



EVERCHINA INT'L HOLDINGS COMPANY LIMITED

潤中國際控股有限公司

Stock Code : 202

ANNUAL REPORT 2025



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Yi, Ethan
Mr. Jiang Xiao Heng Jason
Mr. Zhou Zhizhu
Ms. Wang Xue

Non-executive Directors

Mr. Jiang Zhaobai (*Chairman*)

Independent Non-executive Directors

Mr. Ho Yiu Yue, Louis
Mr. Ko Ming Tung, Edward
Mr. Ng Ge Bun

BOARD COMMITTEES

Audit Committee

Mr. Ho Yiu Yue, Louis (*Committee Chairman*)
Mr. Ko Ming Tung, Edward
Mr. Ng Ge Bun

Remuneration Committee

Mr. Ho Yiu Yue, Louis (*Committee Chairman*)
Mr. Ko Ming Tung, Edward
Mr. Chen Yi, Ethan

Nomination Committee

Mr. Ko Ming Tung, Edward (*Committee Chairman*)
Mr. Ho Yiu Yue, Louis
Ms. Wang Xue

COMPANY SECRETARY

Mr. Lau Chi Lok, Freeman

LISTING INFORMATION

Stock Code: 202
Board Lot: 5,000 shares

REGISTERED OFFICE

Unit 1506, 15th Floor
Capital Centre
151 Gloucester Road
Wanchai, Hong Kong

WEBSITE

www.everchina202.com.hk

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F., Gloucester Tower
The Landmark, 11 Pedder Street
Central
Hong Kong

SOLICITORS

K&L Gates
Patrick Mak & Tse
Allbright Law (Hong Kong) offices LLP

SHARE REGISTRAR

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road,
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking
Corporation Limited
China Construction Bank (Asia) Corporation Limited

MANAGEMENT STATEMENT

On behalf of the board (the “Board”) of directors (the “Directors”) of EverChina Int’l Holdings Company Limited (the “Company”) and its subsidiaries (collectively, the “Group”), I am pleased to present to you the annual results of the Group for the year ended 31 March 2025.

For the year ended 31 March 2025, the Group’s revenue from continuing operations amounted to approximately HK\$108,181,000 (2024: HK\$102,484,000), representing an increase of approximately 5.6% as compared to last year. The loss for the year (including continuing and discontinued operations) amounted to approximately HK\$40,238,000 (2024: HK\$322,522,000), representing a decrease of approximately 87.5% as compared to last year. The basic loss per share (including continuing and discontinued operations) amounted at HK0.551 cents, compared with the basic loss per share of HK4.385 cents the previous year.

BUSINESS REVIEW

During the year, the Company was mainly engaged in agricultural operation and property investment operation.

Agricultural operation

The Group’s agricultural operation engages in agricultural farming and cattle raising in Bolivia. As at 31 March 2025, the Group totally operates approximately 17,500 hectares of farmland in Bolivia with carrying value of approximately HK\$331,303,000 (31 March 2024: HK\$334,057,000). As at 31 March 2025, the Group had cultivation of crops in field cultivation amounted to approximately HK\$49,590,000 (31 March 2024: HK\$19,662,000) and raised cattle of 3,522 heads (31 March 2024: 3,424 heads) with aggregate value of approximately HK\$16,927,000 (31 March 2024: HK\$10,663,000). During the year, revenue generated from agricultural operation increased by 6.1% to approximately HK\$78,434,000 (2024: HK\$73,901,000), which account for 72.5% of total revenue of the Group. Revenue from sale of crops amounted to approximately HK\$75,221,000 (2024: HK\$72,756,000) whereas revenue from sale of cattle amounted to HK\$3,213,000 (2024: HK\$1,145,000). The major crops of the farm is soybean. During the year, approximately 10,600 hectares of soybeans was planted (2024: 11,500 hectare), the average yield was 1.9 ton per hectare (2024: 2.2 ton per hectare) with a grain production of approximately 20,200 tons (2024: 25,000 tons). The average selling price of soybeans was approximately US\$450/MT, representing an increase of 25% as compared to the last year. This segment recorded a profit of approximately HK\$47,565,000 (2024: loss of HK\$10,967,000). The profit was primarily due to a gain of approximately HK\$41,167,000 from changes in the fair value less costs to sell of biological assets. Additionally, there was an increase in the gross profit margin resulting from a rise in the average selling price of soybeans for the year.

Property Investment Operation

The Group’s property investment operation mainly comprise two investment properties located in the centre of Beijing and Shanghai (collectively referred to as the “Beijing Property” and “Shanghai Property”) in the People’s Republic of China (PRC) respectively. At 31 March 2025, the Beijing Property was valued at approximately HK\$403,427,000 (31 March 2024: HK\$453,847,000) and the Shanghai Property was valued at approximately HK\$231,263,000 (31 March 2024: HK\$264,835,000). Based on the independent valuation performed, loss on changes in fair value of investment properties of approximately HK\$66,076,000 was recorded for the year ended 31 March 2025 (2024: HK\$151,648,000). The fair value losses of investment properties were primarily due to the ongoing decline in demand for commercial properties in the PRC. During the year, rental income generated from property investment operation slightly increased by 4.1% to approximately HK\$29,747,000 (2024: HK\$28,583,000), which accounted for 27.5% of total revenue of the Group. As at 31 March 2025, the average occupancy rate of the Beijing Property and the Shanghai Property reached 90% (31 March 2024: 80%) and 89% (31 March 2024: 54%) respectively.

MANAGEMENT STATEMENT

The segment loss amounted to approximately HK\$47,972,000 (2024: HK\$135,549,000). The decrease was primarily due to a reduction in the loss from changes in the fair value of the Group's investment properties compared to the same period last year. The Group will make every effort to increase its rental income. The Group will also closely monitor the market condition and will not eliminate the possibility of realising part of the Shanghai Properties in order to enhance the Group's working capital if necessary and when timing is appropriate.

OUTLOOK

Amid the political and economic instability, the business outlook will remain difficult and challenging. To cope with the challenging environments, the Group will continue to adopt a prudent approach in managing its existing businesses and investment strategies, as well as strengthen risk control to ensure the steady development of the Group.

On 26 March 2025, the Group entered into the provisional agreement with Shanghai Pengxin Zhihuiyuan Property Development Company Limited in relation to acquire the property located in Minhang District, Shanghai, the PRC (the "Property"). Upon completion of the acquisition of the Property, it will be occupied as a serviced apartment for elderly and provide seniors with quality elderly care services. The Company is optimistic about the elderly serviced apartment business in the PRC. It is expected that the investment can generate economic benefit to the Group.

RESULTS OF OPERATIONS

For the year ended 31 March 2025, the Group's revenue from continuing operations amounted to approximately HK\$108,181,000 (2024: HK\$102,484,000), representing an increase of approximately 5.6% as compared to last year. This increase was primarily due to a rise in revenue from agricultural operation, which grew by approximately 6.1% to approximately HK\$78,434,000 (2024: HK\$73,901,000). The increase in income from the sale of crops is mainly attributable to a 25% rise in the average selling price of soybeans, which reached approximately US\$450/MT (2024: US\$360/MT). The Group recorded a loss of approximately HK\$40,238,000 for the year (2024: HK\$322,522,000), representing a decrease of approximately 87.5% as compared to last year. The loss was mainly due to the net results of:

- (i) a decrease in loss on change in fair value of the Group's investment properties by 56.4% to approximately HK\$66,076,000 (2024: HK\$151,648,000);
- (ii) in absence of loss on early repayment of amount due to a related company for the year (2024: HK\$17,444,000) which was included in other income and losses, net, in last year;
- (iii) in absence of impairment loss recognised in respect of mining rights for the year (2024: HK\$52,947,000);
- (iv) a decrease in impairment loss recognised on property, plant and equipment by 90.3% to approximately HK\$1,079,000 (2024: HK\$11,156,000);
- (v) an increase in tax expenses by 10.3 times to approximately HK\$17,263,000 (2024: HK\$1,527,000); and
- (vi) recognised a profit of approximately HK\$29,329,000 from discontinued operations as a result of a tax credit (2024: loss of HK\$46,144,000).

Loss for the year attributable to owners of the Company (including continuing and discontinued operations) amounted to approximately HK\$40,211,000 (2024: HK\$319,846,000). The basic and diluted loss per share (including continuing and discontinued operations) amounted to approximately HK0.551 cents for the year ended 31 March 2025 (2024: HK4.385 cents).

MANAGEMENT STATEMENT

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

During the year, the Group generally financed its operations with internally generated resources and banking facilities provided by its principal bankers in the PRC. At 31 March 2025, the Group's total bank and other borrowings of approximately HK\$413,312,000 (31 March 2024: approximately HK\$247,166,000), which mainly comprised secured bank borrowings of approximately HK\$178,612,000 (31 March 2024: approximately HK\$6,166,000), secured other borrowings of approximately HK\$233,700,000 (31 March 2024: approximately HK\$240,000,000) and unsecured other borrowings of approximately HK\$1,000,000 (31 March 2024: approximately HK\$1,000,000). As at 31 March 2025, the Group's borrowings were denominated in RMB, HKD and USD, amounting to approximately RMB165,000,000 (31 March 2024: approximately RMB3,000,000) and approximately HK\$234,700,000 (31 March 2024: approximately HK\$241,000,000) and approximately USD250,000 (31 March 2024: USD368,000) respectively.

As at 31 March 2025, the Group recorded total assets of approximately HK\$1,611,494,000 (31 March 2024: HK\$1,564,676,000), total liabilities of approximately HK\$515,065,000 (31 March 2024: HK\$395,899,000), non-controlling interests of approximately HK\$29,074,000 (31 March 2024: HK\$29,101,000) and equity attributable to owners of the Company of approximately HK\$1,067,355,000 (31 March 2024: HK\$1,139,676,000). The Group's net asset value per share as at 31 March 2025 was HK\$0.15 (31 March 2024: HK\$0.16). The decrease in net asset value per share was attributable to the loss for the year.

