The reserves accounts comprise the Group's reserves of HK\$916,072,376 (2025: HK\$869,311,831) in the consolidated statement of financial position.

The notes on pages 88 to 188 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Notes	2026 HK\$	2025 HK\$
Cash generated from operations	40	37,320,782	63,346,127
Profits tax paid		(5,419,535)	(2,973,725)
<i>Net cash generated from operating activities</i>		31,901,247	60,372,402
Cash flows from investing activities			
Interest received		1,072,839	1,376,028
Dividend received from an associate		517,057	696,384
Dividend received from listed equity securities		1,612,957	1,610,952
Repayment from associates		–	17,365,705
Initial capital injection in an associate		–	(797,328)
Purchases of property, plant and equipment		(14,957,941)	(56,448,366)
Additions to investment properties		(4,549,500)	(7,056,187)
Proceeds from disposal of property, plant and equipment		–	36,817
Proceeds from disposal of investment properties		7,500,000	–
Proceeds from disposal of intangible asset		5,000,000	–
Purchase of investments in debt instruments measured at amortised cost		(57,827,434)	–
Proceeds from disposal of Investments in debt instruments measured at amortised cost		23,863,877	–
Increase in restricted bank balance		(1,268,689)	–
<i>Net cash used in investing activities</i>		(39,036,834)	(43,215,995)
Cash flows from financing activities			
Dividend paid		(7,934,114)	(6,762,601)
Acquisition of further interest in a subsidiary		(93,050)	–
Interest paid	45	(14,441,644)	(19,021,787)
Interest portion of the lease liabilities	45	(33,578)	(25,532)
Principal portion of the lease liabilities	45	(1,384,672)	(1,405,467)
Other finance costs paid	45	(2,022,492)	(1,428,053)
Proceeds from new bank loans	45	296,000,000	203,938,170
Repayment of bank loans	45	(278,063,717)	(192,618,814)
Advance from non-controlling interests	45	–	65,000
Repayment to non-controlling interests	45	(3,460,000)	–
Advance from an associate	45	–	32,908,986
<i>Net cash (used in)/generated from financing activities</i>		(11,433,267)	15,649,902
Net (decrease)/increase in cash and cash equivalents		(18,568,854)	32,806,309
Cash and cash equivalents at beginning of the year		74,468,842	41,844,128
Effect of foreign exchange rate changes, net		206,368	(181,595)
Cash and cash equivalents at end of the year	29	56,106,356	74,468,842

The notes on pages 88 to 188 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

I. GENERAL INFORMATION

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

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

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

These consolidated financial statements for the year ended 31 March 2026 were approved for issue by the board of directors on 29 June 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These annual consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards (which term collectively includes Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and interpretation) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable requirements of the Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRS Accounting Standards and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

These consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial assets which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on the management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.2 Basis of consolidation (Cont'd)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre- or post-acquisition profits are recognised in the Company's profit or loss.

2.3 Associate

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, an investment in an associate is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.3 Associate (Cont'd)

Under the equity method, the Group's interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the year includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on the investment in associate recognised for the year. The Group's other comprehensive income for the year includes its share of associate's other comprehensive income for the year.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Where unrealised losses on assets sales between the Group and its associate are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's other long-term interests that in substance form part of the Group's net investment in the associate, after applying the expected credit loss ("ECL") model to such other long-term interests where applicable.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. At the end of each reporting period, the Group determines whether there is any objective evidence that the investment in associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e. higher of value in use and fair value less costs of disposal) of the associate and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including cash flows arising from the operations of the associate and the proceeds on ultimate disposal of the investment.

In the Company's statement of financial position, interests in associates are stated at cost less impairment losses, unless being classified as held for sale (or included in a disposal group that is classified as held for sale).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation of monetary assets and liabilities at the end of the reporting period are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the end of the reporting period. Income and expenses have been converted into HK\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below and cost of right-of-use assets as described in note 2.13) are initially recognised at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Construction in progress are carried at cost, less any recognised impairment loss. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	Over the shorter of its estimated useful life or lease terms
Hotel	Over the shorter of its estimated useful life or lease terms
Plant and machinery	10%
Furniture, fixtures and equipment	10%–25%
Motor vehicles	20%

Accounting policy for depreciation of right-of-use assets is set out in note 2.13.

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

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.6 Investment properties

Investment properties are land and/or buildings which are owned to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

On initial recognition, investment property is measured at cost, and subsequently at fair value, unless fair value cannot be reliably determined at that time.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Cost of investment property held by a lessee as a right-of-use asset are set out in note 2.13.

Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised at the end of the reporting period reflect the prevailing market conditions at the end of the reporting period.

Gains or losses arising from either changes in the fair value or the sale of an investment property are included in profit or loss in the period in which they arise.

If an owner-occupied property becomes an investment property that will be carried at fair value, the Group applies HKAS 16 “Property, plant and equipment” (“HKAS 16”) for owned property or HKFRS 16 “Leases” (“HKFRS 16”) for property held by a lessee as a right-of-use asset up to the date of change in use. Any difference at that date between the carrying amount of the property in accordance with HKAS 16 or HKFRS 16 and the fair value is accounted for in the same way as a revaluation in accordance with HKAS 16.

2.7 Intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

The assets’ amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets with indefinite useful lives are tested for impairment as described below in note 2.18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15 “Revenue from Contracts with Customers” (“HKFRS 15”), all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss (“FVTPL”), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss.

Financial assets are classified into the following categories:

- amortised cost;
- FVTPL; or
- fair value through other comprehensive income (“FVOCI”).

The classification is determined by both:

- the entity’s business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or other revenue and other income, except for provision for ECL allowance of trade and other receivables and loan receivables which is presented as a separate item in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.8 Financial instruments (Cont'd)

Financial assets (Cont'd)

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in “Other revenue and other income” in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group’s cash and cash equivalents, restricted bank balances, trust accounts of shares dealing clients, loan receivables, other assets, trade and other receivables and amount due from an associate fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income and accumulated in “Fair value reserve (non-recycling)” in equity. Such elections are made on an instrument-by-instrument basis, but only be made if the investment meets the definition of equity from the issuer’s perspective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.8 Financial instruments (Cont'd)

Financial assets (Cont'd)

Subsequent measurement of financial assets (Cont'd)

Equity investments (Cont'd)

The equity instruments at FVOCI are not subject to impairment assessment. The cumulative gain or loss in “Fair value reserve (non-recycling)” will not be reclassified to profit or loss upon disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established. Dividends are included in the “Revenue” in the consolidated statement of profit or loss.

Financial liabilities

Classification and measurement of financial liabilities

The Group’s financial liabilities include trade and other payables, bank loans, amount due to an associate, lease liabilities and amount due to a non-controlling interest.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs.

Accounting policies of lease liabilities are set out in note 2.13.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.8 Financial instruments (Cont'd)

Financial liabilities (Cont'd)

Classification and measurement of financial liabilities (Cont'd)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless as at the end of the reporting period, the Group has a right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangement with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

Trade and other payables and amounts due to an associate and a non-controlling interest

Trade and other payables and amounts due to an associate and a non-controlling interest are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2.9 Impairment of financial assets

HKFRS 9 “Financial Instruments” (“HKFRS 9”)’s impairment requirements use forward-looking information to recognise ECL – the “ECL model”. Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“Stage 1”) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“Stage 2”).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.9 Impairment of financial assets (Cont'd)

“Stage 3” would cover financial assets that have objective evidence of impairment at the end of the reporting period.

“12-month ECL” are recognised for the first category while “lifetime ECL” are recognised for the second category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at the end of each reporting period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has individually assessed or established a provision matrix, that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

For ECL assessment of trade receivables arising from manufacturing and distribution of plastic packaging materials and hotel operation, the trade receivables are assessed individually and/or have been grouped based on shared credit risk characteristics and the days past due.

For ECL assessment of trade receivables arising from broking/securities margin financing and leasing, the assessment was performed on individual basis by reference to valuation of collateral and the internal credit rating.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other financial assets measured at amortised cost equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of the reporting period with the risk of default occurring on the financial assets 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 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.9 Impairment of financial assets (Cont'd)

Other financial assets measured at amortised cost (Cont'd)

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 regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

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.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.9 Impairment of financial assets (Cont'd)

Other financial assets measured at amortised cost (Cont'd)

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 collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in note 46.5.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads. It excludes borrowing costs.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.13 Leases

(a) *Definition of a lease and the Group as a lessee*

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognised a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group leases lands. All land in Chinese Mainland is state-owned or collectively-owned and no individual land ownership exists. The Group acquires the right to use certain land. The premiums paid for such right are treated as prepayment for the lease and recognised as right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.13 Leases (Cont'd)

(a) Definition of a lease and the Group as a lessee (Cont'd)

Measurement and recognition of leases as a lessee (Cont'd)

Except for those right-of-use assets meeting the definition of investment properties, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset (except for those meeting the definition of investment properties) for impairment when such indicator exists. Those right-of-use assets meeting the definition of investment properties are subsequently measured at fair value, in accordance with the Group's accounting policies.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.13 Leases (Cont'd)

(a) Definition of a lease and the Group as a lessee (Cont'd)

Measurement and recognition of leases as a lessee (Cont'd)

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

(b) The Group as a lessor

As a lessor, the Group classifies its leases as operating leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

The Group also earns rental income from operating leases of its investment properties. Rental income is recognised on a straight-line basis over the term of the lease.

2.14 Provisions

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

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.15 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.16 Revenue recognition

Revenue arises mainly from the sales of goods and rendering of services.

To determine whether to recognised revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.16 Revenue recognition (Cont'd)

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

Sales of goods

Revenue from sales of goods is recognised when the Group transfers control of the assets to the customer. Control transfers at the point in time when the goods are delivered to the customers.

Brokerage commission

The Group provides broking, dealing and handling services for securities, futures and options contracts. Brokerage commission is recognised at a point in time on the execution date of the trades at a certain percentage of the transaction value of the trades executed.

Hotel operation income

Hotel operation income is recognised over time during the period of stay for the hotel guests.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of ECL allowance) of the asset.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Rental income from operating leases

Accounting policies for rental income are set out in note 2.13.

Handling fee income from stock broking, transportation fee income and accounting fee

Handling fee income from stock broking, transportation fee income and accounting fee are recognised when the services are rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income is presented in gross under “Other revenue and other income” in the consolidated statement of profit or loss.

2.18 Impairment of non-financial assets

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Interests in associates;
- Right-of-use assets; and
- The Company’s interests in subsidiaries and associates

Intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset’s carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Corporate assets are allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.18 Impairment of non-financial assets (Cont'd)

Impairment loss is charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.19 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans. In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to long service payment ("LSP") if the eligibility criteria are met. The LSP are defined benefits plans.

(a) Defined contribution plans

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund ("MPF") Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of its payroll costs to the central pension scheme.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.19 Employee benefits (Cont'd)

Retirement benefits (Cont'd)

(b) Defined benefit plans

The amount of long service benefit that an employee will receive on cessation of employment in certain circumstances is defined by reference to the employee's length of service and corresponding salary. The legal obligations for any benefits remains with the Group.

The LSP obligations recognised in the consolidated statement of financial position is the present value of the LSP obligation at the end of the reporting period.

Management estimates the LSP obligations annually. This is based on the discount rate, the salary growth rate, turnover rate and the expected investment return on offsetable MPF accrued benefits. Discount factors are determined close to the end of each annual reporting period by reference to government bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related LSP obligations.

Defined benefit costs are recognised as follows:

- service cost (including current and past service cost, and gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses resulting from remeasurements of the net defined benefit liability, comprising actuarial gains and losses, are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.19 Employee benefits (Cont'd)

Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.20 Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.21 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.21 Accounting for income taxes (Cont'd)

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

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

For investment property measured using the fair value model in accordance with the accounting policy above, the measurement of the related deferred tax liability or asset reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale, unless 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.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.21 Accounting for income taxes (Cont'd)

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- income or loss excluding reversals of temporary differences; and
- reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

- Property investment, development and leasing
- Hotel operation
- Manufacturing and distribution of plastic packaging materials
- Broking and securities margin financing

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group used for reporting segment results under HKFRS 8 "Operating Segments" ("HKFRS 8") are the same as those used in its financial statements prepared under HKFRS Accounting Standards, except that the following items are not included in arriving at the operating results of the operating segment:

- share of results of associates and loss on deemed disposal of interest in an associate;
- finance costs;
- income tax expense; and
- corporate income and expenses which are not directly attributable to the business activities of any operating segment.

Segment assets include all assets but exclude corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's head office.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include bank loans which are not directly attributable to the business activities of any operating segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.23 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group and the sponsoring employers are also related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

3.1 Amended HKFRS Accounting Standards that are effective for annual period beginning on 1 April 2025

In the current year, the Group has applied for the first time the Amendments to HKAS 21 “Lack of exchangeability”, which are effective for the Group’s consolidated financial statements for the annual period beginning on 1 April 2025.

The amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments do not have a material impact on the financial statements of the Group.