At 31 March 2025, the Group's cash on hand and deposits in bank was approximately HK\$312,618,000 (31 March 2024: approximately HK\$24,918,000). The proportions of Renminbi ("RMB"), US dollar ("USD") and Hong Kong dollars were 91%, 8% and 1% (31 March 2024: 27%, 71% and 2%) respectively. As 31 March 2025, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total equity, was 0.38 (31 March 2024: 0.21) while the Group's current ratio was 0.9 (31 March 2024: 1.4).

There has been no change in the share capital of the Company during the year. As at 1 April 2024 and 31 March 2025, the number of issued shares of the Company was 7,294,369,363.

Pledged of Assets

At 31 March 2025, the Group's freehold land with carrying amounts of approximately HK\$145,860,000 (31 March 2024: approximately HK\$145,860,000) were secured for bank facilities. At 31 March 2025, the Group's borrowings were secured by charges on (i) the Group's investment properties with carrying amounts of approximately HK\$231,263,000 (31 March 2024: HK\$15,965,000); and (ii) certain subsidiaries of the Group with carrying amounts of approximately HK\$184,533,000 (31 March 2024: HK\$184,553,000).

Material Acquisition and Disposal

On 26 March 2025, the Group entered into the provisional agreement with Shanghai Pengxin Zhihuiyuan Property Development Company Limited in relation to acquire the property located in Minhang District, Shanghai, the PRC at the consideration of RMB400,000,000 (equivalent to approximately HK\$428,000,000) (the "Acquisition"). The Acquisition constitutes a major and connected transaction of the Company under the Listing Rules. Details of the transaction were set out in the Company's announcement dated 26 March 2025.

Save for the information disclosed in other parts of this section, the Group did not have any material acquisition or disposal of subsidiaries or associates during the year ended 31 March 2025.

MANAGEMENT STATEMENT

Contingent Liability

As at 31 March 2025, the Group had no material contingent liabilities (31 March 2024: Nil).

Capital Commitment

As at 31 March 2025, the Group had approximately HK\$309,154,000 (31 March 2024: HK\$75,275,000) capital commitment in respect of capital contribution to associates and acquisition of property.

Foreign Exchange Exposure

The majority of the Group's assets and liabilities are denominated in Renminbi, Hong Kong dollars and US dollars which are the functional currencies of respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

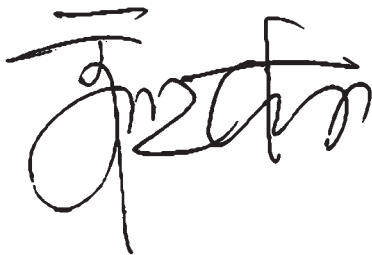
Human Resources

As at 31 March 2025, the Group employed approximately 108 employees (31 March 2024: approximately 115). The Group maintains a policy of paying competitive remuneration packages and employees are also rewarded on performance related basis including salary and bonus.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to all shareholders, customers, employees and partners for their continuous support and encouragement.

On behalf of the Board



Jiang Zhaobai

Chairman

Hong Kong, 27 June 2025

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Mr. JIANG Zhaobai, Non-executive Director and Chairman

Mr. JIANG Zhaobai, aged 62, appointed as an executive Director of the Company and Chairman of the Board in September 2012 and re-designated to a non-executive Director of Company from 1 November 2023. He has over 30 years experience in real estate development and investment in the PRC and extensive experience in international investment including agriculture and animal husbandry industries and mining, new energy and its related business field. He is also the chairman of the board of Shanghai Pengxin (Group) Co., Ltd. ("Shanghai Pengxin Group"). Mr. Jiang is the founder of Shanghai Pengxin Group. Mr. Jiang was appointed as vice presidents of China Enterprise Directors Association from July 2010 to July 2015 and is currently vice president of China-Latin American and Caribbean Friendship Association. He graduated in Nanjing Institute of Architecture and Civil Engineering and was admitted to an Executive Master of Business Administration degree at China Europe International Business School in June 2005. He is the father of Mr. Jiang Xiao Heng Jason, an executive Director of the Company.

Mr. CHEN Yi, Ethan, Executive Director and Chief Executive Officer

Mr. CHEN Yi, Ethan, aged 42, joined the Company as an independent non-executive Director of the Company in February 2012 and re-designated to an executive Director of the Company since October 2014 and appointed as chief executive officer of the Company from 1 November 2023. He holds a bachelor's degree in Applied Science on Professional Electric Engineering from University of British Columbia, Vancouver, Canada and Mr. Chen has profound knowledge in financial instruments and rich experience in the international capital market. Prior to this re-designation, Mr. Chen had been worked as the assistant vice president in investment of Wellbo Holdings Limited, an engineering analyst of Kobex Minerals Inc. and International Barytex Resources Ltd in Canada, and an analyst and assistant vice president of Rongying Investments Limited respectively.

Mr. ZHOU Zhizhu, Executive Director and Co-chief Executive Officer

Mr. ZHOU Zhizhu, aged 56, joined the Company as executive Director and Co-chief executive officer on 17 May 2024. He obtained a bachelor's degree in thermal engineering from Beihang University in 1990 and a master's degree in business administration from Wuhan University in 2001. He is a professor-level senior engineer. Mr. Zhou has over 30 years' experience in engineering, corporate management and new energy investment and strategy. From August 1990 to May 1996, Mr. Zhou served as technician, team leader, and chief of materials and equipment section of Hunan Power Construction Co., Ltd. (湖南火電建設有限公司). From June 1996 to November 1997, he served as department director and deputy chief engineer of the Preparatory Construction Department of Hunan Yiyang Power Generation Co., Ltd.* (湖南益陽發電有限公司). From December 1997 to May 2002, he served as deputy general manager of Hubei Xiangfan Power Generation Co., Ltd. of Central China Power Grid (華中電網湖北襄樊發電有限公司). From May 2002 to April 2011, he served as general manager of Shanghai Electric Engineering Company Limited (上海電氣工程有限公司), executive vice president of Shanghai Electric Power Station Group (上海電氣電站集團) and assistant vice president of Shanghai Electric Group Company Limited* (上海電氣集團股份有限公司). From May 2011 to April 2016, he served as director, deputy general manager, and general manager of Southern Power Grid International Co., Ltd. (南方電網國際有限責任公司). From May 2016 to April 2019, he served as vice chairman of GCL Energy Technology Co., Ltd. (協鑫能源科技股份有限公司) (listed on Shenzhen Stock Exchange, stock code: 002015) and appointed as vice president and executive director of GCL Group Limited (協鑫集團有限公司) from August 2018 to June 2019. From May 2019 to January 2022, he served as president of ENN Digital Energy Technology Company Limited (新奧數能科技有限公司), and director and president of ENN New Intelligence Company Limited (新奧新智科技有限公司), ENN Group Co., Ltd.* (新奧集團股份有限公司) respectively. From January 2023 to April 2024, he served as director and co-general manager of Suzhou Medical System Technology Co., Ltd. (蘇州麥迪斯頓醫療科技股份有限公司) (listed on Shanghai Stock Exchange, stock code: 603990).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. JIANG Xiao Heng Jason, Executive Director

Mr. JIANG Xiao Heng Jason, aged 35, joined our Group in October 2012 as the investment manager of the Company. He has extensive experience in investing in real estate and IT sectors. He studied in the bachelor of business administration program in Pepperdine University. He worked as investment manager in the strategic investment department of Shanghai Pengxin (Group) Co., Ltd.. He is the son of Mr. Jiang Zhaobai, a non-executive Director and the Chairman of the Board.

Ms. WANG XUE, Executive Director

Ms. WANG Xue, aged 41, joined the Company as an executive Director in December 2024. She is currently an overseas affairs assistant to the chairman of Shanghai Pengxin (Group), which owned as 99% by Mr. Jiang Zhaobai, a non-executive Director and chairman of the Company. Ms. Wang received a double bachelor's degree in law and literature from Shanghai University of Finance and Economics. She has over 15 years of experience in the field of international investment and operations. From 2010 to 2016, she served as the international investment director of the tourism and commercial division of Fosun International Limited (stock code: 656). From 2017 to 2019, she served as the acting general manager of Mini-Camp. From 2020 to 2023, she served as the deputy chief human resources officer and general manager of the Innovation and Leadership Center of Fosun Tourism and Culture Group (stock code: 1992).

Mr. HO Yiu Yue, Louis, Independent Non-executive Director and the Chairman of the Audit Committee and the Remuneration Committee

Mr. HO Yiu Yue, Louis, aged 77 was appointed as an independent non-executive Director in April 2009. He is also the Chairman of the Audit Committee and the Remuneration Committee of the Company and a member of the Nomination Committee. He obtained a master degree of business administration in finance & operations research from Concordia University in Canada and is an associate member of both Hong Kong Institute of Certified Public Accountants and Australia Society of Certificate Practising Accountants. Mr. Ho had over 30 years working experience with international accounting professional firms and had been admitted as partner in Ernst & Young, PricewaterhouseCoopers and Arthur Andersen, focusing on technology risk, system and process assurance and risk consulting practices. During that period, Mr. Ho provided services and advices to numerous blue chip corporations in both Hong Kong and the PRC. Mr. Ho was an independent non-executive director of China Pipe Group Limited, whose shares are listed on the Main Board of the Stock Exchange.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. KO Ming Tung, Edward, Independent Non-executive Director and the Chairman of the Nomination Committee

Mr. KO Ming Tung, Edward, aged 64, was appointed as an independent non-executive Director of the Company in April 2009. Mr. Ko obtained an external Bachelor of Laws Degree from the University of London in the United Kingdom in August 1986 and is a member of The Law Society of Hong Kong. Mr. Ko is the principal of Messrs. Edward Ko & Company and has been practising as a solicitor in Hong Kong for more than 33 years.

Other than the directorship in the Company, currently, Mr. Ko is also an independent non-executive director of Sinofert Holdings Limited, Chia Tai Enterprises International Limited and China Vered Financial Holding Corporation Limited, all of which are companies whose shares are listed on the Main Board of the Stock Exchange.

Mr. NG Ge Bun, Independent Non-executive Director

Mr. NG Ge Bun, aged 68, was appointed as an independent non-executive Director of the Company on 7 May 2021. Mr. Ng is a solicitor of the High Court of Hong Kong and currently serves as a consultant of H.Y. Leung & Co LLP Solicitors. Mr. Ng holds the degree in bachelor of science and degree in bachelor in laws. Mr. Ng obtained a postgraduate certificate in laws from The University of Hong Kong. Mr. Ng is also appointed as an independent non-executive director of Kai Yuan Holding Limited (stock code: 1215), whose shares are listed on the Main Board of the Stock Exchange.

COMPANY SECRETARY

Mr. Lau Chi Lok, Freeman joined the Company as group financial controller in July 2007 and was appointed as company secretary of the Company in June 2009. He is a fellow member of Hong Kong Institute of Certified Public Accountants and member of CPA Australia and holds a bachelor's degree in Commerce, major in Accounting from La Trobe University of Australia. He has over 30 years of professional experience in audit, accounting, financial management and company secretarial matters. Prior to joining the Company, Mr. Lau had worked in audit division of international accounting firms in Hong Kong. He had also served manager of various listed companies in Hong Kong responsible for accounting and finance matters.

CORPORATE GOVERNANCE REPORT

The board (the "Board") of directors (the "Directors") is pleased to report to the shareholders of the Company (the "Shareholders") the corporate governance of the Company for the year ended 31 March 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the maintenance of good standard of corporate governance and has adopted the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as its own code of corporate governance practices. The Board and the management believe that a good corporate governance practices is essential to enhance transparency and accountability to the Shareholders.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the year under review, the Company had complied, to the extent applicable and permissible, with the code provisions as set out in the CG Code except for the deviations as stated below:

- (i) The Code Provision C.3.3 of the CG Code stipulates that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. All Directors, except independent non-executive Directors, have formal letters of appointment. The independent non-executive Directors have followed the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. The independent non-executive Directors clearly understand role and responsibilities of independent non-executive Directors. The Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those prescribed by code provisions D.1.4 of the CG Code and therefore does not intend to take any steps in this regard at the moment.
- (ii) The Code Provision F.2.2 of the CG Code stipulates that the chairman of the board should attend the AGM to answer questions at the AGM. Mr. Jiang Zhaobai, the chairman of the Board did not attend the 2024 AGM due to other business engagements. Mr. Chen Yi, Ethan, being the executive Director of the Company, who took chair of the AGM on 25 September 2024 together with other members of the Board who attended the AGM, were of sufficient calibre for answering questions at the AGM and had answered questions at the AGM competently.

Notwithstanding the aforesaid deviations, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and relevant employees of the Company. Having made specific enquiry to all Directors, the Company confirms that all Directors have complied with the Model Code throughout the year ended 31 March 2025.

CORPORATE GOVERNANCE REPORT

THE BOARD

The Company is headed by an effective Board which oversees the Company and its subsidiaries' (the "Group") businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

As at the date of this report, the Board comprises eight Directors, with one non-executive Director, Mr. Jiang Zhaobai (Chairman); four executive Directors, Mr. Chen Yi, Ethan, Mr. Jiang Xiao Heng Jason, Zhou Zhizhu and Ms. Wang Xue; and three independent non-executive Directors, Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Mr. Ng Ge Bun. Biographical information of the Directors is set out in the section "Biographical Details of Directors and Senior Management" of this annual report.

An update list of Directors identifying their roles and functions is maintained on the websites of the Company and the Stock Exchange.

The relationships between the Directors are disclosed in the respective Director's biography under the section "Biographical Details of Directors and Senior Management" of this annual report. Save as disclosed above, there are no relationships (including financial, business, family or other material/relevant relationship(s) between the Board members and in particular, between the Chairman and the Chief Executive Officer.

The Board includes a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Changes in Directors

For the year ended 31 March 2025 and up to the date of this report, the changes of the Board members are as follows:

- Mr. Zhou Zhizhu was appointed as an executive Director of the Company with effect from 17 May 2024; and
- Ms. Wang Xue was appointed as an executive Director of the Company with effect from 18 December 2024.

The above Directors appointed during the year, namely Mr. Zhou Zhizhu and Ms. Wang Xue, have obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 16 May 2024 and 13 December 2024 respectively before their appointment became effective, and confirmed that they understood their obligations as Directors.

CORPORATE GOVERNANCE REPORT

Board meetings

During the year under review, seven Board meetings and an AGM were held. The attendance of each Director at the Board meetings and the AGM is set out as follows:

Name of Directors	Attendance/Number of	
	Board Meetings	AGM
Executive Directors		
Mr. Chen Yi, Ethan	7/7	1/1
Mr. Jiang Xiao Heng Jason	6/7	0/1
Mr. Zhou Zhizhu (Note i)	5/7	0/1
Ms. Wang Xue (Note ii)	1/7	0/1
Non-executive Director		
Mr. Jiang Zhaobai	6/7	0/1
Independent Non-executive Directors		
Mr. Ho Yiu Yue, Louis	7/7	1/1
Mr. Ko Ming Tung, Edward	7/7	1/1
Mr. Ng Ge Bun	7/7	1/1

Notes:

- (i) Mr. Zhou Zhizhu was appointed as an executive Director with effect from 17 May 2024. Six Board meetings were held after 17 May 2024.
- (ii) Ms. Wang Xue was appointed as an executive Director with effect from 18 December 2024. One Board meeting was held after 18 December 2024.

During the year, the Board has dealt with matters covering mainly the Group's overall strategy, the appointment of Director, annual and interim results, major transaction, internal control and risk management, corporate governance and financial matters.

At least 14 days' notice of regular Board meetings (or reasonable notice for all other meetings) is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Company Secretary assists in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a Board meeting. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

CORPORATE GOVERNANCE REPORT

Responsibilities of the Board

The Board is responsible for leading and controlling the Company, overseeing as well as the supervision of its business, approval of strategic plans and monitoring the Company's performance. The Board delegates the day-to-day operations to the management, while reserving certain key matters for its approval. The Board is also responsible for evaluating and determining the nature and significance of identified risks and determine how these risks can be properly alleviated so as to achieve the Group's strategic objectives; and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. In addition, the Board, with the assistance from Audit Committee, Remuneration Committee and Nomination Committee, oversees particular aspects of the Group's affairs. All Committees have specific functions and authority to examine issues and report to the Board with recommendations. The final decisions are rested with the Board, unless otherwise provided in terms of reference of the relevant Committees.

Each Director keeps abreast of his responsibility as the Director and of the conduct, business activities and development of the Company. The Directors are also kept informed on a timely basis of their responsibilities and obligations under the Listing Rules, as well as other relevant statutory or regulatory requirements. The Company also encourages its Directors to participate in other continuous professional development programmes for Directors. In addition, the Company has arranged appropriate Directors and Officers Liability Insurance coverage on Directors' and officers' liabilities in respect of legal actions against Directors and senior management arising out of corporate activities.

Corporate Governance Functions

The Board is also responsible for performing corporate governance functions as set out in the code provision A.2.1 of the CG Code. During the year ended 31 March 2025, the Board has reviewed the compliance with the CG Code and disclosure in Corporate Governance Report.

Chairman and Chief Executive Officer

The positions of Chairman and CEO are held by Mr. Jiang Zhaobai and Mr. Chen Yi, Ethan respectively. Their roles and duties are segregated, with clear division of responsibilities. Mr. Jiang Zhaobai, being the Chairman of the Board is to provide leadership and management of the Board while Mr. Chen Yi, Ethan, the CEO of the Company is responsible for the implementation of strategies and objectives set by the Board and answerable to the Board for the operations of the Group.

CORPORATE GOVERNANCE REPORT

Independence of independent non-executive Directors

In compliance with Rule 3.10(1), 3.10(2) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors. The Board considers that all independent non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of legislation and accounting and finance to carry out their duties so as to protect the interests of the Shareholders. One of the independent non-executive Directors, Mr. Ho Yiu Yue, Louis ("Mr. Ho") has over 30 years of experience in accounting and risk consulting. He is a member of both Hong Kong Institute of Certified Public Accountants and CPA Australia.

The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Nomination Committee also reviews the independence of the Independent Non-Executive Directors in its annual review of the structure, size and composition of the Board.

The Board has noticed that each of Mr. Ho Yiu Yue, Louis ("Mr. Ho") and Mr. Ko Ming Tung, Edward, ("Mr. Ko") has served as an independent non-executive Directors for more than nine years that their further appointment should be subject to separate resolutions to be approved by Shareholders. In this regard, the re-appointment of Mr. Ho as independent non-executive Director of the Company was approved by Shareholders in separate resolution at the AGM of the Company held on 28 September 2023 and the re-appointment of Mr. Ko as independent non-executive Director of the Company was approved by Shareholders in separate resolution at the AGM of the Company held on 23 September 2022. In assessing the independence of Mr. Ho and Mr. Ko, the Board and the Nomination Committee took into account the fact that Mr. Ho and Mr. Ko have not engaged in any executive management of the Group; and have demonstrated their ability to provide independent view to the Company's matters during their terms of office with the Company, despite their length of service, have always expressed their views independently, objectively and impartially, constructively challenging the views of the other directors and testing the arguments whenever necessary. Their length of service also means they have in depth knowledge of the Company and the challenges that it faces which assisted greatly with the determination of long term goals and strategies. The Board is satisfied that Mr. Ho and Mr. Ko remain independent despite their years of service and that they will continue to effectively contribute as board members. The Board is of the view that each of the Independent Non-executive Directors meets the independence guidelines as set out in Rule 3.13 of the Listing Rules and that they are able to continue to fulfill their roles as required.

CORPORATE GOVERNANCE REPORT

Continuous Professional Development

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. During the year, Directors received regular updates on changes and developments of the Group's business and to the legislative and regulatory environments in which the Group operate. All Directors are also encouraged to attend relevant training courses at the expense of the Company where necessary. For the year ended 31 March 2025, the Company has received confirmation from all Directors in respect of their training records, in detail as follows:

Name of Directors	Type of Trainings
Mr. Jiang Zhaobai	A, B
Mr. Chen Yi, Ethan	A, B
Mr. Jiang Xiao Heng Jason	A, B
Mr. Zhou Zhizhu (appointed on 17 May 2024)	B, C
Ms. Wang Xue (appointed on 18 December 2024)	B, C
Mr. Ho Yiu Yue, Louis	A, B
Mr. Ko Ming Tung, Edward	A, B
Mr. Ng Ge Bun	A, B

Notes:

- (A) Attending seminar(s)/programme(s)/conference(s)/briefings
- (B) Reading materials relevant to the business or directors' duties
- (C) Training for new director

BOARD COMMITTEES

The Board has three committees namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. Each of the committees has been established with written terms of reference that state its powers, duties and functions, which are available on the website of the Company and the Stock Exchange.