3.2 Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

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

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective date not yet determined

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS (Cont'd)

3.2 Issued but not yet effective HKFRS Accounting Standards (Cont'd)

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS (Cont'd)

3.2 Issued but not yet effective HKFRS Accounting Standards (Cont'd)

HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5 (Cont'd)

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of fair value of investment properties

The Group's investment properties are stated at fair value based on the valuation performed by independent qualified valuers. In determining the fair value, the surveyors have based on methods of valuation which involves certain estimates. In relying on the valuation reports, the directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Should there be any changes in assumptions due to change of market conditions, the fair value of the investment properties will change in future.

Whilst the Group considers valuations of the Group's properties are the best estimates, the high market interest rates and inflation have resulted in greater market volatility, which have led to higher degree of uncertainties in respect of the valuations in the current year.

As at 31 March 2026, the carrying amounts of the Group's investment properties carried at fair value were HK\$744,044,007 (2025: HK\$669,251,758). Details of the fair value measurements are disclosed in note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

4.1 Estimation uncertainty (Cont'd)

Estimation of impairment of trade receivables and loan receivables within the scope of ECL under HKFRS 9

The Group makes allowances on trade receivables and loan receivables subject to ECL based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period as set out in note 2.9. As at 31 March 2026, the aggregate carrying amounts of trade receivables and loan receivables amounted to HK\$49,821,740 (net of ECL allowance of HK\$6,021,258) (2025: HK\$57,358,794 (net of ECL allowance of HK\$7,335,409)) and HK\$30,532,416 (net of ECL allowance of HK\$Nil) (2025: HK\$28,750,351 (net of ECL allowance of HK\$Nil)), respectively.

The provision of ECL is sensitive to changes in estimates. When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade receivables and loan receivables within the scope of ECL under HKFRS 9 and credit losses in the periods in which such estimate has been changed.

Impairment assessment on interests in associates

The management of the Group assesses annually if interests in associates (note 19) have suffered any impairment in accordance with HKAS 36 "Impairment of Assets" ("HKAS 36"). Details of the approach are stated in the accounting policy as set out in notes 2.3 and 2.18. The assessment of value in use requires an estimation of future cash flows from the investments and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause adjustments to their carrying amounts. During the years ended 31 March 2026 and 2025, no impairment loss was provided for interests in associates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

4.2 Critical accounting judgements

Deferred tax on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that Group's investment properties located in Hong Kong are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred tax on investment properties located in Hong Kong, the directors of the Company have determined with the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties located in Hong Kong as the Group is not subject to any income taxes on fair value changes of the investment properties on disposal.

For investment properties located in the Chinese Mainland, deferred taxes are recognised on the fair value changes of investment properties as the Group is subject to capital gain tax upon disposal of the relevant investment properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. SEGMENT INFORMATION

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

Property investment, development and leasing	Investing, developing and leasing properties in Hong Kong and Chinese Mainland
Hotel operation	Provision of hotel services in Hong Kong
Manufacturing and distribution of plastic packaging materials	Manufacturing and distribution of plastic packaging materials
Broking and securities margin financing	Provision of stock and futures broking and provision of securities margin financing

The provision of hotel services in Hong Kong has been one of the businesses of the Group for the year ended 31 March 2026. In July 2025, the hotel of the Group launched and accordingly, the provision of hotel services in Hong Kong is redesignated by the executive directors of the Company as one of the principal businesses of the Group. The results of the provision of hotel services in Hong Kong are also separately reviewed and evaluated for management reporting purposes. In prior year, the results of the provision of hotel services in Hong Kong included in the segment of property investment, development and leasing. Accordingly, the presentation of segment information for the year ended 31 March 2025 has been re-presented to be comparable with the revised reportable segments as required by HKFRS 8.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. SEGMENT INFORMATION (Cont'd)

5.1 Segment revenue and results

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

	Property investment, development and leasing		Hotel operation		Manufacturing and distribution of plastic packaging materials		Broking and securities margin financing		Consolidated	
	2026 HK\$	2025 HK\$ (Re-presented)	2026 HK\$	2025 HK\$ (Re-presented)	2026 HK\$	2025 HK\$	2026 HK\$	2025 HK\$	2026 HK\$	2025 HK\$
Segment revenue										
– from external customers	21,295,189	15,409,210	23,115,817	–	175,903,644	206,932,155	8,218,507	9,919,094	228,533,157	232,260,459
Segment results	12,164,330	4,854,835	(7,347,404)	(3,708,208)	23,057,543	26,183,198	(395,479)	6,252,440	27,478,990	33,582,265
Loss arising from change in fair value of investment properties	(45,713,311)	(36,601,413)	–	–	–	–	–	–	(45,713,311)	(36,601,413)
	(33,548,981)	(31,746,578)	(7,347,404)	(3,708,208)	23,057,543	26,183,198	(395,479)	6,252,440	(18,234,321)	(3,019,148)
Loss on deemed disposal of interest in an associate									–	(15,661,473)
Unallocated finance costs									(19,950,415)	(18,770,984)
Share of results of associates									(385,222)	15,975,753
Loss before income tax									(38,569,958)	(21,475,852)
Income tax expenses									(3,778,699)	(4,345,315)
Loss for the year									(42,348,657)	(25,821,167)
Interest income	(11,035)	(23,606)	(4,519)	(21,303)	(798,268)	(728,032)	(259,017)	(603,087)	(1,072,839)	(1,376,028)
Imputed interest income	(9,139,723)	(9,360,999)	–	–	–	–	–	–	(9,139,723)	(9,360,999)
Loss/(Gain) arising from change in fair value of financial assets at FVTPL	–	–	–	–	–	–	3,013,692	(6,479,501)	3,013,692	(6,479,501)
Depreciation of right-of-use assets	23,085	23,085	–	–	1,584,488	1,824,616	–	–	1,607,573	1,847,701
Depreciation of property, plant and equipment	3,117,567	3,327,737	14,068,836	243,245	4,421,405	4,454,298	162,055	190,616	21,769,863	8,215,896
Gain on disposal of intangible asset	–	–	–	–	–	–	(5,000,000)	–	(5,000,000)	–
Provision for impairment loss on intangible asset	–	–	–	–	–	–	2,220,001	300,000	2,220,001	300,000
(Reversal of)/Provision for ECL allowance of trade and other receivables	–	–	–	–	(1,225,193)	1,316,251	(25,656)	738,377	(1,250,849)	2,054,628

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. SEGMENT INFORMATION (Cont'd)

5.2 Segment assets and liabilities

	Property investment, development and leasing		Hotel operation		Manufacturing and distribution of plastic packaging materials		Broking and securities margin financing		Consolidated	
	2026 HK\$	2025 HK\$ (Re-presented)	2026 HK\$	2025 HK\$ (Re-presented)	2026 HK\$	2025 HK\$	2026 HK\$	2025 HK\$	2026 HK\$	2025 HK\$ (Re-presented)
Assets										
Reportable segment assets	1,161,248,324	1,074,084,607	226,846,305	197,710,908	154,156,706	188,780,469	146,274,362	108,762,595	1,688,525,697	1,569,338,579
Unallocated corporate assets									42,761,115	47,103,937
Total assets									1,731,286,812	1,616,442,516
Liabilities										
Reportable segment liabilities	78,420,485	88,194,141	32,185,633	2,076,238	49,857,919	22,961,660	39,104,872	36,666,582	199,568,909	149,898,621
Unallocated corporate liabilities									360,716,738	342,424,452
Total liabilities									560,285,647	492,323,073
Additions to non-current assets (other than financial instruments and deferred tax assets)	8,757,150	7,935,291	41,664,737	49,876,645	1,856,861	3,283,810	204,248	-	52,482,996	61,095,746

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. SEGMENT INFORMATION (Cont'd)

5.3 Geographical segment

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

	Revenue from external customers		Non-current assets	
	2026 HK\$	2025 HK\$	2026 HK\$	2025 HK\$
Hong Kong (domicile)	71,481,483	48,320,195	886,489,790	906,478,104
Asia (exclude Chinese Mainland, Hong Kong and Philippines)	46,122,963	46,773,374	—	—
Oceania	33,689,162	44,206,874	—	—
Chinese Mainland	46,601,795	57,806,376	197,683,932	85,328,315
North America	14,678,165	18,818,445	—	—
Europe	15,959,589	16,335,195	—	—
Philippines	—	—	242,719,116	255,473,938
	228,533,157	232,260,459	1,326,892,838	1,247,280,357

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. SEGMENT INFORMATION (Cont'd)

5.4 Information about major customers

Revenue from customers contributing over 10% of revenue of the Group is as follows:

	2026 HK\$	2025 HK\$
Manufacturing and distribution of plastic packaging materials		
Customer A	43,566,860	43,637,880
Customer B	25,166,349	30,138,059
	<u>68,733,209</u>	<u>73,775,939</u>

As at 31 March 2026, 6% (2025: 7%) of the Group's trade receivables was due from these customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

6. REVENUE

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

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

	2026 HK\$	2025 HK\$
Revenue from contracts with customers		
Sales of goods	175,903,644	206,932,155
Brokerage commission	4,749,475	4,413,925
Hotel operation income	23,115,817	–
	<u>203,768,936</u>	<u>211,346,080</u>
Revenue from other sources		
Rental and related income	21,295,189	15,409,210
Interest income received from clients	1,856,075	3,894,217
Dividend income from listed equity securities	1,612,957	1,610,952
	<u>24,764,221</u>	<u>20,914,379</u>
Total revenue	<u><u>228,533,157</u></u>	<u><u>232,260,459</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

6. REVENUE (Cont'd)

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15

The Group derives revenue from the transfer of goods and services in the following geographical markets:

	2026 HK\$	2025 HK\$
Geographical markets		
Hong Kong	47,387,378	28,096,880
Asia (exclude Chinese Mainland and Hong Kong)	46,122,963	46,773,374
Chinese Mainland	45,931,679	57,115,312
Oceania	33,689,162	44,206,874
North America	14,678,165	18,818,445
Europe	15,959,589	16,335,195
	203,768,936	211,346,080
	2026 HK\$	2025 HK\$
Timing of revenue recognition:		
At a point in time	180,653,119	211,346,080
Transferred over time	23,115,817	—
	203,768,936	211,346,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. OTHER REVENUE AND OTHER INCOME

	2026 HK\$	2025 HK\$
Interest income	1,072,839	1,376,028
Imputed interest income from amount due to an associate	8,220,548	8,315,424
Imputed interest income from loan to a private company	919,175	1,045,575
Accounting fee received from associates	120,000	120,000
Handling fee income from stock broking	810,755	612,380
Sales of scrap materials	228,968	183,406
Realised profit on the maturity of investments in debt instruments measured at amortised cost	189,277	—
Gain on disposal of property, plant and equipment	—	36,817
Gain on disposal of intangible asset	5,000,000	—
Gain on disposal of investment properties	10,000	—
Government grants	19,689	23,160
Other income (note)	516,217	214,981
	17,107,468	11,927,771

Note: Other income mainly represents transportation fee charged to customers and cash rebate from bank.

8. FINANCE COSTS

	2026 HK\$	2025 HK\$
Interest expenses on:		
Bank loans	14,011,289	18,684,348
Other borrowings	46,750	93,565
Imputed interest expense from amount due to an associate	4,187,927	3,429,460
Bank charges	2,022,492	1,428,053
Finance charges on lease liabilities	33,578	25,532
Finance charges on loan receivables	835,749	1,768,267
Net interest expense on LSP obligations (note 37)	31,047	64,601
Total borrowing costs	21,168,832	25,493,826
Less: Amounts capitalised in the cost of qualifying assets (note)	(1,218,417)	(6,722,842)
	19,950,415	18,770,984

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

9. INCOME TAX EXPENSES

	2026 HK\$	2025 HK\$
Hong Kong Profits Tax		
– Current tax	2,725,710	4,019,212
– Under provision in prior years	50,910	34,429
– Tax concession	(9,000)	(4,500)
	<u>2,767,620</u>	<u>4,049,141</u>
PRC Enterprise Income Tax (“EIT”)		
– Current tax	431,902	509,366
Deferred tax expense/(credit) (note 36)	579,177	(213,192)
Total income tax expense	<u>3,778,699</u>	<u>4,345,315</u>

The provision for Hong Kong Profits Tax for 2026 is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2,000,000 are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2025.