Remuneration Committee

As at the date of this report, the Remuneration Committee comprises two independent non-executive Directors, namely Mr. Ho Yiu Yue, Louis (chairman of the Remuneration Committee) and Mr. Ko Ming Tung, Edward and one executive director namely, Mr. Chen Yi, Ethan. The terms of reference of the Remuneration Committee have been determined with reference to the CG Code. Under the terms of reference of the Remuneration Committee, the responsibilities of the Remuneration Committee include, inter alia, assisting the Company in the administration of a formal and transparent procedure for developing remuneration policies, making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, consider and approve matters relating to share schemes under Chapter 17 of the Listing Rules, and ensuring that no Director or any of his associates is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee are available on the Company's website.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2025, the Remuneration Committee held three meetings. At the meetings, the Remuneration Committee has reviewed and made recommendation to the Board on the remuneration package of executive Directors to be re-election at the AGM and approved the remuneration package for newly appointed executive Directors and submitted to the Board for approval. The attendance record of the members of the Remuneration Committee are as follows:

Name of Directors	Attendance/ Number of Meetings
Mr. Ho Yiu Yue, Louis (<i>Chairman</i>)	3/3
Mr. Chen Yi, Ethan (Appointed on 1 November 2023)	3/3
Mr. Ko Ming Tung, Edward	3/3

The Directors' remunerations are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group. Details of the remuneration of Directors are set out in note 9 of the consolidated financial statements of this annual report. The band of emoluments of senior management personnel and related number of persons of senior management during the year ended 31 March 2025 are set out below:

Annual Remuneration	Number of Persons
Below HKD1,000,000	4
HKD3,000,000 to HKD4,000,000	1

Nomination Committee

As at the date of this report, the Nomination Committee comprises two independent non-executive Directors, namely Mr. Ko Ming Tung, Edward (chairman of the Nomination Committee) and Mr. Ho Yiu Yue, Louis and one executive Director namely, Ms. Wang Xue. The terms of reference of the Nomination Committee have been determined with reference to the CG Code. Under its terms of reference, the responsibilities of the Nomination Committee include but not limited to review annually the structure, size and composition (including the skills, knowledge and experience) of the Board, to review and report the Board diversity to the Board, to assess the independence of the independent non-executive Directors, to make recommendations to the Board, by taking into account the Board Diversity Policy and the Nomination Policy on appointment or re-appointment of Directors and to make recommendations to the Board on the appointment or re-appointment of the senior management, and to assess the qualifications and competencies of the candidates, so as to ensure that all nominations are fair and transparent.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2025, the Nomination Committee held three meetings with full attendance of its members. At the meetings, the Nomination Committee reviewed current Board structure, size and composition, considered the qualifications of the retiring Directors standing for election at the AGM, reviewed and considered the proposed re-appointment of Mr. Ng Ge Bun, as Independent Non-executive Director and recommended to the Board for such appointment and proposed the appointment of Mr. Zhou Zhizhu and Ms. Wang Xue as an executive Director. The attendance records of the members of the Nomination Committee are as follows:

Name of Directors	Attendance/ Number of Meetings
Mr. Ko Ming Tung, Edward (<i>Chairman</i>)	3/3
Ms. Wang Xue (Appointed on 18 December 2024)	0/3
Mr. Ho Yiu Yue, Louis	3/3
Mr. Chen Yi, Ethan (Resigned on 18 December 2024)	3/3

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

CORPORATE GOVERNANCE REPORT

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at GMs.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Board Diversity Policy

The Board adopted the Board Diversity Policy in August 2013 and aimed to set out the approach to achieve diversity on the Board. All Board appointment will be based on merit and selection of candidates will be based on a range of diversity factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, required expertise, skills, knowledge and length of service. The current Board consists of a diverse mix of Board members appropriate to the requirement of the business of the Company.

The Company and the Nomination Committee periodically review the Board Diversity Policy, and monitor the progress on achieving the Measurable Objectives which are set for implementing diversity on the Board. The Board Diversity Policy endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. For the year ended 31 March 2025, the Company has achieved the following Measurable Objectives that the Board has set for implementing the Board Diversity Policy:

- (a) To ensure the appropriate proportion of the independent non-executive Directors and the executive Directors in order to maintain the independence of the Board. In particular, at least one-third of the number of members of the Board shall be independent non-executive Directors;
- (b) To ensure at least two members of the Board shall have obtained accounting or other professional qualification;
- (c) To ensure at least one-third of the members of the Board shall have attained bachelor's degree or higher level of education;
- (d) To ensure at least one-third of the members of the Board were or currently are director(s) of listed companies (including Hong Kong and other regions) other than the Company;
- (e) To ensure at least one member of the Board shall be female;
- (f) To ensure Board has members coming from different cultural backgrounds (including Hong Kong and the PRC); and
- (g) To ensure the age distribution of the members of the Board comprised of people from at least two decades.

The Company recognises the importance of gender diversity and recruits employees at all levels based on merits and regardless of gender in order to ensure there is a pipeline of male and female potential successors to the Board and the senior management. The Company successfully appointed a female director on 18 December 2024, achieving the objective of at least one female member on the Board in accordance with the Listing Rules.

CORPORATE GOVERNANCE REPORT

The Group also values the diverse talents and experience of its employees and uses a meritocracy approach, to bring in a wide range of talents from different backgrounds, cultures, talents and genders. As of 31 March 2025, the Group had 108 employees (including senior management), with a gender ratio of 70:30 (Male: Female), achieving a reasonable balance of gender diversity among employees.

Audit Committee

As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Ho Yiu Yue, Louis (chairman of the Audit Committee), Mr. Ko Ming Tung, Edward and Mr. Ng Ge Bun. Under its terms of reference, the Audit Committee is required, among other things, to oversee the relationship with the independent auditor, to review the Group's interim and annual consolidated financial statements, to monitor compliance with statutory and listing requirements, to ensure adequacy of resources, qualifications, experience and training programs and budget of the financial staff, and to engage independent legal or other advisers if necessary to perform investigations. The terms of reference of the Audit Committee are available on the Company's website.

During the year ended 31 March 2025, the Audit Committee held three meetings, at which the members of Audit Committee principally reviewed and discussed with the independence of external auditors of the Company about the Group's annual results and audited consolidated financial statements for the year ended 31 March 2024, the interim results for the six months ended 30 September 2024 and discussed with the management about the effectiveness of the risk management and assessment, financial controls system and internal control system, respectively. The attendance records of the members of the Audit Committee are as follows:

Name of Directors	Attendance/ Number of Meetings
Mr. Ho Yiu Yue, Louis (<i>Chairman</i>)	3/3
Mr. Ko Ming Tung, Edward	3/3
Mr. Ng Ge Bun	3/3

ACCOUNTABILITY AND AUDIT

Preparation of Financial Statements

The Board acknowledged responsibility for reviewing the accounts of the Company prepared by the executive board for the year ended 31 March 2025 and ensuring the accounts are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgment and estimates made are fair and reasonable; and that the accounts are prepared on a going concern basis.

A statement by the auditors about their reporting responsibilities is contained in the Independent Auditors' Report on pages 69 to 73 of this annual report.

Auditors' Remuneration

The remuneration paid to HLB Hodgson Impey Cheng Limited ("HLB"), the external auditors of the Company, in respect of audit services and non-audit services for the year ended 31 March 2025 amounted to HK\$2,050,000 (2024: HK\$2,000,000) and HK\$200,000 (2024: HK\$400,000) respectively.

CORPORATE GOVERNANCE REPORT

Risk Management and Internal Control

The Board is responsible for maintaining an adequate system of risk management and internal control of the Group and constantly reviewing its effectiveness while the Audit Committee is assisting the Board in fulfilling its supervision responsibility through annual review and evaluation. The system of risk management and internal control is designed to facilitate effective and efficient operations, to safeguard assets and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations. It is also designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established a clear risk management framework with defined levels of responsibility and reporting lines to identify, evaluate and manage significant risks. Operating units of the Group identify potential risks during their day-to-day operations and initiate actions to mitigate. In addition, management of the operating units perform risk assessment, significant findings and associated action plans are reported to the Company for monitoring and to ensure appropriate controls and mitigation actions are in place.

The Group does not have an internal audit function due to the size of the Group and for cost effectiveness consideration. Nonetheless, the Company has engaged an external professional consultant to perform internal audit function. External consultant conducts independent review on the adequacy and effectiveness of the Group's risk management and internal control systems and submits internal control review report to the Audit Committee with findings and recommendations. The Audit Committee, will by taking into consideration the control issues identified by the external auditor in the course of statutory audit, formulate their opinion and report to the Board at the regular meetings. The Group conducts its affairs with regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission of Hong Kong in June 2012.

During the year, the Board engaged an external professional consultants to review and assess the effectiveness of the Group's risk management and internal control systems. The assessments cover all material controls, including financial, operational and compliance controls of the Company and its major subsidiaries on a rotation basis. The report has been approved by the Audit Committee. The Board together with the senior management have reviewed, considered and discussed the material findings in relation to the internal control system and recommendations thereto, and have concluded that the overall internal control system of the Group has effectively exercised and no material control failure or significant areas of concern which might affect Shareholders' interest were identified during the reviews.

COMPANY SECRETARY

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the CEO and is responsible for advising the Board on governance matters. During the year ended 31 March 2025, Mr. Lau Chi Lok, Freeman is the Company Secretary of the Company, he has taken relevant professional trainings which are in compliance with Rule 3.29 of the Listing Rules for the year ended 31 March 2025.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a Shareholders' Communication Policy to ensure that Shareholders can exercise their powers in an informed manner, and to allow Shareholders and potential investors to improve communications with the Company. The Company uses GM, annual report, interim report, announcement, circular and its website as communication tools to keep the Shareholders informed of the matters of significance and latest development of the Group. Shareholders are provided with contact details of the Company to enable them to make enquiries with respect to the Company's affairs. Shareholders can also send their enquiries to the Company through these channels or contact Tricor Investor Services Limited, the share registrar of the Company, in case of enquiries about shareholdings. AGM is one of the channels on which the Directors meet with the Shareholders whose views can be addressed to the Board directly. At the AGM, separate resolution will be proposed by the chairman in respect of each substantially separate issue, and voting on each resolution will be conducted by poll. The chairman of the AGM ensures that an explanation is provided of the detailed procedures for conducting voting by poll and answers any questions from the Shareholders. The notice of AGM is distributed to the Shareholders at least 20 clear business days prior to the AGM. The accompanying circular sets out the details of each proposed resolution and other relevant information as required under the Listing Rules. Voting results are posted on the websites of the Stock Exchange and the Company respectively on the day of the AGM. Executive Directors, members of the Audit Committee and the Remuneration Committee and Nomination Committee, and the external auditors will be available to attend the AGM to answer questions from the Shareholders and to gain and develop a balanced understanding of the views of from the Shareholders.

The Board has reviewed the implementation of the shareholders' communications policy and is satisfied that it has been effective for the Board to understand the views and opinion of the shareholders through the available channels. Shareholders of the Company and the investor community may also contact the Company via email at the email address of the Company at general@everchina202.com.hk.

SHAREHOLDERS' RIGHTS

Convening general meeting and putting forward proposal at general meetings

Pursuant to article 62 of the Articles and Section 566 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) ("CO"), shareholder(s) of the Company holding at least 5% of the total voting rights of the Company may request the Board of Directors of the Company to convene a general meeting by way of depositing a written request at the registered office of the Company. The objects of the meeting must be stated in the related requisition which must be authenticated by the person or persons making it. In accordance with Section 567 of the CO, the Directors must call a meeting within 21 days after the date on which they become subject to the requirement under Section 566 of the CO and such meeting must be held on a date not more than 28 days after the date of the notice convening the meeting.

Besides, Section 615 of the CO provides that shareholder(s) of the Company holding at least 2.5% of the total voting rights or at least 50 shareholders who have a right to vote on the resolution at the annual general meeting may request the Company to give notice of a resolution that may properly be moved and is intended to be moved at that meeting by way of depositing a written notice authenticated by the person or persons making it at the registered office of the Company or in electronic form not less than six weeks before the annual general meeting. The notice shall contain a description of the proposed resolution desired to be put forward at the annual general meeting, the reasons for such proposal and any material interest of the proposing shareholder(s) in such proposal.

CORPORATE GOVERNANCE REPORT

Procedures by which enquiries may be put to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the Company Secretary by mail at Unit 1506, 15th Floor, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong. The Company Secretary is responsible for forwarding communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions and inquiries, to the CEO of the Company.

DIVIDEND POLICY

The Company has adopted a Dividend Policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

WHISTLE-BLOWING POLICY AND ANTI-CORRUPTION POLICY

The Company has put in place a whistle-blowing policy which sets out the procedures for a whistle-blower to make a report to the Company on misconduct or wrongdoing relating to the Company, its officers and employees, including any concern or complaint regarding financial reporting and questionable accounting practices; criminal offences, unlawful and/or unethical acts, fraud, corruption, bribery and blackmail; failure to comply with legal or regulatory obligations and concealment of any of the abovementioned issues. The identify of the whistle-blower and all the concerns or irregularities raised will be treated with confidence and every effort will be made to ensure that confidentiality is maintained throughout the process.

The Company has established the anti-corruption policy to set a tone-at-top on anti-corruption commitment and relevant reporting channels, which applies to all employees (including secondees), officers and directors of the Group and external third parties who deal with the Group. The Group is committed to conduct all of its business in an honest and ethical manner. The Group takes a zero tolerance approach to bribery and corruption and are committed to act professionally, fairly and with integrity in all of its business dealings and relationships wherever the Group operates and implementing and enforcing effective systems to counter bribery and corruption.

The Audit Committee, which is responsible for oversight and monitoring of the whistle-blowing policy and mechanism, will make decisions on further actions (if needed) based on the investigation. The Company is also committed to ensure protection of the whistle-blower against detrimental or unfair treatment.

INVESTORS RELATIONS

The Company's website (www.everchina202.com.hk) provides comprehensive and accessible news and information of the Company to the Shareholders, other stakeholders and investors. The Company will update the website information from time to time to inform the Shareholders and investors of the latest development of the Company.

CONSTITUTIONAL DOCUMENT

The Company did not make any changes in its constitutional documents during the year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SCOPE AND REPORTING PERIOD

This is the Environmental, Social and Governance (“ESG”) Report by EverChina Int’l Holdings Company Limited (hereinafter referred as the “Company”, and together with its subsidiaries referred as the “Group”), highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix C2 to the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited. Climate-related disclosures are aligned with the Task Force on Climate-Related Financial Disclosures (“TCFD”) framework.

This ESG report can be accessed and downloaded from the Company’s website at www.everchina202.com.hk or on the website of the Stock Exchange at www.hkexnews.hk.

This ESG report covers the Group’s overall environmental and social performances of the three principal activities (“Key Operations”) from 1 April 2024 to 31 March 2025 (“Reporting Period”), unless otherwise stated. The three business operations are as follows,

- i. the soybean and rice cultivating operation at Empresa Agropecuaria Novagro S.A. (“Novagro S.A.”) in the Plurinational State of Bolivia (“Bolivia”), the soybean plantation of which adopts a 20% rotation with forage sorghum that grows through June till October and November till March respectively, and the rice paddy field that grows through August till March. The whole farm accumulated has a total land area of 123,857,345 m² and a total cultivating area of 110,750,000 m², and has produced approximately 23,384,220 kg of crops which included 19,620,000 kg of soybean and 3,764,220 kg of rice paddy during the Reporting Period;
- ii. the cattle raising operation at Sociedad Argopecuaria Argotanto S.A. (“Argotanto”) in Bolivia, with a land area of 51,257,010 m², which had around 2,470 beef cattle and several dairy cattle, and produced approximately 210,600 kg of beef cattle during the Reporting Period, (together with Novagro S.A. as the “Agricultural Operation”); and
- iii. the property investment operation in the office located in Beijing, the PRC (the “Office”, or “Property Investment Operation”), occupying 131 m².

Compared to the previous reporting period, all other Key Operations of the Group remain the same in this Reporting Period. The abovesaid three operations contributed to the Group’s major ESG concerns during the Reporting Period, and thus are included in the reporting scope. Other operations that have no significant environmental and social impacts generated are excluded from the reporting scope.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING PRINCIPLES

The Report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” set out in Appendix C2 to the Listing Rules of the Stock Exchange (the “Guide”). The contents covered herein are in compliance with the mandatory disclosure requirement and the provision of “Comply or Explain” as well as four reporting principles of materiality, quantitateness, balance and consistency required in the Guide.

Materiality — Materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement of which are presented in the section “Stakeholder Engagement and Materiality” in the Report.

Quantitateness — Key performance indicators (“KPI”s) have been established, and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable. Unless otherwise specified, standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used are pursuant to Appendix 2 and Appendix 3 of “How to Prepare an ESG Report” as set out by Hong Kong Exchanges and Clearing Limited.

Balance — The Report presents the Group’s performance during the Reporting Period in an impartial manner, avoiding choices, omissions or presentation formats that may unduly influence readers’ decisions or judgements. Reasons for omission have been disclosed if the omission is inevitable.

Consistency — Consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

REPORTING LANGUAGE

The Report is published in both English and Traditional Chinese versions. In case of discrepancies the English version shall prevail.

BOARD STATEMENT

In 2024, the global economy navigated heightened uncertainty shaped by geopolitical tensions, inflationary pressures, and volatile commodity markets. Against this backdrop, climate-resilient practices and policies have emerged as critical tools for mitigating systemic risks. The Group recognizes that sustainable agriculture is no longer optional but a strategic imperative, particularly as extreme weather events and soil degradation threaten long-term productivity. We continue to be committed to greening our supply chains, optimizing water and land use, and improving agriculture solutions, thus proving that environmental stewardship and business growth can coexist even in turbulent times.

In this ESG Report, we reaffirm our commitment and awareness towards ESG issues and risks relevant to the Group. We have complied with legal environmental and other requirements in all our operations and processes, protected the environment and raised awareness within our team, value chain, and other stakeholders, promoted the conscious and rational use of natural resources through sustainable agricultural and management practices, implemented measures to reduce carbon emissions, and preserved biodiversity through the protection of natural areas of our Agricultural Operation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We remain steadfast in continuing to strengthen communication channels with the public, and working to promote economic and social growth in all our communities. Trust, Transparency, Efficiency, and Sustainability are our core values that guide our Company at all levels. We have already assumed the challenge of putting them into practice on a daily basis. We must continue channelling our best efforts in order to create value for our investors, customers, suppliers and communities. Furthermore, we have maintained open channels of communication with our stakeholders regarding relevant ESG risks and issues. We believe this is the way to achieve sustainable development for the Group and we shall endeavour to maintain our ESG performance.

We invite you to read this ESG Report, which describes our efforts to contribute to sustainable development for the Reporting Period.

Sustainability Governance

The Board has overall responsibility for the Group's sustainability strategy and reporting. The sustainability plan of the Group is developed based on results of ESG Reports, which is reviewed on an annual basis and adjusted as needed to align with the long-term business strategy of the Group. This review is conducted by collecting ESG information on a regular basis through various departments and working groups, after which annual summaries, analyses, and performance disclosures shall be published in ESG reports, and the Group shall adjust its strategy as necessary.

Furthermore, the Board has set up an ESG task force team to assess and manage ESG-related issues. The ESG task force team collects, evaluates, and manages ESG information of Key Operations, and reports to the board of directors. These measures shall ensure the sustainable and responsible growth and operation of the Group.

Through its continuing dedication to sustainability governance, the Group seeks to better manage its ESG-related risks and issues in relation to future business development.

The Group's Sustainability Mission and Vision

The Group is aware that climate change directly affects living standards and hinders social development around the globe. It also understands that the whole society has high expectation on public companies' sustainability performance. Therefore, it is committed to developing the business with minimum adverse impact on the environment, taking social and environmental impacts as central issues to address, and creating shared sustainable values with its stakeholders and community. It believes that upholding a high standard of such aspects can contribute to building a sustainable future.