The provision for Hong Kong Profits Tax for the year ended 31 March 2026 takes into account a reduction granted by the Hong Kong Government of 100% of the tax payable for the year of assessment 2025/26 subject to a maximum reduction of HK\$3,000 for each business (2025: a maximum reduction of HK\$1,500 was granted for the year of assessment 2024/25 and was taken into account in calculating the provision for the year ended 31 March 2025).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

9. INCOME TAX EXPENSES (Cont'd)

Reconciliation between tax expenses and accounting loss at applicable tax rates is as follow:

	2026 HK\$	2025 HK\$
Loss before income tax	(38,569,958)	(21,475,852)
Tax on loss before income tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	(6,219,681)	(3,622,102)
Tax effect of non-deductible expenses	12,151,243	11,057,008
Tax effect of non-taxable income	(3,416,871)	(3,093,663)
Tax effect of tax losses not recognised	1,293,251	2,610,158
Tax effect of temporary differences not recognised	30,285	164,984
Tax effect of share of results of associates	63,562	(2,635,999)
Tax concession of Hong Kong Profits Tax	(9,000)	(4,500)
Effect on two-tiered profits tax rates regime	(165,000)	(165,000)
Under provision in respect of prior years	50,910	34,429
Income tax expenses	3,778,699	4,345,315

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

10. LOSS FOR THE YEAR

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

	2026 HK\$	2025 HK\$
Cost of inventories sold	113,717,885	134,668,183
Direct operating expenses for generating rental income	3,094,503	2,174,399
Auditor's remuneration:		
– Audit services	918,000	920,000
– Non-audit services	–	340,000
	918,000	1,260,000
Depreciation:		
– Property, plant and equipment (<i>note</i>)	21,769,863	8,215,896
– Right-of-use assets	1,607,573	1,847,701
	23,377,436	10,063,597
Loss/(Gain) arising from change in fair value of financial assets at FVTPL	3,013,692	(6,479,501)
(Reversal of)/Provision for ECL allowance of trade and other receivables	(1,250,849)	2,054,628
Bad debt written off	–	8,341
Loss/(Gain) on disposal/written off of property, plant and equipment	4,797	(36,817)
Gain on disposal of intangible asset	(5,000,000)	–
Gain on disposal of investment properties	(10,000)	–
Loss on deemed disposal of interest in an associate	–	15,661,473
Provision for impairment loss on intangible asset	2,220,001	300,000
Exchange (gain)/loss, net	(1,349,289)	1,055,468

Note: Depreciation of property, plant and equipment had been included in cost of sales and services and administrative expenses of HK\$17,111,319 (2025: HK\$3,238,846) and HK\$4,658,544 (2025: HK\$4,977,050), respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

11. DIVIDENDS

(a) Dividends attributable to the year:

	2026 HK\$	2025 HK\$
Proposed final dividend of HK3 cents per ordinary shares (2025: HK3 cents per ordinary share)	6,762,601	6,762,601

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

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

	2026 HK\$	2025 HK\$
Final dividends in respect of the previous year, of HK3 cents per ordinary share (2025: HK3 cents)	6,762,601	6,762,601

12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share is based on loss attributable to owners of the Company of HK\$43,019,807 (2025: HK\$25,568,231) and on the weighted average number of 225,420,034 (2025: 225,420,034) ordinary shares in issue during the year.

The diluted loss per share for the years ended 31 March 2026 and 2025 were the same as basic loss per share as there were no dilutive potential ordinary shares in existence for both years.

13. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2026 HK\$	2025 HK\$
Wages, salaries and allowances	42,890,106	37,444,408
Staff benefits	916,829	1,937,764
Contributions to defined contribution pension schemes	2,719,280	2,560,379
Expenses arising from LSP obligations (<i>note 37</i>)	66,261	60,597
	46,592,476	42,003,148

At 31 March 2026, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2025: HK\$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments, disclosed pursuant to the Listing Rules, section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Directors' fees HK\$	Other emoluments		Total HK\$
		Salaries and allowances HK\$	Contributions to retirement benefits scheme HK\$	
2026				
<i>Executive directors</i>				
Chua Nai Tuen (<i>note (i)</i>)	65,000	3,385,275	—	3,450,275
Nelson Junior Chua (<i>note (ii)</i>)	30,000	2,222,375	18,628	2,271,003
Richard Sy Tan	30,000	1,091,750	18,000	1,139,750
<i>Non-executive directors</i>				
Chan Man Hon, Eric	60,000	—	—	60,000
Jimmy Siy Tiong (<i>note (iii)</i>)	30,000	—	—	30,000
Tsai Han Yung	40,000	—	—	40,000
Vivian Chua	30,000	558,917	18,000	606,917
Shirley Tan Siy (<i>note (iii)</i>)	40,000	—	—	40,000
<i>Independent non-executive directors</i>				
Chan Siu Ting	65,000	—	—	65,000
Tsui Ka Wah	65,000	—	—	65,000
Luk Siu Chuen	60,000	—	—	60,000
Kam Cheuk Sun (<i>note (iv)</i>)	50,000	—	—	50,000
	565,000	7,258,317	54,628	7,877,945

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

		Other emoluments		
	Directors' fees HK\$	Salaries and allowances HK\$	Contributions to retirement benefits scheme HK\$	Total HK\$
2025				
<i>Executive directors</i>				
Chua Nai Tuen (<i>note (i)</i>)	65,000	4,714,800	—	4,779,800
Nelson Junior Chua (<i>note (ii)</i>)	30,000	1,130,750	36,000	1,196,750
Richard Sy Tan	30,000	1,052,750	18,000	1,100,750
<i>Non-executive directors</i>				
Chan Man Hon, Eric	60,000	—	—	60,000
Jimmy Siy Tiong (<i>note (iii)</i>)	30,000	—	—	30,000
Tsai Han Yung	40,000	—	—	40,000
Vivian Chua	30,000	545,917	18,000	593,917
<i>Independent non-executive directors</i>				
Chan Siu Ting	65,000	—	—	65,000
James L. Kwok (<i>note (iv)</i>)	65,000	—	—	65,000
Tsui Ka Wah	70,000	—	—	70,000
Luk Siu Chuen	50,000	—	—	50,000
Kam Cheuk Sun (<i>note (iv)</i>)	50,000	—	—	50,000
	<u>585,000</u>	<u>7,444,217</u>	<u>72,000</u>	<u>8,101,217</u>

Notes:

- (i) Mr. Chua Nai Tuen ceased to be the Managing Director (Chief Executive as defined in the Listing Rules) of the Company since 3 April 2025 and his emoluments disclosed above include those for services rendered by him as the Managing Director.

During the year ended 31 March 2026, the Group had provided a staff quarter to Mr. Chua Nai Tuen with rental expenses of approximately HK\$1,442,000 (2025: HK\$2,321,000) which was included in salaries and allowances.

- (ii) Mr. Nelson Junior Chua act as the Managing Director of the Company since 3 April 2025 and his emoluments disclosed above include those for services rendered by him as the Managing Director.

During the year ended 31 March 2026, the Group had provided a staff quarter to Mr. Nelson Junior Chua with rental expenses of approximately HK\$481,000 (2025: HK\$Nil) which was included in salaries and allowances.

- (iii) Mr. Jimmy Siy Tiong retired as an independent non-executive director and Ms. Shirley Tan Siy was appointed as an independent non-executive director with effect from 22 August 2025.

- (iv) Mr. James L. Kwok retired as an independent non-executive director and Mr. Kam Cheuk Sun was appointed as an independent non-executive director with effect from 23 August 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2026 (2025: Nil).

There were no arrangements under which a director waived or agreed to waive any remuneration during the year ended 31 March 2026 (2025: Nil).

15. FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

The five individuals whose emoluments were the highest in the Group for the year included two (2025: two) directors whose emoluments are reflected in the analysis presented above. The aggregate emoluments payable to the remaining three (2025: three) individuals during the year are as follows:

	2026 HK\$	2025 HK\$
Salaries and allowances	5,324,976	5,028,974
Contributions to retirement benefits scheme	36,000	36,000
	<u>5,360,976</u>	<u>5,064,974</u>

The emoluments fell within the following bands:

	Number of employee	
	2026	2025
HK\$2,000,001–HK\$2,500,000	1	1
HK\$1,500,001–HK\$2,000,000	1	1
HK\$1,000,001–HK\$1,500,000	1	1
	<u>1</u>	<u>1</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings carried at cost							
	Located in Hong Kong HK\$	Located in the Chinese Mainland HK\$	Hotel HK\$	Construction in progress HK\$	Plant and machinery HK\$	Furniture, fixtures & equipment HK\$	Motor vehicles HK\$	Total HK\$
Cost								
At 1 April 2024	110,359,646	90,820,182	–	142,745,498	29,033,255	31,188,854	4,747,566	408,895,001
Additions	–	10,432	–	48,057,839	1,708,332	1,828,942	165,548	51,771,093
Disposal and written off	–	–	–	–	(7,446,738)	(7,283,100)	(125,361)	(14,855,199)
Transfer to investment property (note 18)	(16,959,673)	–	–	–	–	–	–	(16,959,673)
Exchange alignments	–	(1,070,648)	–	–	(242,338)	(100,839)	(5,607)	(1,419,432)
At 31 March 2025 and 1 April 2025	93,399,973	89,759,966	–	190,803,337	23,052,511	25,633,857	4,782,146	427,431,790
Additions	4,000,000	–	–	38,696,720	504,070	3,379,915	–	46,580,705
Disposal and written off	–	–	–	–	–	(319,800)	–	(319,800)
Transfer upon completion	–	–	229,500,057	(229,500,057)	–	–	–	–
Transfer to investment property (note 18)	(3,618,064)	–	–	–	–	–	–	(3,618,064)
Exchange alignments	–	5,286,590	–	–	1,295,368	497,857	30,050	7,109,865
At 31 March 2026	93,781,909	95,046,556	229,500,057	–	24,851,949	29,191,829	4,812,196	477,184,496
Accumulated depreciation and impairment								
At 1 April 2024	45,842,668	50,724,541	–	–	23,974,946	25,441,894	3,269,690	149,253,739
Charge for the year	2,823,151	2,148,351	–	–	1,289,389	1,694,696	260,309	8,215,896
Disposal and written off	–	–	–	–	(7,446,738)	(7,283,100)	(125,361)	(14,855,199)
Transfer to investment property (note 18)	(6,367,875)	–	–	–	–	–	–	(6,367,875)
Exchange alignments	–	(612,940)	–	–	(194,101)	(68,649)	8,350	(867,340)
At 31 March 2025 and 1 April 2025	42,297,944	52,259,952	–	–	17,623,496	19,784,841	3,412,988	135,379,221
Charge for the year	2,680,252	2,177,490	13,240,388	–	1,287,517	2,098,995	285,221	21,769,863
Disposal and written off	–	–	–	–	–	(315,003)	–	(315,003)
Transfer to investment property (note 18)	(1,508,004)	–	–	–	–	–	–	(1,508,004)
Exchange alignments	–	3,159,497	–	–	1,032,426	380,695	(36,850)	4,535,768
At 31 March 2026	43,470,192	57,596,939	13,240,388	–	19,943,439	21,949,528	3,661,359	159,861,845
Carrying amounts								
At 31 March 2026	<u>50,311,717</u>	<u>37,449,617</u>	<u>216,259,669</u>	<u>–</u>	<u>4,908,510</u>	<u>7,242,301</u>	<u>1,150,837</u>	<u>317,322,651</u>
At 31 March 2025	<u>51,102,029</u>	<u>37,500,014</u>	<u>–</u>	<u>190,803,337</u>	<u>5,429,015</u>	<u>5,849,016</u>	<u>1,369,158</u>	<u>292,052,569</u>

The Group's buildings and hotel in Hong Kong with carrying amounts of HK\$262,742,815 (2025: buildings and construction in progress in Hong Kong with carrying amounts of HK\$241,905,366) have been pledged to secure general banking facilities granted to the Group (note 32).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

17. RIGHT-OF-USE ASSETS

	Leasehold land and land use right HK\$	Building held under operating lease HK\$	Total HK\$
At 1 April 2024	10,760,364	1,041,451	11,801,815
Lease modification (<i>note 44</i>)	–	1,394,497	1,394,497
Depreciation for the year	(457,627)	(1,390,074)	(1,847,701)
Exchange alignments	(115,385)	–	(115,385)
At 31 March 2025 and 1 April 2025	10,187,352	1,045,874	11,233,226
Transfer to investment property (<i>note 18</i>)	(5,173,735)	–	(5,173,735)
Lease modification (<i>note 44</i>)	–	1,352,791	1,352,791
Depreciation for the year	(223,502)	(1,384,071)	(1,607,573)
Exchange alignments	246,957	–	246,957
At 31 March 2026	5,037,072	1,014,594	6,051,666

Leasehold land and land use right are located outside Hong Kong.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

18. INVESTMENT PROPERTIES

	Under construction HK\$	Completed HK\$	Total HK\$
At 1 April 2024	335,000,000	339,706,515	674,706,515
Additions – subsequent expenditures	7,930,156	–	7,930,156
Loss arising from change in fair value	(12,030,156)	(24,571,257)	(36,601,413)
Transfer upon completion	(225,900,000)	225,900,000	–
Transfer from property, plant and equipment (<i>note 16</i>)	–	10,591,798	10,591,798
Increase in carrying amount of the investment property transferred from property, plant and equipment	–	12,624,702	12,624,702
At 31 March 2025 and at 1 April 2025	105,000,000	564,251,758	669,251,758
Exchange alignments	–	6,624,124	6,624,124
Additions – subsequent expenditures	299,500	–	299,500
Additions – acquisition	–	4,250,000	4,250,000
Disposal	–	(7,490,000)	(7,490,000)
Loss arising from change in fair value	(7,299,500)	(38,413,811)	(45,713,311)
Transfer from property, plant and equipment (<i>note 16</i>)	–	2,110,060	2,110,060
Increase in carrying amount of the investment property transferred from property, plant and equipment	–	1,269,940	1,269,940
Transfer from right-of-use assets (<i>note 17</i>)	–	5,173,735	5,173,735
Increase in carrying amount of the investment property transferred from right-of-use assets	–	108,228,201	108,228,201
At 31 March 2026	98,000,000	646,004,007	744,004,007

The Group's investment properties with carrying amounts of HK\$252,230,000 (2025: HK\$272,116,600) have been pledged to secure general banking facilities granted to the Group (*note 32*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

18. INVESTMENT PROPERTIES (Cont'd)

Fair value measurement

The Group's investment properties were revalued at 31 March 2026 and 2025 by independent professional qualified valuers, K.T. Liu Surveyors Limited and Miles Valuation Advisory Limited, who have the recent experience in the location and category of property being valued.