Thus, sustainability will be given more consideration and responsible business practices will be carried out when the Group makes investment decisions in the future. This way, the Group will not be compromising development opportunities while still showing concern to sustainability. The Group endeavours to work together with all stakeholders to strive for a continual and sustained improvement in the long run.

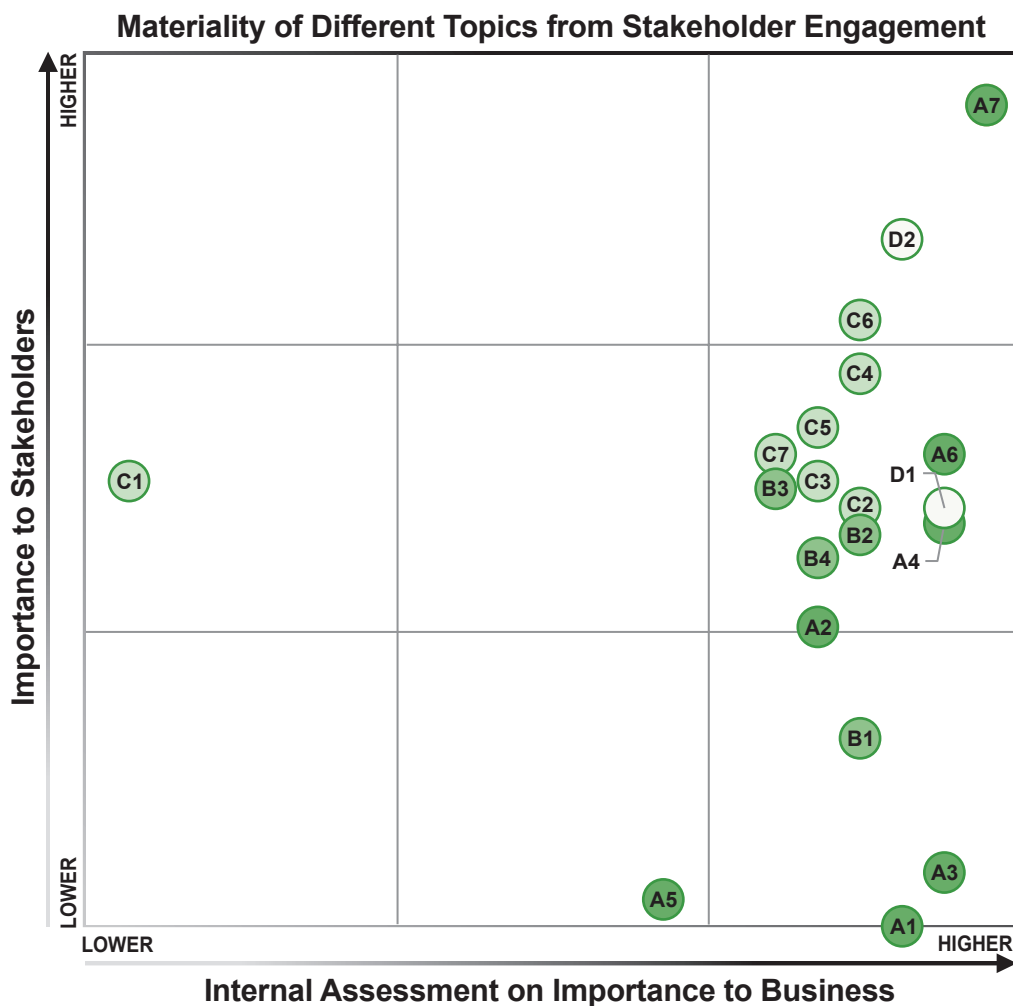
For the Agricultural Operation, it is expected that climate change may bring about a shift of climatic zones. Yet, it has not been demonstrated how impactful will the pattern be. It is therefore important that the Group keeps monitoring the change and seizes any opportunities that come by, or prepares for the risks that it may face. The Agricultural Operation is also determined in increasing the frequency it studies the health of its field to protect the biodiversity of respective areas.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant aspects of the Group, key stakeholders including directors, frontline employees, suppliers, and clients of the Group have been involved in regular engagement sessions through communication channels such as surveys, meetings, liaison groups, telephone conferences, emails and phone calls to discuss and review areas of attention.

The Group values input and feedback of its stakeholders as they have substantial contribution to the Group's business. Internal and external stakeholders have been involved in regular engagement activities to share views regarding the Group's operations and performances. The Group has specifically engaged directors, senior management, shareholders, frontline staff, suppliers, customers/clients, and third-party professionals to gain further insights on ESG material aspects and challenges during the Reporting Period. Based on the feedback collected from different groups of stakeholders, a materiality matrix was developed.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. Environmental		C. Operational	
Energy	A1	Supply Chain Management	C1
Water	A2	Intellectual Property Rights	C2
Air Emission	A3	Data Protection	C3
Waste and Effluent	A4	Customer Service	C4
Other Raw Materials Consumption	A5	Product/Service Quality	C5
Environmental Protection Policies	A6	Anti-corruption	C6
Climate Change	A7	Community Investment	C7
B. Employees		D. Other	
Employment	B1	Safety of Food Products	D1
Occupational Health and Safety	B2	Plantation/Ranching Activities	D2
Development and Training	B3		
Labour Standards	B4		

According to the assessment, the top six material aspects identified for the Group's operations are,

1. Climate Change
2. Plantation/Ranching Activities
3. Anti-corruption
4. Customer Service
5. Environmental Protection Measures
6. Safety of Food Products

Obtaining material topics via the above methods helps the Group address its key potential obstacles and be prepared for future challenges. Details on how such key issues are addressed will be discussed in the following sections.

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its ESG approach and performance. If there are any comments or suggestions, the Group can be contacted via email at general@everchina202.com.hk.

A. ENVIRONMENTAL

The Agricultural Operations and Property Investment Operations of the Group all contributed towards the Group's consumption of fuel, electricity, and freshwater. Additionally, these operations also contribute towards the generation of emissions, hazardous and non-hazardous waste, and wastewater. Specifically, the Agricultural Operations of the Group are responsible for emissions induced by enteric fermentation, manure management, rice cultivation, and the usage of fertilizers. There was no noted non-compliance with laws and regulations relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group during the Reporting Period. See below for a list of environmental laws and regulations of the respective regions the Group operate in.

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PRC	Bolivia
<ul style="list-style-type: none"> • Environmental Protection Law • Air Pollution Prevention and Control Law • Air Pollution Control Ordinance • Law on the Prevention and Control of Atmospheric Pollution • Emission Limits of Air Pollutants (DB44/27-2001) • Water Pollution Prevention and Control Law • Discharge Limits of Water Pollutants (DB44/26-2001) • Law on Prevention and Control of Environmental Pollution by Solid Wastes • Law on Prevention and Control of Pollution by Environmental Noise • Standard for Pollution Control on Hazardous Waste Incineration (GB 18484) • Standard for Pollution Control on Hazardous Waste Storage (GB 18597) • Standard for Pollution Control on Hazardous Waste Landfill (GB 18598) 	<ul style="list-style-type: none"> • Law of the Rights of Mother Earth • Framework Law of Mother Earth and Integral Development for Living Well

A1. Emissions

A1.1 Air Emissions

During the Reporting Period, air emissions were primarily produced by Agricultural Operations that require farming machinery, such as tractors and harvesters.

In total, the Agricultural Operation of the Group emitted a total of 6.89 kg sulphur oxides ("SOx"), 258.57 kg nitrogen oxides ("NOx"), and 25.24 kg particulate matter ("PM") during the Reporting Period. Compared to the previous reporting period, total SOx sees a 8.81% decrease, total NOx sees a 11.86% decrease, and total PM sees a 11.44% decrease.

The overall emissions intensity was 0.39 g of SOx, 14.77 g of NOx, and 1.44 g of PM per hectare ("ha") of total land area, or 71.72 g of SOx, 2,693.39 g of NOx, and 262.96 g of PM per Group employee.

A1.2 Greenhouse Gas Emissions

While the scale of the Key Operations continues to expand gradually, the Group is establishing better channels to collect, trace, and monitor the total amount of GHG emission emitted. As to gain a more comprehensively understanding of Scope 3 emissions connected to the Group's value chain, the Group shall also disclose 15 reporting categories of Scope 3 emissions where applicable to the Group's operations from this Reporting Period onward.

During the Reporting Period, 130,093.55 tonnes of carbon dioxide equivalent ("tCO₂e"), which included carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons, was emitted by Key Operations of the Group. The overall GHG emission intensity was 7.43 tCO₂e/ha of total land area, or 1,355.14 tCO₂e/Group employee. Compared to the previous reporting period, total GHG emissions have increased by 1,753%, which is due to additional transparency in Scope 3 GHG emissions reporting.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Table 1 Sources of Greenhouse Gas Emissions

Scope and Operation of Emissions	Emission Sources	2024/25 GHG Emissions (tCO ₂ e)	2023/24 GHG Emissions (tCO ₂ e)
Scope 1 Direct Emission		7,648.43	6,962.62
Agricultural Operation	Combustion of diesel in mobile sources	1,101.72	1,184.50
	Combustion of petrol in mobile sources	21.25	49.21
	Cattle raising activities	3,929.77	3,423.64
	Farming activities	2,415.53	2,127.67
	Refrigerants	192.69	177.59
	Assimilation of CO ₂ through Tree Planting	(12.54)	N/A
Scope 2 Energy indirect emission		49.39	50.58
Agricultural Operation	Purchased electricity	47.61	48.45
Property Investment Operation	Purchased electricity	1.78	2.13
Scope 3 Other indirect emission		122,395.72	7.62
Agricultural Operation	Paper disposed at landfills	1.30	1.30
	Electricity used for processing fresh water and sewage by government departments	0.59	0.59
	Business air travel by employees	1.12	4.31
	Category 1:		
	Purchased goods and services	1,235.77	N/A
	Category 2:		
	Capital goods	89.48	N/A
	Category 4:		
	Upstream transportation and distribution	286.34	N/A
	Category 7:		
	Employee commuting	40.27	N/A
	Category 9:		
	Downstream transportation and distribution	120,738.90	N/A
Property Investment Operation	Business air travel by employees	1.96	1.42
Total		130,093.55	7,020.81
Area Intensity (kgCO₂e/ha total area)		7,429.06	400.93
Employee Intensity (tCO₂e/Group employee)		1,355.14	74.69

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Scope and Operation of Emissions	Emission Sources	2024/25 GHG Emissions (tCO ₂ e)	2023/24 GHG Emissions (tCO ₂ e)
Agricultural Operation		130,089.80	7,017.27
Area Intensity (kgCO₂e/ha land area)		7,428.85	400.73
Employee Intensity (tCO₂e/agricultural employee)		1,646.71	91.13
Property Investment Operation		3.74	3.54
Area Intensity (kgCO₂e/m² office area)		28.59	27.07
Employee Intensity (tCO₂e/office employee)		0.22	0.21

Notes:

- Emission factors were disclosed pursuant to Appendix C2 of the Main Board Listing Rules and documentation referred thereto (including the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)), unless stated otherwise. Scope 3 emissions were only calculated based on the available emission factors from the referred documentation.
- The quantities of refrigerants were estimated according to the refrigerant replacement rate for all refrigerant-consuming equipment. The 100-year Global Warming Potential (GWP 100) values of R-22, R-134a, R-404a, and R410 were made with reference to the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change.
- Removal factor of CO₂ per tree planted was 23, with reference made to Appendix C2 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited.
- According to The Ministry of Ecology and Environment of People's Republic of China (2024): Emission factor of 0.5366 tCO₂e/MWh was used for purchased electricity from the National Grid of the PRC in 2024/25; Emission factor of 0.5703 tCO₂e/MWh was used for purchased electricity from the National Grid of the PRC in 2023/24.
- According to the International Renewable Energy Agency ("IRENA") Bolivia Energy Profile (2024): Emission factor of 0.299 kgCO₂e/kWh was used for electricity generated in Bolivia in 2024/25; Emission factor of 0.310 kgCO₂e/kWh was used for electricity generated in Bolivia in 2023/24.
- CO₂ emissions from the Group's business air travels were reported in accordance with the International Civil Aviation Organisation (ICAO) Carbon Emission Calculator.
- Data for other categories of scope 3 emissions have not yet been collected, and the Group currently does not have the capability to conduct data collection for these categories; however, the Group shall endeavor to dedicate resources to complete scope 3 emissions disclosure in due time.
- The calculation of intensity in terms of area is based on the following: agriculture land area is 175,114,355 m², made up of 123,857,345 m² of Novagro S.A., and 51,257,010 m² of Argotanto; the area of the Property Investment Operation office is 131 m²; and altogether 175,130,483 m² as total area of the Group.
- Total GHG Emissions may not equal total of emission sources or sub-totals due to rounding errors.

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A1.3 Hazardous Waste

During the Reporting Period, the Group generated a total of 9.46 tonnes of hazardous waste in its operations, which is a 19.60% increase from the previous reporting period. The main contributing factors to this waste are machinery and fumigation that were induced by Agricultural Operation. The overall intensity of hazardous waste is 0.54 kg/ha of total land area, or 98.54 kg/Group employee.

Table 2 Sources of Hazardous Waste

	2024/25 Amount (tonnes)	2023/24 Amount (tonnes)
Source of Hazardous Waste		
<i>Agricultural Operation</i>	9.46	7.91
<i>Area Intensity (kg/ha land area)</i>	0.54	0.45
<i>Employee Intensity (kg/agricultural employee)</i>	119.75	102.73
<i>Used pesticides drum</i>	4.80	2.20
<i>Used oil from machinery</i>	3.90	4.95
<i>Used batteries from machinery</i>	0.76	0.76
Total	9.46	7.91
<i>Area Intensity (kg/ha total area)</i>	0.54	0.45
<i>Employee Intensity (kg/Group employee)</i>	98.54	84.15

A1.4 Non-hazardous Waste

A total of 7.68 tonnes of non-hazardous waste was generated by the Group's operations during the Reporting Period, which is consistent with the previous reporting period. Waste generated were composed of organic waste, mainly consisting of food waste from dining halls, from Agricultural Operation. The overall intensity is 0.44 kg/ha of total land area, or 80.00 kg/Group employee.

Table 3 Sources of Non-hazardous Waste

	2024/25 Amount (tonnes)	2023/24 Amount (tonnes)
Sources of Non-hazardous Waste		
<i>Agricultural Operation</i>	7.68	7.68
<i>Area Intensity (kg/ha land area)</i>	0.44	0.44
<i>Employee Intensity (kg/agricultural employee)</i>	97.22	99.74
<i>Organic waste</i>	7.68	7.68
Total	7.68	7.68
<i>Area Intensity (kg/ha total area)</i>	0.44	0.44
<i>Employee Intensity (kg/Group employee)</i>	80.00	81.70

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A1.5 Measures to Mitigate Emissions

The Group is dedicated to identifying sources of high energy and resource consumption, as well as environmental pollution, to target and attempt to reduce its harmful impacts on environmental sustainability. In addition, the Group does its best to comply with all applicable laws and regulations to mitigate emissions.

In Novagro S.A., the segment responsible for all Agricultural Operations, trees are frequently planted to re-order its farm lots as required by the law to alleviate the environmental impacts caused by its production operations. Similarly, the Argotanto location plants trees when necessary, under the same law. In addition, the Argotanto site feeds exclusively grass to their cattle instead of grain and does not use the synthetic pyrethroid and cypermethrin to infest cattle, as both are factors that contribute to higher amounts of methane emission.

The Group had set the target to achieve a 10% reduction in overall emissions intensity in 10 years from 2023/24, or by 2033/34. See below for the detail breakdown of the Group's progress towards its emission reduction target.

Type of Emission	2023/24 Figures	Reduction Target by		% Change
		2033/34	2024/25 Figures	
Total Non-GHG Air Emissions Intensity (NOx, SOx, and PM)	18.81 g/ ha total area	-10%	16.60 g/ ha total area	-11.75%
Total Scope 1 + Scope 2 GHG Emissions Intensity	400.49 kgCO ₂ e/ ha total area	-10%	439.59 kgCO ₂ e/ ha total area	+9.76%

Based on these results, the Group is currently on track to achieving its long-term non-GHG air emissions intensity reduction target, while lagging behind on reaching its long-term Scope 1 + Scope 2 GHG emissions intensity reduction target. The Group shall continue to closely monitor its progress, and may consider implementing further sustainable practices or re-evaluating its emission intensity reduction targets if the Group significantly deviates from its set targets.

Since the Group has not yet completed full disclosure of Scope 3 emissions, current Scope 3 emissions data do not reflect all Scope 3 emissions generated by the Group. As the Group expects to increase its accountability of Scope 3 emissions in other reporting categories with due time, the Group shall properly define its Scope 3 emissions intensity reduction target when it has the capability to collect more detailed Scope 3 emissions data.

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A1.6 Waste Handling and Reduction Initiatives

In the aspect of waste management, the Group strongly encourages proper waste segregation and recycling. It designates waste collectors and recyclers wherever possible to help with the Group's waste treatment. The Group encourages paper-saving practices and purchases remanufactured cartridges for refills to minimise the amount of waste generated. During the Reporting Period, the Group recycled a total of 410 kg of paper, saving 1.97 tCO₂e of GHG.

With a focus on the Agricultural Operation specifically, various recyclers are appointed by Novagro S.A. and Argotanto to collect both non-hazardous and hazardous waste like used batteries, used oil, and agrochemical plastic drums. These collectors are trained and assist the Group by directing the hazardous waste to appropriate recycling locations to be processed. Non-hazardous wastes are buried in their old fields. The Group has designated the collection of plastics of the farm, which mainly comes from agrochemical containers, and minor bags of plastic that contain the organic waste that are buried without treatment.

The Group had previously set the target to achieve a 10% reduction in overall hazardous and non-hazardous waste generation intensity in 10 years from 2021/22, or by 2031/2032. See below for the detail breakdown of the Group's progress towards its waste generation reduction target.

Type of Waste	2021/22 Figures	Reduction Target by 2031/32	2024/25 Figures	% Change
Overall Hazardous Waste Generation Intensity	0.33 kg/ ha total area	–10%	0.54 kg/ ha total area	+63.95%
Overall Non-Hazardous Waste Generation Intensity	0.63 kg/ ha total area	–10%	0.44 kg/ ha total area	–30.72%

As the Group had also missed its hazardous waste generation reduction target as well as overachieved on its non-hazardous waste generation reduction target in the previous reporting period, the Group shall be re-evaluating its waste generation reduction target by redefining the baseline year, as to better assess the effectiveness of its waste handling and reduction initiatives. Going forward, the Group shall aim for the goal of reducing its overall hazardous waste generation intensity and overall non-hazardous waste generation intensity by 10% in 10 years from 2024/25, or by 2034/35.

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A2. Use of Resources

A2.1 Energy Consumption

During the Reporting Period, a total of 4,735,930.08 kWh of energy was used for the Group's operations, which represents a 8.64% decrease from the previous reporting period. The energy consumption intensity is 270.45 kWh/ha total area, or 49,332.60 kWh/Group employee. The consumption of energy was composed of the use of electricity, diesel, and petrol across the two operations of the Group in various locations.

Table 4 Usage of Energy Consumption

Usage of Energy Consumption	2024/25		2023/24	
	Direct Consumption (unit)	Consumption (kWh)	Direct Consumption (unit)	Consumption (kWh)
Agricultural Operation		4,732,615		5,179,904
<i>Area Intensity (kWh/ha land area)</i>		270.26		295.80
<i>Employee Intensity (kWh/agricultural employee)</i>		59,906.52		67,271.48
Electricity	156,100 kWh	156,100	162,050 kWh	162,050
Diesel	420,250 litres	4,498,034	451,916 litres	4,836,965
Petrol	8,098 litres	78,480	18,665 litres	180,889
Property Investment Operation		3,315		3,728
<i>Area Intensity (kWh/m² office area)</i>		25.33		28.49
<i>Employee Intensity (kWh/office employee)</i>		195.00		219.29
Electricity	3,315 kWh	3,315	3,728 kWh	3,728
Total		4,735,930		5,183,632
<i>Area Intensity (kWh/ha total area)</i>		270.45		296.01
<i>Employee Intensity (kWh/Group employee)</i>		49,332.60		55,145.02

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A2.2 Water Consumption

During the Reporting Period, the freshwater consumption of the Group was 900 m³, which is consistent with the previous reporting period. The overall water consumption intensity is 0.05 m³/ha total land area, or 9.38 m³/group employee. The water usage in the Property Investment Operation was unavailable as it was managed by the management company of the office. It is noteworthy that the consumption of that location was insignificant.