The following table shows the Group's investment properties measured at fair value in the consolidated statement of financial position on a recurring basis, categorise into three levels of a fair value hierarchy. The levels are based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

18. INVESTMENT PROPERTIES (Cont'd)

Fair value measurement (Cont'd)

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
At 31 March 2026				
<i>Fair value on a recurring basis</i>				
– Commercial building located in Hong Kong	–	–	485,530,000	485,530,000
– Industrial building located in Hong Kong	–	–	17,000,000	17,000,000
– Lands located outside Hong Kong	–	–	118,613,835	118,613,835
– Open space located in Hong Kong	–	–	98,000,000	98,000,000
– Commercial building located outside Hong Kong	–	–	6,763,408	6,763,408
– Residential building located in Hong Kong	–	–	10,800,000	10,800,000
– Residential building located outside Hong Kong	–	–	7,296,764	7,296,764
	<u>–</u>	<u>–</u>	<u>744,004,007</u>	<u>744,004,007</u>

At 31 March 2025

Fair value on a recurring basis

– Commercial building located in Hong Kong	–	–	526,946,600	526,946,600
– Industrial building located in Hong Kong	–	–	15,870,000	15,870,000
– Open space located in Hong Kong	–	–	105,000,000	105,000,000
– Commercial building located outside Hong Kong	–	–	7,266,126	7,266,126
– Residential building located in Hong Kong	–	–	6,710,000	6,710,000
– Residential building located outside Hong Kong	–	–	7,459,032	7,459,032
	<u>–</u>	<u>–</u>	<u>669,251,758</u>	<u>669,251,758</u>

The fair values of the Group's investment properties at 31 March 2026 and 2025 are categorised under Level 3 fair value hierarchy. There were no transfers into or out of Level 3 during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

18. INVESTMENT PROPERTIES (Cont'd)

Fair value measurement (Cont'd)

At the end of the reporting period, the management will (i) verify all major inputs to the independent valuation report; (ii) assess property valuation movements when compared to prior year valuation report; and (iii) discuss with the independent professional qualified valuers.

Fair value adjustment in investment properties is included in “Loss arising from change in fair value of investment properties” in the consolidated statement of profit or loss.

Set out below are information about the fair values of investment properties categorised under Level 3 fair value hierarchy:

	Valuation techniques	Significant unobservable input	Range
Investment properties located outside Hong Kong	Income approach (note (a))	Expected monthly rental value	2026: HK\$62 to HK\$91 per sqm (2025: HK\$65 to HK\$90 per sqm)
		Reversionary yield	2026: 1.6% to 6.5% (2025: 1.5% to 6.5%)
	Market comparison approach (note (b))	Discount/Premium on characteristics of the property	2026: -46% to -15% (2025: N/A)
Investment properties located in Hong Kong	Income approach (note (a))	Expected monthly rental value	2026: HK\$39 to HK\$335 per sq. ft. (2025: HK\$36 to HK\$301 per sq. ft.)
		Reversionary yield	2026: 3.6% (2025: 3.4% to 4.1%)
	Residual method (note (c))	Gross development value per sq. ft.	2026: HK\$8,356 per sq. ft. (2025: HK\$9,280 per sq. ft.)
		Estimated development cost	2026: HK\$638,452,000 (2025: HK\$710,400,000)
		Developer's profit margin	2026: 10% (2025: 15%)
	Market comparison approach (note (b))	Discount/Premium on characteristics of the property	2026: -4% to 21% (2025: -16% to 5%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

18. INVESTMENT PROPERTIES (Cont'd)

Fair value measurement (Cont'd)

Notes:

- (a) The fair values of the investment properties are estimated using an income approach which capitalises the estimated rental income stream, using a discount rate derived from market yields implied by recent transactions in similar properties. In this valuation approach, the total rental income comprises a current passing rental income from the existing tenancies and a potential future reversionary rental income at the market level over the residual land use term.

The most significant inputs, all of which are unobservable, are the estimated rental value and discount rate. The estimated fair value increases if the estimated rental value increases or if discount rate (market yields) decline. The overall valuations are sensitive to these two assumptions. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the discount rate (market yields).

- (b) The fair value of investment properties are estimated using a market comparison approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the properties, including plot size, location, encumbrances and current use.

The significant unobservable input is the premium/discount on quality of the buildings. The extent and direction of the premium/discount depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, the management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions. Generally, an increase in premium/discount on the quality of the buildings would result in a higher/lower fair value measurement.

- (c) The fair value of investment properties are estimated using a residual method. This method involves calculating the gross development value and deducting the estimated development costs and developer's profit. An increase in the gross development value would result in a higher the fair value, and vice versa. An increase in the estimated development costs and developer's profit margin would result in a lower the fair value, and vice versa.

19. INTERESTS IN ASSOCIATES

	2026 HK\$	2025 HK\$
Cost of investments in associates	7,461,640	7,461,640
Amounts due from associates (<i>note (a)</i>)	16,446,598	16,446,598
Share of post-acquisition profits and other comprehensive income (including reserves), net of dividends received	249,917,395	262,725,300
Less: impairment loss recognised on amounts due from associates (<i>note (b)</i>)	(16,446,598)	(16,446,598)
	<u>257,379,035</u>	<u>270,186,940</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. INTERESTS IN ASSOCIATES (Cont'd)

Notes:

- (a) The balances were unsecured, interest-free and had no fixed repayment terms.
- (b) At 31 March 2026, the directors assessed the recoverable amounts of the amounts due from associates by considering profitability, cash flow position, financial position, forecast business development and future prospects of the associates. Based on these assessments, the directors concluded that no impairment loss was reversed (2025: HK\$Nil).

The following list contains only the particulars of associates, all of which are unlisted corporate entities whose quoted market prices are not available, which in the opinion of the directors principally affected the results or net assets of the Group as at 31 March 2026 and 2025.

Name of associates	Country/Place of incorporation/ operation	Issued and fully paid share capital	Proportion of ownership interest held by the Group		Principal activities
			2026 %	2025 %	
Wisestar Holdings Limited ("Wisestar") (note (1))	Hong Kong	HK\$2	47.70	47.70	Dormant
Ongoing Investments Limited ("Ongoing Investments")	British Virgin Islands/Chinese Mainland	US\$100	20.00	20.00	Property investment
Sequin Developments Limited ("Sequin Developments")	British Virgin Islands/Chinese Mainland	US\$100	20.00	20.00	Property investment
Titan Dragon Properties Corporation ("Titan Dragon") (note (2))	Philippines	Peso\$160,000,000	24.50	24.50	Property investment
Hang Sheng Development Corp. ("Hang Sheng")	Philippines	Peso\$12,000,000	49.00	49.00	Property investment

Notes:

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

All associates have a reporting date of 31 March.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. INTERESTS IN ASSOCIATES (Cont'd)

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

(i) Ongoing Investments

	2026 HK\$	2025 HK\$
Current assets	492,977	445,713
Non-current assets	44,024,172	43,774,737
Current liabilities	(1,892,235)	(2,535,600)
Non-current liabilities	(5,855,000)	(5,793,000)
Net assets	36,769,914	35,891,850
Revenue	1,911,777	3,312,992
Profit and total comprehensive income for the year	878,064	669,240

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

	2026 HK\$	2025 HK\$
Net assets of Ongoing Investments	36,769,914	35,891,850
Proportion of the Group's ownership interest in Ongoing Investments	20%	20%
Carrying amount of the Group's interest in Ongoing Investments	7,353,983	7,178,370

For the year ended 31 March 2026, Ongoing Investments did not declare any dividend (2025: HK\$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. INTERESTS IN ASSOCIATES (Cont'd)

(ii) Sequin Developments

	2026 HK\$	2025 HK\$
Current assets	1,224,729	1,914,244
Non-current assets	42,890,160	42,647,151
Current liabilities	(1,874,211)	(1,237,236)
Non-current liabilities	(5,711,000)	(5,651,000)
Net assets	<u>36,529,678</u>	<u>37,673,159</u>
Revenue	<u>2,278,752</u>	<u>3,342,307</u>
Profit and total comprehensive income for the year	<u>1,441,802</u>	<u>702,874</u>
Dividends received from Sequin Developments	<u>517,057</u>	<u>696,384</u>

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

	2026 HK\$	2025 HK\$
Net assets of Sequin Developments	36,529,678	37,673,159
Proportion of the Group's ownership interest in Sequin Developments	20%	20%
Carrying amount of the Group's interest in Sequin Developments	<u>7,305,936</u>	<u>7,534,632</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. INTERESTS IN ASSOCIATES (Cont'd)

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

	2026 HK\$	2025 HK\$
Current assets	131,449,280	3,620,095
Non-current assets	1,292,725,606	1,296,641,785
Current liabilities	(186,880,943)	(8,500,590)
Non-current liabilities	(246,510,594)	(248,966,409)
Net assets	990,783,349	1,042,794,881
Revenue	—	—
Gain arising from change in fair value of investment properties	43,481,691	86,659,041
(Loss)/Profit for the year	(3,629,233)	72,763,159
Other comprehensive expense	(48,382,299)	(23,093,435)
Total comprehensive (expense)/income for the year	(52,011,532)	49,669,724
(Loss)/Profit for the year attributable to Titan Dragon	(3,426,507)	64,143,827
Total comprehensive (expense)/income attributable to Titan Dragon	(46,659,742)	41,050,392

Notes:

- (a) The Group shared 24.5% (2025: 24.5%) of loss for the year ended 31 March 2026 of HK\$839,494 (2025: profit of HK\$15,715,238).
- (b) For the year ended 31 March 2025, Titan Dragon underwent the following group reorganisation (the "Reorganisation"):
- Hang Sheng was incorporated in the Philippines in September 2024, with the Group subscribed a 49% equity interest. Embassy Hills Properties Inc. ("Embassy Hills") was incorporated in the Philippines in October 2024, with Titan Dragon subscribed a 90% equity interest. The consideration paid was satisfied by a combination of cash and a portion of land in the Philippines. Additionally, Hang Sheng subscribed a 5% equity interest in Embassy Hills. Upon completion of the Reorganisation, Embassy Hills became the subsidiary of Titan Dragon.
- (c) For the year ended 31 March 2026, Titan Dragon did not declare any dividend (2025: HK\$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. INTERESTS IN ASSOCIATES (Cont'd)

(iii) Titan Dragon and its subsidiaries (“Titan Dragon Group”) (Cont'd)

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

	2026 HK\$	2025 HK\$
Net assets of Titan Dragon Group	990,783,349	1,042,794,881
Adjustment [^]	(105,816,509)	(111,168,299)
	884,966,840	931,626,582
Proportion of the Group’s ownership interest in Titan Dragon	24.50%	24.50%
Carrying amount of the Group’s interest in Titan Dragon Group	216,816,876	228,248,513

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. INTERESTS IN ASSOCIATES (Cont'd)

(iii) Titan Dragon and its subsidiaries (“Titan Dragon Group”) (Cont'd)

Note: (Cont'd)

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

The RTC made its decision and its Resolution on 23 June 2023 to grant Titan Dragon’s Motion for Reversal and direct Galenzoga to immediately vacate the Subject Property. It also directed the cancellation of the previous transfer certificate of titles (the “TCTs”) of Galenzoga over the Subject Property and the reinstatement of the derivative TCTs. On 11 July 2023, Galenzoga filed Motion for Reconsideration of the Resolution dated 23 June 2023 but the same was denied. On 8 August 2023, the Registry of Deeds of Quezon City of the Philippines duly cancelled the TCTs of Galenzoga and reinstated the derivative TCTs of Titan Dragon over the Subject Property. On 25 October 2023, Titan Dragon successfully recovered the possession of the Subject Property. In January 2024, Galenzoga filed Motion for Reconsideration while the RTC issued a resolution to deny it. Subsequently, Galenzoga filed the Notice of Appeal. As at 31 March 2026, the case is still pending resolution with the Court of Appeals.

Meanwhile, Galenzoga filed a Petition for Certiorari assailing the Resolution dated 23 June 2023, which was denied by the Court of Appeals. Thus, Galenzoga filed a Motion for Reconsideration on the denial of the Petition, as well as a Motion to Inhibit. As at 31 March 2026, both are still pending resolution with the Court of Appeals.

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

(iv) Hang Sheng

	2026 HK\$	2025 HK\$
Current assets	16,543	20,646
Non-current assets	52,911,145	55,590,750
Current liabilities	(71)	(7,311)
Non-current liabilities	(65,902)	(41,993)
Net assets	52,861,715	55,562,092

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. INTERESTS IN ASSOCIATES (Cont'd)

(iv) Hang Sheng (Cont'd)

	For the year ended 31 March 2026 HK\$	For the period from 27 September 2024 (date of incorporation) to 31 March 2025 HK\$
Loss for the year/period	(19,797)	(28,383)
Other comprehensive (expense)/income	(2,680,580)	53,963,275
Total comprehensive (expense)/income for the year/period	<u>(2,700,377)</u>	<u>53,934,892</u>

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

	2026 HK\$	2025 HK\$
Net assets of Hang Sheng	52,861,715	55,562,092
Proportion of the Group's ownership interest in Hang Sheng	<u>49 %</u>	<u>49 %</u>
Carrying amount of the Group's interest in Hang Sheng	<u>25,902,240</u>	<u>27,225,425</u>

For the year ended 31 March 2026, Hang Sheng did not declare any dividend (2025: HK\$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

20. INTANGIBLE ASSETS

	Hong Kong Stock Exchange trading rights HK\$	Hong Kong Futures Exchange trading rights HK\$	Membership of The Chinese Gold and Silver Exchange Society HK\$	Club membership HK\$	Total HK\$
Cost					
At 1 April 2024, 31 March 2025 and 1 April 2025	5,030,001	201,205	1,475,000	981,500	7,687,706
Disposal	–	–	(1,475,000)	–	(1,475,000)
At 31 March 2026	5,030,001	201,205	–	981,500	6,212,706
Accumulated impairment losses					
At 1 April 2024, 31 March 2025, 1 April 2025	(2,810,000)	(201,205)	(1,475,000)	–	(4,486,205)
Disposal	–	–	1,475,000	–	1,475,000
Impairment loss for the year	(2,220,001)	–	–	–	(2,220,001)
31 March 2026	(5,030,001)	(201,205)	–	–	(5,231,206)
Carrying amounts					
At 31 March 2026	–	–	–	981,500	981,500
At 31 March 2025	2,220,001	–	–	981,500	3,201,501

The Group classified the above intangible assets with indefinite useful lives in accordance with HKAS 38 “Intangible Assets” (“HKAS 38”). In the opinion of the directors, the above intangible assets except club membership are capable of being renewed indefinitely at insignificant cost and therefore are perpetual in duration, and based on future financial performance of the Group, they are expected to generate positive cash flows indefinitely. The club membership is assessed to have indefinite useful lives. Under HKAS 38, the Group reassesses the useful lives of the intangible assets at the end of the reporting period to determine whether events or circumstances continue to support the view of the indefinite useful life of the assets.

The Group performed impairment test for the intangible assets by comparing its recoverable amounts to their carrying amounts at the end of the reporting period in accordance with HKAS 36.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

20. INTANGIBLE ASSETS (Cont'd)

The recoverable amounts of Hong Kong Stock Exchange trading rights and Hong Kong Futures Exchange trading rights are determined based on a value in use calculation using cash flow projections based on financial budgets approved by the management covering a five-year period with a growth rate of 0% (2025: 1%) per annum.

The pre-tax discount rate applied to the cash flow projections was 13% (2025: 13%). A key assumption for the value in use calculation is the budgeted growth rate, which is determined based on past performance and the management's expectations for the market development in Hong Kong.

An impairment loss of HK\$2,220,001 was recognised as the recoverable amount of Hong Kong Stock Exchange trading rights was HK\$Nil as at 31 March 2026.

The recoverable amount of club membership is its fair values with reference to observable market price. No impairment is made for both years as the recoverable amount exceeded its carrying amount.

21. OTHER ASSETS

	2026 HK\$	2025 HK\$
Contribution to the compensation fund with the Stock Exchange	1,500,000	1,500,000
Statutory deposits with Hong Kong Securities Clearing Company Limited	600,000	600,000
Admission fee & guarantee fund to Hong Kong Securities Clearing Company Limited	600,000	600,000
	<u>2,700,000</u>	<u>2,700,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

22. FINANCIAL ASSETS AT FVOCI (NON-RECYCLING)

	2026 HK\$	2025 HK\$
Unlisted private equity fund	87,013,844	74,263,495
Unlisted equity investments in a private company	23,650,983	21,152,962
	110,664,827	95,416,457

The Group designated its 8.98% (2025: 8.98%) equity interest in a private equity fund, Greater Bay Fund I LP (“Greater Bay Fund”) and 7.88% (2025: 7.88%) equity interest in a private company, Dongguan Hanju Shiye Investment Company Limited (“Dongguan Hanju”) as financial assets at FVOCI (non-recycling), as these investments are held for the strategic purpose. The Greater Bay Fund and Dongguan Hanju jointly owned a company established in Chinese Mainland which is principally engaged in property investment in Chinese Mainland.

The fair value of the Group’s unlisted equity investments has been measured as described in note 46.7.

23. LOAN RECEIVABLES

	2026 HK\$	2025 HK\$
Loan to a private company	30,532,416	28,750,351

The balance represents shareholder loans with principal amount of RMB29,400,000 (2025: RMB29,400,000) to a private company, Dongguan Hanju which are unsecured, interest-free and not repayable within the next 12 months from the end of the reporting period.

24. INVENTORIES

	2026 HK\$	2025 HK\$
Raw materials	21,273,635	19,613,447
Work-in-progress	10,647,148	15,024,766
Finished goods	8,585,429	10,118,728
	40,506,212	44,756,941

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

25. TRADE AND OTHER RECEIVABLES

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

	2026 HK\$	2025 HK\$
Trade receivables from broking and securities margin financing:		
– Clearing house and cash clients	10,120,045	7,742,438
– Secured margin clients	25,257,823	31,067,496
Less: ECL allowance	(5,679,196)	(5,704,852)
	<u>29,698,672</u>	<u>33,105,082</u>
Trade receivables from sales of goods, hotel operation and leasing	20,465,130	25,884,269
Less: ECL allowance	(342,062)	(1,630,557)
	<u>20,123,068</u>	<u>24,253,712</u>
Other receivables	2,405,412	1,528,710
Less: ECL allowance	(599,715)	(599,715)
	<u>1,805,697</u>	<u>928,995</u>
	<u>51,627,437</u>	<u>58,287,789</u>

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

25. TRADE AND OTHER RECEIVABLES (Cont'd)

At 31 March 2026, trade receivables from cash clients and secured margin clients of HK\$161,539 (2025: HK\$Nil) were due from the key management personnel.

Trade receivables of manufacturing and distribution of plastic packaging materials fall into the general credit term ranged from 0 to 90 days (2025: 0 to 90 days) except for a credit period mutually agreed between the Group and the customers.

Revenue from hotel operation is normally settled in cash or by credit card. Trade receivables arising from hotel operation are generally due within 0 to 30 days. The Group grants an average credit period of not more than 30 days to travel agents and corporate customers.

Aging analysis

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

	2026 HK\$	2025 HK\$
0–30 days	16,577,021	16,735,837
31–60 days	2,344,617	4,346,051
61–90 days	1,048,132	1,307,835
91–120 days	2,628	1,146,061
121–365 days	439	642,012
Over 365 days	150,231	75,916
	20,123,068	24,253,712

Margin loans due from margin clients are repayable on demand. Margin loans are required to be secured by clients' listed securities held by the Group as collateral and bear interest at 8.5% (2025: 8.75%) per annum for the year ended 31 March 2026. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. At 31 March 2026, the total market value of securities pledged as collateral by the customers in respect of the loans to margin clients was HK\$64,975,478 (2025: HK\$117,924,276).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

25. TRADE AND OTHER RECEIVABLES (Cont'd)

Movement in ECL allowance of trade receivables

The movement in the ECL allowance of trade receivables is as follows:

	2026 HK\$	2025 HK\$
At 1 April	7,335,409	5,281,464
ECL allowance (reversed)/recognised during the year	(1,250,849)	2,054,628
Exchange alignments	(63,302)	(683)
At 31 March	<u>6,021,258</u>	<u>7,335,409</u>

Movement in ECL allowance of other receivables

The movement in the ECL allowance of other receivables which are measured at an amount equal to 12-month ECLs is as follows:

	2026 HK\$	2025 HK\$
At 1 April	599,715	599,715
ECL allowance recognised during the year	—	—
At 31 March	<u>599,715</u>	<u>599,715</u>

26. DEPOSITS AND PREPAYMENTS

	2026 HK\$	2025 HK\$
Utility and other deposits	2,241,622	2,346,405
Purchase deposits to suppliers	1,531,195	580,694
Prepayments	2,097,693	2,245,655
Stamp duty deposits to the Stock Exchange	250,000	150,000
	<u>6,120,510</u>	<u>5,322,754</u>
Less: Amounts shown under non-current assets		
Prepayment for acquisition of property, plant and equipment	(1,153,979)	(1,354,363)
Amounts shown under current assets	<u>4,966,531</u>	<u>3,968,391</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

27. INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTISED COST/ FINANCIAL ASSETS AT FVTPL

	2026 HK\$	2025 HK\$
Investments in debt instruments measured at amortised cost:		
– U.S. treasury bills	34,315,805	–
Financial Assets at FVTPL:		
– Equity securities listed in Hong Kong	36,743,500	27,052,000

The Group's investments in debt instruments measured at amortised cost mainly comprise U.S. treasury bills that have a low risk of default.

The fair value of the Group's investments in listed securities are determined with reference to quoted market closing prices.

At 31 March 2026, equity securities listed in Hong Kong with carrying amounts of HK\$Nil (2025: HK\$27,052,000) have been pledged to secure general banking facilities granted to the Group (note 32).

28. TRUST ACCOUNTS OF SHARES DEALING CLIENTS

	2026 HK\$	2025 HK\$
Trust accounts	31,617,045	31,490,556

From the Group's ordinary business of securities and futures dealing, it receives and holds money for clients and other institutions in the course of conducting its regulated activities. These client's monies are maintained in one or more trust accounts. The Group has recognised the corresponding trade payables to respective clients and other institutions.

Trust accounts earn interests at floating rates based on daily bank deposit rates and are placed with creditworthy banks with no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

29. CASH AND CASH EQUIVALENTS/RESTRICTED BANK BALANCES

	2026 HK\$	2025 HK\$
Cash at bank and in hand	57,258,336	68,533,694
Cash deposits in a financial service company	116,709	5,935,148
	57,375,045	74,468,842
Restricted bank balances	(1,268,689)	—
Cash and cash equivalents	56,106,356	74,468,842

Included in cash at bank and in hand and restricted bank balances of the Group is HK\$7,687,171 (2025: HK\$1,154,401) of bank balances denominated in RMB placed with banks in Chinese Mainland. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. TRADE AND OTHER PAYABLES

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

	2026 HK\$	2025 HK\$
Trade payables to:		
– Clearing house and cash clients	32,332,285	25,297,967
– Secured margin clients	5,188,693	9,681,834
– Other creditors	3,480,391	5,177,825
	41,001,369	40,157,626
Accrued salaries	6,366,438	5,826,026
Accrued employee benefits	3,972,368	3,950,028
Accrued development expenditure of properties	30,826,963	623,000
Other accrued expenses	10,229,341	11,210,982
Rental deposits received	4,958,874	4,875,825
Advanced payment received from tenants	1,729,027	1,864,638
	58,083,011	28,350,499
	99,084,380	68,508,125

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

At 31 March 2026, there were no trade payables to cash clients and secured margin clients due to the key management personnel. (2025: HK\$223,262).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. TRADE AND OTHER PAYABLES (Cont'd)

The credit period granted by other creditors is generally within 30 days (2025: 30 days). The following is an aging analysis of trade payables to other creditors based on invoice dates:

	2026 HK\$	2025 HK\$
0–30 days	3,446,362	4,904,752
31–60 days	–	–
61–90 days	–	29,139
91–120 days	–	–
121–365 days	32,229	30,436
Over 365 days	1,800	213,498
	3,480,391	5,177,825

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

31. CONTRACT LIABILITIES

	2026 HK\$	2025 HK\$
Deposit received from customers for sales of plastic packaging materials	1,140,775	791,230
Deposit received from customers for hotel service	12,332	–
	1,153,107	791,230

When the Group receives a deposit before the control of the plastic packaging materials are passed to the customers, this will give rise to contract liabilities until the control of the plastic packaging materials are passed to the customers and revenue of the respective contracts are recognised.

Contract liabilities for hotel service mainly comprise of deposit receipts in advance from customers which are expected to be recognised as revenue within one year in majority.

The increase (2025: decrease) of contract liabilities as at 31 March 2026 is mainly due to the increase (2025: decrease) in advances received from customers in relation to sales of goods during the reporting period.

Contract liabilities outstanding at the beginning of the year amounting to HK\$341,318 (2025: HK\$766,656) has been recognised as revenue during the year.

As at 31 March 2026 and 2025, the balances of contract liabilities are expected to be settled within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

32. BANK LOANS

	2026 HK\$	2025 HK\$
Secured bank loans	360,716,738	342,780,455

At 31 March 2026 and 2025, the Group's bank loans were repayable as follows:

	2026 HK\$	2025 HK\$
Carrying amounts repayable (<i>note</i>)		
Within one year	50,883,493	276,519,743
In the second year	7,470,637	2,137,550
In the third to fifth year	44,257,308	7,101,951
After the fifth year	245,703,228	43,311,576
	348,314,666	329,070,820
Carrying amounts of bank loans that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	970,467	1,297,837
In the second year	992,122	964,688
In the third to fifth year	3,117,333	3,036,074
After the fifth year	7,322,150	8,411,036
	12,402,072	13,709,635
	360,716,738	342,780,455
Less: Amounts shown under current liabilities	(63,285,565)	(290,229,378)
Amounts shown under non-current liabilities	297,431,173	52,551,077

Note: The amounts are based on the scheduled repayment dates set out in the loan agreements.

Bank loans bear interest at rates ranging from 1.90% to 5.81% (2025: 2.40% to 6.86%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

32. BANK LOANS (Cont'd)

The bank loans were secured by guarantees provided by the Group's subsidiaries and the Group's assets as follows:

	Notes	2026 HK\$	2025 HK\$
Property, plant and equipment	16	262,742,815	241,905,366
Investment properties	18	252,230,000	272,116,600
Financial assets at FVTPL	27	—	27,052,000
		514,972,815	541,073,966

33. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2026 HK\$	2025 HK\$
Total minimum lease payments:		
Due within one year	1,035,000	1,073,250
Future finance charges on lease liabilities	(18,597)	(24,966)
Present value of lease liabilities	1,016,403	1,048,284
Present value of minimum lease payments:		
Due within one year	1,016,403	1,048,284
Less: Portion due within one year included under current liabilities	(1,016,403)	(1,048,284)
Portion due after one year included under non-current liabilities	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

33. LEASE LIABILITIES (Cont'd)

As at 31 March 2026 and 2025, lease liabilities are effectively secured by the related underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

During the year ended 31 March 2026, the total cash outflows to a related company, Sonliet Realty Company Limited ("Sonliet Realty"), a company controlled by a director of the Company, Mr. Chua Nai Tuen for the leases are HK\$1,418,250 (2025: HK\$1,430,999).

As at 31 March 2026 and 2025, the Group has entered into lease for warehouse.

Types of right-of-use assets	Financial statements items of right-of-use assets included in	Number of lease	Range of remaining lease term	Particulars
Warehouse	Buildings in "Right-of-use assets"	1 (2025: 1)	1 year (2025: 1 year)	Only subject to monthly fixed rental payment

34. AMOUNT DUE TO AN ASSOCIATE

The amount due to Titan Dragon is unsecured, interest-free and repayable by future dividends.

35. AMOUNT DUE TO A NON-CONTROLLING INTEREST ("NCI")

As at 31 March 2025, the amount due to a NCI was unsecured, interest-free and repayable within the next 12 months from the end of the reporting period. During the year ended 31 March 2026, the amount has been fully repaid.

36. DEFERRED TAX

The movement during the year in the deferred tax (assets)/liabilities is as follows:

	2026 HK\$	2025 HK\$
At 1 April	13,008,364	11,138,480
Recognised in profit or loss (note 9)	579,177	(213,192)
Recognised in other comprehensive income	27,266,590	2,083,076
Exchange realignment	1,593,076	—
At 31 March	42,447,207	13,008,364

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

36. DEFERRED TAX (Cont'd)

The movement in deferred tax (assets)/liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

	Tax depreciation HK\$	Tax loss HK\$	Allowance for credit loss HK\$	Revaluation of properties HK\$	Others HK\$	Total HK\$
At 1 April 2024	11,751,821	(4,244,328)	(132,654)	3,453,248	310,393	11,138,480
Recognised in profit or loss	506,334	(143,122)	(131,426)	(350,340)	(94,638)	(213,192)
Recognised in other comprehensive income	-	-	-	2,083,076	-	2,083,076
At 31 March 2025 and 1 April 2025	12,258,155	(4,387,450)	(264,080)	5,185,984	215,755	13,008,364
Recognised in profit or loss	326,640	211,508	215,697	(166,247)	(8,421)	579,177
Recognised in other comprehensive income	-	-	-	27,266,590	-	27,266,590
Exchange realignment	-	-	-	1,593,076	-	1,593,076
At 31 March 2026	<u>12,584,795</u>	<u>(4,175,942)</u>	<u>(48,383)</u>	<u>33,879,403</u>	<u>207,334</u>	<u>42,447,207</u>

The amounts recognised in the consolidated statement of financial position are as follows:

	2026 HK\$	2025 HK\$
Deferred tax assets	(132,774)	(344,659)
Deferred tax liabilities	<u>42,579,981</u>	<u>13,353,023</u>
	<u>42,447,207</u>	<u>13,008,364</u>

The Group has unrecognised tax losses arising in Hong Kong of HK\$128,280,915 (2025: HK\$120,443,031) to carry forward against future taxable income. These tax losses do not expire under current legislation except for the tax losses arising in the PRC that will be expired in one to five years for offsetting against future taxable profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

37. LONG SERVICE PAYMENT OBLIGATIONS

Pursuant to the Hong Kong Employment Ordinance, Chapter 57, Hong Kong employees that have been employed continuously for at least five years are entitled to LSP under certain circumstances (e.g. dismissal by employers or upon retirement).

The amount of LSP payable is determined with reference to the employee's last monthly salary (capped at HK\$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme (see note 13), with an overall cap of HK\$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligations.

In June 2022, the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Amendment Ordinance will take effect on 1 May 2025 (the "Transition Date"). Separately, the Government has indicated that it would launch a subsidy scheme to assist employers after the abolition.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date. In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The benefit payment under LSP remains capped at HK\$390,000 per employee. If an employee's total benefit payment exceeds HK\$390,000, the amount in excess of the cap is deducted from the portion accrued from the Transition Date.

The Group has accounted for the offsetting mechanism and its abolition as disclosed in notes 2.19 to the consolidated financial statements.

The Group has determined that the Amendment Ordinance primarily impacts the Group's LSP obligations with respect to Hong Kong employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

37. LONG SERVICE PAYMENT OBLIGATIONS (Cont'd)

The present value of unfunded LSP obligations and its movements are as follows:

	2026 HK\$	2025 HK\$
At 1 April	924,322	931,494
Remeasurements recognised in other comprehensive income:		
– Actuarial gain/(loss) arising from changes in financial assumptions	35,199	(132,370)
Expenses recognised in profit or loss:		
– Current service cost	66,261	60,597
– Interest cost	31,047	64,601
At 31 March	1,056,829	924,322

The current service cost is included in employee benefits expenses. They are recognised in the following line items in the consolidated statement of profit or loss:

	2026 HK\$	2025 HK\$
Cost of sales	13,880	11,709
Administrative expenses	52,381	48,888
	66,261	60,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

37. LONG SERVICE PAYMENT OBLIGATIONS (Cont'd)

Estimates and assumptions

The significant actuarial assumptions for the determination of LSP obligations are as follows:

	2026	2025
Discount rate	2.03%	3.45%
Salary growth rate (average)	3.00%	2.02%
Turnover rate (average)	6.24%	6.24%

These assumptions were developed by the management. Discount factors are determined close to each period-end by reference to government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related LSP obligations. Other assumptions are based on current actuarial benchmarks and the management's historical experience.

The present value of the LSP obligations was measured using the projected unit credit method.

The weighted average duration of the LSP obligations is 3.04 years (2025: 3.37 years).

Expected maturity analysis of undiscounted LSP obligations as at 31 March 2026 and 2025 is disclosed as follows:

	Within 1 year HK\$	Over 1 year but within 2 years HK\$	Over 2 years but within 5 years HK\$	Over 5 years HK\$
As at 31 March 2026				
LSP obligations	<u>792,976</u>	<u>22,786</u>	<u>–</u>	<u>372,282</u>
As at 31 March 2025				
LSP obligations	<u>731,109</u>	<u>15,487</u>	<u>7,075</u>	<u>295,678</u>

The LSP obligations expose the Group to actuarial risks such as interest rate risk, salary risk and the investment risk of the Group's MPF scheme's constituent funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

37. LONG SERVICE PAYMENT OBLIGATIONS (Cont'd)

Changes in the significant actuarial assumptions

The principal assumptions used for the determination of the LSP obligations are discount rate, salary growth rate and turnover rate.

In the opinions of the directors of the Group, the expected change in the principal assumptions will not have significant impact on the LSP obligations for the years ended 31 March 2026 and 2025. Hence, no sensitivity analysis is presented.

38. SHARE CAPITAL

	2026		2025	
	Number of shares	HK\$	Number of shares	HK\$
Issued and fully paid				
At the beginning and at the end of the year	<u>225,420,034</u>	<u>245,062,941</u>	<u>225,420,034</u>	<u>245,062,941</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2026 HK\$	2025 HK\$
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	860	11,180
Investment property	6,763,408	7,266,126
Interests in subsidiaries	60,605,478	60,412,428
Interests in associates	4,568,160	4,568,160
	<u>71,937,906</u>	<u>72,257,894</u>
Current assets		
Trade and other receivables	114,805	130,998
Deposits and prepayments	1,728,226	1,208,395
Amounts due from subsidiaries	879,701,418	860,023,430
Cash and cash equivalents	4,923,196	1,349,734
	<u>886,467,645</u>	<u>862,712,557</u>
Current liabilities		
Bank loan	46,000,000	—
Trade and other payables	2,810,466	2,945,901
Amounts due to subsidiaries	323,880,680	328,964,243
	<u>372,691,146</u>	<u>331,910,144</u>
Net current assets	<u>513,776,499</u>	<u>530,802,413</u>
Total assets less current liabilities	<u>585,714,405</u>	<u>603,060,307</u>
Non-current liability		
Amount due to an associate	31,666,153	35,228,978
Net assets	<u>554,048,252</u>	<u>567,831,329</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

	2026 HK\$	2025 HK\$
EQUITY		
Share capital	245,062,941	245,062,941
Retained profits (<i>Note</i>)	308,985,311	322,768,388
Total equity	554,048,252	567,831,329

Chua Nai Tuen
Director

Nelson Junior Chua
Director

Note:

	HK\$
At 1 April 2024	333,964,191
Loss and total comprehensive expense for the year	(4,433,202)
Dividends paid (<i>note 11</i>)	(6,762,601)
At 31 March 2025 and at 1 April 2025	322,768,388
Loss and total comprehensive expense for the year	(7,020,476)
Dividends paid (<i>note 11</i>)	(6,762,601)
At 31 March 2026	308,985,311

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

40. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2026 HK\$	2025 HK\$
Loss before income tax	(38,569,958)	(21,475,852)
Adjustments for:		
Loss arising from change in fair value of investment properties	45,713,311	36,601,413
Loss/(Gain) arising from change in fair value of financial assets at FVTPL	3,013,692	(6,479,501)
Share of results of associates	385,222	(15,975,753)
Dividend income from listed equity securities	(1,612,957)	(1,610,952)
Realised profit on the maturity of investments in debt instruments measured at amortised cost	(189,277)	–
Bad debt written off	–	8,341
Interest income	(1,072,839)	(1,376,028)
Provision for impairment loss on intangible asset	2,220,001	300,000
Imputed interest income	(9,139,723)	(9,360,999)
Finance costs	19,950,415	18,770,984
(Reversal of)/Provision for ECL allowance of trade and other receivables	(1,250,849)	2,054,628
Depreciation of property, plant and equipment	21,769,863	8,215,896
Depreciation of right-of-use assets	1,607,573	1,847,701
Long service payment obligations:		
– expenses recognised in profit or loss	66,261	60,597
Gain on disposal of intangible asset	(5,000,000)	–
Gain on disposal of investment properties	(10,000)	–
Loss/(Gain) on disposal/written off of property, plant and equipment	4,797	(36,817)
Loss on deemed disposal of interest in an associate	–	15,661,473
Operating cash flows before changes in working capital	37,885,532	27,205,131
Decrease/(Increase) in inventories	4,315,705	(6,222,413)
Decrease in trade and other receivables	7,915,827	41,218,664
(Increase)/Decrease in financial assets at FVTPL	(12,822,264)	1,073,851
(Increase)/Decrease in deposits and prepayments	(994,429)	730,583
(Increase)/Decrease in trust accounts of shares dealing clients	(126,489)	27,327,578
Increase/(Decrease) in trade and other payables	785,023	(27,561,929)
Increase/(Decrease) in contract liabilities	361,877	(425,338)
Cash generated from operations	37,320,782	63,346,127

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

41. LEASE COMMITMENTS

As lessor

At 31 March 2026 and 2025, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of land and buildings as follows:

	2026 HK\$	2025 HK\$
Within one year	8,489,797	9,830,041
After 1 year but within 2 years	3,207,185	2,129,940
After 2 years but within 3 years	1,095,750	873,000
After 3 years but within 4 years	432,000	363,750
After 4 years but within 5 years	324,000	–
	13,548,732	13,196,731

The Group leases its investment properties (note 18) under operating lease arrangements which run for an initial period of one month to five years (2025: one month to three years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The terms of the leases generally also require the tenants to pay security deposits.

42. CAPITAL COMMITMENTS

	2026 HK\$	2025 HK\$
Contracted but not provided for:		
– Property, plant and equipment	164,433	382,945
– Development expenditure of properties	4,399,596	39,603,353
	4,564,029	39,986,298

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

43. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions with related parties at normal commercial terms:

	2026 HK\$	2025 HK\$
Income received from key management personnel		
– Brokerage commission income	100,502	41,096
– Interest income received	299,325	605,043
Income received from associates		
– Accounting fee received from Ongoing Investments	60,000	60,000
– Accounting fee received from Sequin Developments	60,000	60,000
Expenses paid to a related company		
– Consultation fee paid to Sonliet Realty	1,209,675	1,315,241
– Consultation fee paid to Heritage Epoch Limited	1,105,000	–
Key management remuneration (including directors' remuneration)		
– Salaries and allowances	13,498,629	14,118,390
– Retirement benefit scheme contributions	90,628	108,000

44. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2026, purchases of property, plant and equipment for the hotel operation amounting to HK\$30,203,963 (2025: HK\$Nil) were not settled in cash as at 31 March 2026 and were included in other payables.

During the year ended 31 March 2026, the Group extended an existing lease contract in which modifications to right-of-use asset and lease liability amounting to HK\$1,352,791 (2025: HK\$1,394,497) (note 17) was recognised at the effective date of modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Interest payable HK\$	Other finance costs payable HK\$	Lease liabilities HK\$	Bank loans HK\$	Amount due to a NCI HK\$	Amount due to an associate HK\$	Total HK\$
At 1 April 2024	1,175,338	–	1,059,254	331,461,099	3,395,000	30,405,128	367,495,819
Non-cash:							
– Finance costs	12,055,071	1,428,053	25,532	–	–	3,429,460	16,938,116
– Capitalised borrowing costs	6,722,842	–	–	–	–	–	6,722,842
– Imputed interest income	–	–	–	–	–	(8,315,424)	(8,315,424)
– Exchange difference	–	–	–	–	–	(887,486)	(887,486)
– Lease modification	–	–	1,394,497	–	–	–	1,394,497
Cash flows:							
– Inflow from financing activities	–	–	–	203,938,170	65,000	32,908,986	236,912,156
– Outflow from financing activities	(19,021,787)	(1,428,053)	(1,430,999)	(192,618,814)	–	–	(214,499,653)
At 31 March 2025 and at 1 April 2025	931,464	–	1,048,284	342,780,455	3,460,000	57,540,664	405,760,867
Non-cash:							
– Finance costs	12,839,622	2,022,492	33,578	–	–	4,187,927	19,083,619
– Capitalised borrowing costs	1,218,417	–	–	–	–	–	1,218,417
– Imputed interest income	–	–	–	–	–	(8,220,548)	(8,220,548)
– Exchange difference	–	–	–	–	–	(1,813,000)	(1,813,000)
– Lease modification	–	–	1,352,791	–	–	–	1,352,791
Cash flows:							
– Inflow from financing activities	–	–	–	296,000,000	–	–	296,000,000
– Outflow from financing activities	(14,441,644)	(2,022,492)	(1,418,250)	(278,063,717)	(3,460,000)	–	(299,406,103)
At 31 March 2026	547,859	–	1,016,403	360,716,738	–	51,695,043	413,976,043

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

46.1 Categories of financial instruments

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2026 HK\$	2025 HK\$
Financial assets		
<i>Financial assets at FVTPL</i>	36,743,500	27,052,000
<i>Financial assets at FVOCI (non-recycling)</i>	110,664,827	95,416,457
<i>Financial assets at amortised cost</i>		
Investments in debt instruments measured at amortised cost	34,315,805	—
Other assets	2,700,000	2,700,000
Trade and other receivables	51,627,437	58,287,789
Loan receivables	30,532,416	28,750,351
Deposits	4,022,817	3,077,099
Trust accounts of shares dealing clients	31,617,045	31,490,556
Restricted bank balance	1,268,689	—
Cash and cash equivalents	56,106,356	74,468,842
	359,598,892	321,243,094
Financial liabilities		
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	97,355,353	66,643,487
Bank loans	360,716,738	342,780,455
Amount due to an associate	51,695,043	57,540,664
Lease liabilities	1,016,403	1,048,284
Amount due to a NCI	—	3,460,000
	510,783,537	471,472,890

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

46.2 Foreign currency risk

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

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

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

46.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fair value interest rate risk related primarily to fixed rate loan receivables, amount due to an associate, debt investments and lease liabilities. The Group is also exposed to cash flow interest rate risk related primarily to variable rate bank loans, trade receivables from margin client, restricted bank balance, cash and cash equivalents, trust accounts of shares dealing clients. The exposure to interest rates for the Group's bank deposits is considered immaterial.

The following table details the interest rate profile of the Group's material interest-bearing financial asset and liability at the end of the reporting period.

	2026 HK\$	2025 HK\$
Assets		
Trade receivables from margin client	25,257,823	31,067,496
Liabilities		
Variable rate bank loans	360,716,738	342,780,455
Net exposure	(335,458,915)	(311,712,959)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

46.3 Interest rate risk (Cont'd)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2025: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates.

If interest rates had been 50 basis points (2025: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss (2025: post-tax loss) for the year ended 31 March 2026 would increase/decrease (2025: increase/decrease) by approximately HK\$1,401,000 (2025: HK\$1,301,000).

46.4 Equity price risk

The Group is exposed to equity price risk arising from equity investments classified as financial assets at FVTPL which are measured at fair value at the end of the reporting period. The directors manage the exposure by maintaining a portfolio of securities with different risk class and monitor the performance regularly. In addition, the directors will monitor the price risk and consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below presents the effects on the Group's post-tax loss (2025: post-tax loss) for the year and equity as a result of a change in equity price, assuming the change had occurred at the end of the reporting period and had been applied to the exposure to the equity price for the relevant financial instruments in existence at that date. The changes in equity price represent the management's assessment of a reasonably possible change in equity price at that date over the period until the next annual reporting date.

	(Decrease)/Increase in post-tax loss		Increase/(Decrease) in equity	
	2026 HK\$	2025 HK\$	2026 HK\$	2025 HK\$
10% increase in market price	(3,068,000)	(2,259,000)	3,068,000	2,259,000
10% decrease in market price	<u>3,068,000</u>	<u>2,259,000</u>	<u>(3,068,000)</u>	<u>(2,259,000)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

46.5 Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, investments in debt instruments measured at amortised cost, other assets, deposits, loan receivables, amount due from an associate, trust accounts of shares dealing clients, restricted bank balances and cash and cash equivalents. The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Trade receivables

In respect of amounts due from cash and margin clients, individual credit evaluations are performed on all clients (including cash and margin clients). Cash clients are required to place deposits as prescribed in the Group's credit policy before execution of any purchase transactions. Receivables due from cash clients are due within the settlement period commonly adopted in the relevant market practices, which is usually within a few days from the trade date. Because of the prescribed deposit requirements and the short settlement period involved, credit risk arising from the amounts due from cash clients is considered relatively low. The Group normally obtains liquid securities and/or cash deposits as collateral for providing margin financing to its clients. Margin loans due from margin clients are repayable on demand. Market conditions and adequacy of securities collateral and margin deposits of each margin account and futures account are monitored by the management on a daily basis. Margin calls and forced liquidation are made where necessary.

Trade receivables of the Group from other customers consist of a large number of customers, spread across diverse industries and geographical areas.

The Group's policy to manage credit risk is to deal only with credit worthy counterparties. In order to minimise the credit risk, the management of the Group has formulated a credit policy and, delegated a team responsible for determination of credit limits and credit approvals and other monitoring procedures to ensure that follow-up action is taken.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and consider information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group does not obtain collateral from customers other than amounts due from margin clients.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

46.5 Credit risk (Cont'd)

Trade receivables (Cont'd)

Except for trade receivables with the amounts of HK\$41,037,010 (2025: HK\$46,261,631) are assessed individually, the Group performed impairment assessment for trade receivables equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Measurement of ECL on collective basis

The following table provides information about the Group's exposure to credit risk for trade receivables from sales of goods which are assessed based on provision matrix at 31 March 2026 and 2025:

	Average expected loss rate	Gross carrying amounts HK\$	Loss allowance HK\$
2026			
Neither yet past due nor impaired	0.43 %	8,559,686	37,142
1–30 days past due	0.55 %	4,183,319	23,214
31–60 days past due	0.98 %	1,601,430	15,675
61–90 days past due	2.13 %	383,265	8,152
91–120 days past due	N/A	–	–
Over 120 days past due	28.18 %	78,288	22,058
		14,805,988	106,241
2025			
Neither yet past due nor impaired	0.97%	9,628,473	93,192
1–30 days past due	1.76%	4,360,694	76,956
31–60 days past due	7.40%	2,932,945	216,971
61–90 days past due	24.88%	585,341	145,643
91–120 days past due	58.40%	878,496	513,020
Over 120 days past due	30.11%	46,623	14,038
		18,432,572	1,059,820

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

46.5 Credit risk (Cont'd)

Trade receivables (Cont'd)

Measurement of ECL on collective basis (Cont'd)

Average expected loss rates are based on payment profiles of revenue over a period of 12 months before the end of the reporting period. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

In applying the forward-looking information, the Group has taken into account the possible impacts associated with the overall change in the economic environment arising from volatile market interest rates and inflation, including the default rates in which the relevant debtors operates.

Measurement of ECL on individual basis

At 31 March 2026, trade receivables with the amounts of HK\$41,037,010 (2025: HK\$46,261,631) in relation to property investment, development and leasing, hotel operation, sales of goods and broking and securities margin financing operation were performed impairment assessment on individual basis. The following table presents the balances of gross carrying amounts and the loss allowance in respect of the individually assessed trade receivables at 31 March 2026 and 2025:

	Gross carrying amounts HK\$	Loss allowance HK\$
2026		
Property investment, development and leasing	346,150	23,055
Hotel operation	901,069	–
Sales of goods	4,411,923	212,766
Broking and securities margin financing operations	35,377,868	5,679,196
	41,037,010	5,915,017
2025		
Property investment, development and leasing	318,031	23,055
Sales of goods	7,133,666	547,682
Broking and securities margin financing operations	38,809,934	5,704,852
	46,261,631	6,275,589

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

46.5 Credit risk (Cont'd)

Other financial assets at amortised cost

Other financial assets at amortised cost include investments in debt instruments measured at amortised cost, other receivables, loan receivables, deposits, other assets, amount due from an associate, trust accounts of shares dealing clients, restricted bank balances and cash and cash equivalents. In order to minimise the credit risk of investments in debt instruments measured at amortised cost, other receivables, loan receivables, deposits, amount due from an associate and other assets, the management of the Group makes periodic collective and individual assessment on their recoverability based on historical settlement records and past experience as well as current external information and adjusted to reflect probability-weighted forward-looking information, including the default rate where the relevant debtors operates. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of the reporting period with the risk of default occurring on the financial assets 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.

The management is of opinion that there is no significant increase in credit risk on other receivables, loan receivables, deposits, amount due from an associate and other assets since initial recognition as the risk of default is low after considering the factors as set out in note 2.9 and, thus, ECL recognised is based on 12-month ECL. As at 31 March 2026, 12-month ECL allowance of HK\$599,715 (2025: HK\$599,715) and HK\$16,446,598 (2025: HK\$16,446,598) was made against the gross carrying amount of other receivables and amount due from an associate, respectively, while no 12-month ECL allowance was provided on loan receivables, deposits and other assets (2025: HK\$Nil), taking into account the debtors' creditworthiness, financial strength, past collection records, etc. No lifetime ECL was provided on other receivables, loan receivables, deposits, amount due from an associate and other assets (2025: HK\$Nil).

The Group deposited its trust accounts of shares dealing clients, restricted bank balance and cash and cash equivalents with approved and reputable banks. Bankruptcy or insolvency of the banks may cause the Group's right with respect to trust accounts of shares dealing clients and cash and cash equivalents held to be delayed or limited. The directors monitor the credit rating of these banks on an ongoing basis, and consider that the Group's exposure to credit risk were minimal.

The Group's investments in debt instruments measured at amortised cost (U.S. treasury bills) is considered to have low credit risk as they have a low risk of default and issuer has a strong capacity to meet its contractual cash flow obligation in the near term and the ECL recognised is based on the 12-month ECL. As a result, insignificant amount of provision for credit loss was required at the end of the reporting period.

The Group does not have any other significant concentrations of credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

46.6 Liquidity risk

The Group is exposed to liquidity risk on financial liabilities. The directors adopt a prudent policy to maintain a sufficient level of cash and cash equivalents and financial assets to meet continuous operational need. Various banking facilities and credit lines have also been arranged with different banks in order to fund any liquidity requirements in the short term.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and the earliest period in which the Group is committed to pay.

	Within one year or on demand HK\$	More than one year but less than two years HK\$	More than two years but less than five years HK\$	Over five years HK\$	Total contractual undiscounted cash flow HK\$	Carrying amount HK\$
2026						
Non-derivative financial liabilities						
Trade and other payables	97,355,353	–	–	–	97,355,353	97,355,353
Bank loans (<i>Note</i>)	65,206,035	9,303,962	49,161,887	254,678,005	378,349,889	360,716,738
Amount due to an associate	–	–	64,533,000	–	64,533,000	51,695,043
Lease liabilities	1,035,000	–	–	–	1,035,000	1,016,403
	<u>163,596,388</u>	<u>9,303,962</u>	<u>113,694,887</u>	<u>254,678,005</u>	<u>541,273,242</u>	<u>510,783,537</u>
2025						
Non-derivative financial liabilities						
Trade and other payables	66,643,487	–	–	–	66,643,487	66,643,487
Bank loans (<i>Note</i>)	295,216,001	4,755,624	14,266,873	58,269,712	372,508,210	342,780,455
Amount due to an associate	–	66,346,000	–	–	66,346,000	57,540,664
Lease liabilities	1,073,250	–	–	–	1,073,250	1,048,284
Amount due to a NCI	3,460,000	–	–	–	3,460,000	3,460,000
	<u>366,392,738</u>	<u>71,101,624</u>	<u>14,266,873</u>	<u>58,269,712</u>	<u>510,030,947</u>	<u>471,472,890</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

46.6 Liquidity risk (Cont'd)

Note: Bank loans with a repayable on demand clause are included in the “within one year or on demand” time band in the above maturity analysis. At 31 March 2026, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$12,402,072 (2025: HK\$13,709,635). Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid 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:

	Within one year HK\$	More than one year but less than two years HK\$	More than two years but less than five years HK\$	Over five years HK\$	Total contractual undiscounted cash flow HK\$	Carrying amount HK\$
2026						
Bank loans	<u>1,242,617</u>	<u>1,242,617</u>	<u>3,727,852</u>	<u>7,870,278</u>	<u>14,083,364</u>	<u>12,402,072</u>
2025						
Bank loans	<u>1,609,828</u>	<u>1,252,090</u>	<u>3,756,271</u>	<u>9,182,490</u>	<u>15,800,679</u>	<u>13,709,635</u>

46.7 Fair value measurements of financial instruments

Financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

46.7 Fair value measurements of financial instruments (Cont'd)

The financial assets and liabilities measured at fair value in the consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
2026				
Financial assets				
<i>Financial assets at FVTPL</i>				
– Listed equity securities	36,743,500	–	–	36,743,500
<i>Financial assets at FVOCI (non-recycling)</i>				
– Unlisted equity investments	–	–	110,664,827	110,664,827
	<u>36,743,500</u>	<u>–</u>	<u>110,664,827</u>	<u>147,408,327</u>
2025				
Financial assets				
<i>Financial assets at FVTPL</i>				
– Listed equity securities	27,052,000	–	–	27,052,000
<i>Financial assets at FVOCI (non-recycling)</i>				
– Unlisted equity investments	–	–	95,416,457	95,416,457
	<u>27,052,000</u>	<u>–</u>	<u>95,416,457</u>	<u>122,468,457</u>

There were no transfer between Level 1 and Level 2 during the years ended 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

46.7 Fair value of measurements financial instruments (Cont'd)

The methods and valuation techniques used for the purpose of measuring fair values categorised in Level 3 are described below.

Unlisted equity investments (Level 3)

The unlisted equity investments represent investments in a private equity fund and a private company. The Group determines the fair value at the end of the reporting period based on the adjusted net assets value with underlying assets and liabilities measured at fair value as reported by the general partners of the fund, with reference to inputs such as an investment property's market value which is valued by an independent professional qualified valuer.

The information about the fair value of unlisted equity investments under Level 3 fair value hierarchy are described below:

	Valuation technique	Unobservable input	Relationship of unobservable inputs to fair value
2026 and 2025			
Unlisted equity investments	Adjusted net assets value, determined based on fair value of underlying property held in Chinese Mainland	Fair value of the underlying property	The higher the fair value, the higher the net assets value

The reconciliation of the carrying amounts of the Group's financial instruments classified within Level 3 of the fair value hierarchy is as follows:

	2026 HK\$	2025 HK\$
Fair value at 1 April	95,416,457	90,985,137
Fair value gain recognised in other comprehensive income	14,045,845	4,711,636
Exchange gain/(loss)	1,202,525	(280,316)
Fair value at 31 March	<u>110,664,827</u>	<u>95,416,457</u>

Fair value gain on unlisted equity investments is recognised in other comprehensive income and included under "Fair value reserve (non-recycling)".

There were no transfers into or out of Level 3 during the year ended 31 March 2026 (2025: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

47. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain the Group's ability to continue operating as a going concern and to preserve healthy capital structure ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, issue of new shares, repurchase of existing shares as well as issue of new debt or redemption of existing debt. The Group's overall strategy remains unchanged from prior years.

The Group monitors capital on the basis of net debt to equity ratio. For this purpose net debt is defined as total debts (which includes bank loans and lease liabilities) less cash and cash equivalents. The Group's policy is to keep the net debt to equity ratio at a reasonable level.

The Group is not subject to any external imposed capital requirements, except for certain subsidiaries of the Group licensed by the Securities and Futures Commission are obliged to meet the regulatory liquid capital requirements under the Securities and Futures (Financial Resources) Rules at all times.

The net debt to equity ratio at the end of the reporting period are as follows:

	2026 HK\$	2025 HK\$
Total debts	361,733,141	343,828,739
Less:		
– Cash and cash equivalents	(56,106,356)	(74,468,842)
Net debt	<u>305,626,785</u>	<u>269,359,897</u>
Equity attributable to owners of the Company	<u>1,161,135,317</u>	<u>1,114,374,772</u>
Net debt to equity ratio	<u>26%</u>	<u>24%</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

48. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at 31 March 2026 and 2025 are as follows:

Name of company	Country/Place of incorporation/ operations and business	Type of legal entity	Class of shares/ registered capital	Issued and fully paid share capital/ registered capital	Percentage of ownership interest held by the Company		Principal activities
					2026 %	2025 %	
Always Best Company Limited	British Virgin Islands/ Hong Kong	Limited liability company	Ordinary share	US\$1	95	95	Trading of plastic products
Dongguan Nan Sing Plastics Limited	Chinese Mainland	Limited liability company	Registered capital	HK\$160,000,000	95	95	Manufacture of plastic products
Hotel Benito Management Limited	Hong Kong	Limited liability company	Ordinary share	HK\$100,990	100*	100*	Hotel operation
K.W. & Associates Company Limited	Hong Kong	Limited liability company	Ordinary share	HK\$2,000,000	100*	100*	Property investment
More Investments Limited	Hong Kong	Limited liability company	Ordinary share	HK\$3	100*	100*	Property investment
Nan Sing Plastics Limited ("Nan Sing Plastics")	Hong Kong	Limited liability company	Ordinary share	HK\$15,000,000	95	95	Trading of plastic products
Nan Sing Warehouse Limited	Hong Kong	Limited liability company	Ordinary share	HK\$100,000	95	95	Warehouse and sales of scrap plastic materials
Nice Profit Hong Kong Investment Limited ("Nice Profit") (note)	Hong Kong	Limited liability company	Ordinary share	HK\$100	100*	50*	Property investment
SAP Realty Company Limited	Hong Kong	Limited liability company	Ordinary share	HK\$100,100	100*	100*	Property investment
Southeast Asia Properties & Finance (China) Limited	Hong Kong/Chinese Mainland	Limited liability company	Ordinary share	HK\$2	100*	100*	Property investment and development
Stockwell Securities Limited	Hong Kong	Limited liability company	Ordinary share	HK\$30,000,000	100*	100*	Stock broking and commodities dealing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

48. PRINCIPAL SUBSIDIARIES (Cont'd)

Name of company	Country/Place of incorporation/ operations and business	Type of legal entity	Class of shares/ registered capital	Issued and fully paid share capital/ registered capital	Percentage of ownership interest held by the Company		Principal activities
					2026 %	2025 %	
Strong Bright Technology Limited	Hong Kong	Limited liability company	Ordinary share	HK\$10,000	100*	100	Property investment
Tanpar Company Limited	Hong Kong	Limited liability company	Ordinary share	HK\$100	95	95	Investment holding
Top Epoch Limited	Hong Kong	Limited liability company	Ordinary share	HK\$1	100*	100*	Property investment
Tsen Hsin Industrial Company Limited	Hong Kong	Limited liability company	Ordinary share	HK\$400,000	95	95	Property investment
Workcave Limited	Hong Kong	Limited liability company	Ordinary share	HK\$1	100*	100*	Co-working space operation
Gainful Sky Hong Kong Limited	Hong Kong	Limited liability company	Ordinary share	HK\$100	100*	100*	Property investment

* Issued capital held directly by the Company

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note: During the year ended 31 March 2026, the Group acquired 50% equity interest in Nice Profit from an independent third party at a consideration of HK\$93,050. The Group's equity interest in Nice Profit increase from 50% to 100%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

48. PRINCIPAL SUBSIDIARIES (Cont'd)

The following table lists out the information relating to Nan Sing Plastics, a subsidiary of the Company with material NCI. The details and the summarised financial information, before intragroup eliminations, are as follows:

	2026 HK\$	2025 HK\$
Proportion of ownership interests and voting rights held by the NCI	4.64%	4.64%
Current assets	356,176,521	387,503,152
Non-current assets	1,770,717	2,005,193
Current liabilities	(103,852,946)	(130,115,940)
Non-current liabilities	(50,336,530)	(52,920,847)
Net assets	203,757,762	206,471,558
Carrying amount of NCI	9,461,152	9,587,162
Revenue	224,691,330	268,648,788
Expenses	(202,166,338)	(263,044,659)
Profit for the year	22,524,992	5,604,129
Other comprehensive (expense)/income	(8,788)	12,684
Total comprehensive income for the year	22,516,204	5,616,813
Profit and total comprehensive income attributable to NCI	1,045,503	260,807
Dividend paid to NCI	1,171,513	–
Net cash generated from operating activities	19,069,328	13,701,996
Net cash (used in)/generated from investing activities	(20,867,777)	52,024,301
Net cash used in financing activities	(26,795,917)	(34,685,396)
Net (decrease)/increase in cash and cash equivalents	(28,594,366)	31,040,901

Except for Nan Sing Plastics, the directors consider that the NCI of other non-wholly owned subsidiaries during the years ended 31 March 2026 and 2025 were insignificant to the Group and thus they are not separately presented in these consolidated financial statements.

SUMMARY OF MAJOR PROPERTIES HELD FOR INVESTMENT

For the year ended 31 March 2026

Location	Existing Use	Category of lease term	Group's interest
(1) Shops, G/F–2/F, 7 Cameron Road, Tsimshatsui, Kowloon, Hong Kong	Commercial	Medium-term lease	100%
(2) Everglory Centre, No. 1B Kimberly Street, Tsimshatsui, Kowloon, Hong Kong	Commercial	Medium-term lease	100%
(3) Nan Shan Development Zone (Partial), Zhangmutou, Dongguan, PRC	Industrial	Medium-term lease	95%

SUMMARY OF MAJOR PROPERTIES UNDER DEVELOPMENT

For the year ended 31 March 2026

Location	Intended usage	Category of lease term	Group's interest
(1) No. 1 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	Vacant	Medium-term lease	100%

SUMMARY OF MAJOR PROPERTIES HELD FOR OWN USE

For the year ended 31 March 2026

Location	Usage	Category of lease term	Group's interest
(1) 7 Cameron Road, Tsimshatsui, Kowloon, Hong Kong (except shops, G/F–2/F)	Hotel operation	Medium-term lease	100%
(2) Room 407–410, 4/F, Tower 2, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong	Commercial	Medium-term lease	100%
(3) No. 24, Essex Crescent, Kowloon Tong, Kowloon, Hong Kong	Residential	Medium-term lease	100%
(4) Nan Sing Industrial Estate, Nan Shan Development Zone, Zhangmutou, Dongguan, PRC	Industrial	Medium-term lease	95%
(5) Nan Shan Development Zone (Partial), Zhangmutou, Dongguan, PRC	Industrial	Medium-term lease	95%

FIVE YEARS FINANCIAL SUMMARY

For the year ended 31 March 2026 (in HK Dollars)

The consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements are as follows:

	2026	2025	2024	2023	2022
Results					
Revenue	<u>228,533,157</u>	<u>232,260,459</u>	<u>192,687,470</u>	<u>238,533,661</u>	<u>274,414,996</u>
(Loss)/Profit for the year attributable to:					
Owners of the Company	<u>(43,019,807)</u>	<u>(25,568,231)</u>	<u>56,389,855</u>	<u>27,776,200</u>	<u>26,512,717</u>
Non-controlling interests	<u>671,150</u>	<u>(252,936)</u>	<u>(518,030)</u>	<u>1,251,741</u>	<u>224,899</u>
	<u>(42,348,657)</u>	<u>(25,821,167)</u>	<u>55,871,825</u>	<u>29,027,941</u>	<u>26,737,616</u>
Assets and liabilities					
Total assets	<u>1,731,286,812</u>	<u>1,616,442,516</u>	<u>1,635,320,068</u>	<u>1,529,020,628</u>	<u>1,577,524,878</u>
Total liabilities	<u>(560,285,647)</u>	<u>(492,323,073)</u>	<u>(489,604,142)</u>	<u>(449,036,248)</u>	<u>(503,310,652)</u>
	<u>1,171,001,165</u>	<u>1,124,119,443</u>	<u>1,145,715,926</u>	<u>1,079,984,380</u>	<u>1,074,214,226</u>
Equity attributable to:					
Owners of the Company	<u>1,161,135,317</u>	<u>1,114,374,772</u>	<u>1,135,612,393</u>	<u>1,069,113,659</u>	<u>1,063,882,292</u>
Non-controlling interests	<u>9,865,848</u>	<u>9,744,671</u>	<u>10,103,533</u>	<u>10,870,721</u>	<u>10,331,934</u>
	<u>1,171,001,165</u>	<u>1,124,119,443</u>	<u>1,145,715,926</u>	<u>1,079,984,380</u>	<u>1,074,214,226</u>
(LOSS)/EARNINGS PER SHARE					
Basic and diluted	<u>(19.1) cents</u>	<u>(11.3) cents</u>	<u>25.0 cents</u>	<u>12.3 cents</u>	<u>11.8 cents</u>
DIVIDEND PER SHARE	<u>3 cents</u>	<u>3 cents</u>	<u>3 cents</u>	<u>3 cents</u>	<u>3 cents</u>