Table 5 Usage of Water Consumption

Usage of Water Consumption	2024/25 Consumption (m ³)	2023/24 Consumption (m ³)
<i>Agricultural Operation</i>	900	900
<i>Area Intensity (m³/ha land area)</i>	0.05	0.05
<i>Employee Intensity (m³/agricultural employee)</i>	11.39	11.69
<i>Total</i>	900	900
<i>Area Intensity (m³/ha total area)</i>	0.05	0.05
<i>Employee Intensity (m³/Group employee)</i>	9.38	9.57

A2.3 Energy Use Efficiency Initiatives

The Group tracks monthly energy consumption data in order to understand how resources are being used to identify opportunities and areas to save and set reduction goals.

The Agricultural Operation section is aware that its use of diesel is a major contributor of its energy usage. Thus, it consumes the energy sparingly and only whenever necessary.

In terms of electricity consumption, the Group adopts low-consumption and recyclable energy-saving lights for office lighting to reduce its electricity consumption for lighting products and thus related carbon emissions. The Group has also posted notices near various power switches to remind employees to switch off equipment and power when they leave the premises or when they are not using it.

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The Group had set the target to achieve a 10% reduction in overall energy consumption intensity in 10 years from 2023/24, or by 2033/2034. See below for the detail breakdown of the Group's progress towards its energy consumption reduction target.

Type of Energy Consumption	2023/24 Figures	Reduction Target by 2031/32	2024/25 Figures	% Change
Total Electricity Consumption Intensity	9.47 kWh/ ha total area	-10%	9.10 kWh/ ha total area	-8.80%
Total Fuel Consumption Intensity (Petrol and Diesel)	286.55 kWh/ ha total area	-10%	261.34 kWh/ ha total area	-3.84%
Overall Energy Consumption Intensity	296.01 kWh/ ha total area	-10%	270.45 kWh/ ha total area	-8.64%

Based on these results, the Group is currently on track to achieving its long-term energy consumption reduction targets. The Group shall continue to closely monitor its progress, and may consider implementing further sustainable practices or re-evaluating its energy consumption reduction target if the Group significantly deviates from its set targets.

A2.4 Sources of Water and Efficiency Initiatives

The Agricultural Operation of the group sourced water from municipal water suppliers, underground water, and rivers. It also relies on rain (its amount not recorded) for cattle raising, soybean crops, and rice cultivation. There is a reservoir in place to store rainwater, which is later used with channels to throw the lots. For soybean crops, the water used in the fumigation process is extracted from underground, then used with a low flow system. The group has also begun a project to effectively distribute water for cattle so that water efficiency may be optimized. All underground and surface water use abides by any guidelines and requirements.

For the Agricultural Operation and Property Investment Operation, there was no issue in sourcing water that was noted during the Reporting Period. The Group tracks monthly water consumption data wherever possible to understand how resources are used, identify areas of possible savings, and set reduction goals.

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The Group had set the target to achieve a 10% reduction in overall water consumption intensity in 10 years from 2023/24, or by 2033/2034. See below for the detail breakdown of the Group's progress towards its water consumption reduction target.

	2023/24 Figures	Reduction Target by 2033/34	2024/25 Figures	% Change
Overall Water Consumption Generation Intensity	0.05 m ³ / ha total area	-10%	0.05 m ³ / ha total area	-0.00%

Based on these results, the Group is currently slightly lagging behind in achieving its long-term water consumption reduction targets. The Group shall continue to closely monitor its progress, and may consider implementing further sustainable practices or re-evaluating its water consumption reduction target if the Group significantly deviates from its set targets.

A2.5 Packaging Materials

No packaging materials were used for the Group's Key Operations during the Reporting Period.

A3. The Environment and Natural Resources

A3.1 Significant Impacts of Activities on the Environment

Environmental protection policies are one of the top concerns identified from the stakeholder engagement process. The Group works wholeheartedly to mitigate the environmental impacts of all its operations. The Group is aware that its Agricultural Operation consumes natural resources and poses certain threats on the environment.

Ecology

As the Group utilizes large pieces of lands to carry out its Agricultural Operation, it is aware that the health of the soil is one of the most important aspects that it should pay attention to, whether it is of the soybean and rice cultivating operation, or the cattle raising operation. Hence, a wide range of measures are taken to conserve the soil and strike a balance.

At Novagro S.A., the crop rotation method is practised at the soybean plantation. 20% of Novagro S.A.'s production consists of corn and sorghum plantation from the preceding soybean's growing season. It is believed that such method will help maintain soil fertility. To maintain soil from depleting and eroding, Novagro S.A. also uses roller machines to level soil, as well as fertilise soil according to the nutrients they require. In particular, before rainy seasons, soil is channelled and levelled such that it is not at risk of flooding and erosion. Similarly, when expecting drought seasons, soil is rolled to create better water reception, and sorghum plantation is covered to reduce evaporation. Aside from the above protection methods, the group also has remedial measures in case anything goes unexpectedly. Samples of 10% of the land's soil are taken regularly to be examined and studied with regards to their nutrient content and health. In the case that particular contents are noticed to be lacking, fertilisers will be applied. A list of fertilisers used in the Agricultural Operations is shown on Table 12 in Section B6.2.

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Both Novagro S.A. and Agrotanto's operations involve the removal of trees. Having said that, the Group keeps in mind to leave a fixed ratio of trees and forest areas untouched to maintain biodiversity, with the current ratio being 25%. The group also pays close attention to avoid being invasive and ensures to not remove trees that are more than 30cm in diameter.

The Government's requirements to plant trees are followed whenever applicable to lessen the potential harm on the environment and biodiversity. During the Reporting Period, the Group had planted 500 olive trees and 45 palm trees.

The Atmosphere

Regarding the atmosphere, the group is aware that raising cattle contributes to large amounts of methane. While it is inevitable that greenhouse gases are generated, Agrotanto tries its best to minimise its volume of greenhouse gases produced to cause the least harm to the atmosphere. Its main measure of achieving this goal is by feeding cattle only grass and avoiding grains, since consuming grains increases methane induced from enteric fermentation. Cypermethrin is also avoided as an application to infest cattle, as methane will also be generated by such application.

A4. Climate Change

Climate change is now one of the major global issues and challenges, and the Group understands the risks and threats posed by climate change. The Group is aware of various carbon reduction targets that have been established by respective countries, and anticipates that more stringent policies will be implemented, which exposes the Group's business to policy and regulation risks. With this in consideration, the Group also agrees with the latest scientific findings of the Intergovernmental Panel on Climate Change (the "IPCC") regarding climate change.

In alignment with TCFD recommendations on climate-related financial disclosure, the Group shall be disclosing its climate-related information based on the four core elements of Governance, Strategy, Risk Management, and Metrics and Targets.

A4.1 Governance

The Group recognises that energy consumption, GHG emissions, and climate change are important aspects of environmental protection which have significant impact on its operations, and thus the Board and senior management have implemented an ESG Task Force Team for formulating countermeasures and strategies for any risks or opportunities that may arise from climate change.

For further details of the Group's ESG governance, please refer to the section "Sustainability Governance".

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A4.2 Strategy

The Group has identified relevant climate-related risks and assessed their potential financial impacts. The climate risks identified, their time horizon, trend, and the potential financial impacts affecting the Group are shown below:

	Climate Risks	Time horizon	Trend	Potential financial impact
Physical Risks	Acute	Short term	Increase	Extreme weather events with increased severity during cyclones, hurricanes, storm surges and floods can cause supply chain interruption by bringing damage to local infrastructure, potential damage to offices and disruption to human resources.
	Chronic	Long term	Increase	Longer-term shifts in climate patterns can increase capital costs, operating costs, costs of human resources and increased insurance premium.
Transition Risks	Technology	Long term	Increase	During the transitional period, the Group expects increased procurement expenditures to introduce new and alternative technologies, and the additional cost of adopting/deploying new practices and processes.
	Policy and Legal	Short to medium term	Increase	Implementation of tightened environmental laws, stringent requirements on climate disclosures and carbon pricing system increases operating costs.
	Market	Short term	Increase	During the transitional period, the Group might face a decrease in revenue due to higher environmental requirements of clients, if no strategy has been set accordingly.
	Reputation	Short to medium term	Increase	Stakeholders' concerns on climate-related issues of the Group might dampen the investment sentiment of investors, impacting the stock price and market capitalisation of the Group, and hence increasing the liquidity risk.

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Taking the time horizon of the above-mentioned risks into consideration, the Group has organised its strategic decision making into three phases:

- Short-term (0–3 years):*

This phase focuses on climate-related risks and opportunities that may arise in the near future, such as the impact of upcoming environmental regulations on existing operations and the short-term application opportunities for low-carbon technologies. During this phase, the Group's strategic planning will emphasize optimizing and adjusting current business processes to quickly adapt to short-term changes.
- Medium-term (3–10 years):*

The medium-term focus is on the impact of climate-related factors on the Group's business model and market competitiveness in line with industry trends. For example, the pace of low-carbon transformation within the industry may affect the Group's market share. Strategic planning will revolve around adjusting business layouts, developing and applying new technologies, and enhancing medium-term competitiveness. The Group will develop medium-term plans focused on business types and carbon emission sources, conducting reviews, and making revisions as necessary.
- Long-term (10+ years):*

The long-term perspective focuses on the impact of global climate change trends on the Group's sustainable development, such as the potential threat of rising sea levels to project facilities in coastal areas. Strategic planning will involve adjustments to strategic direction, exploration of new markets, and the setting of long-term low-carbon development goals to ensure the Group's climate resilience over the long term.

A4.3 Risk Management

An ESG risk assessment was conducted based on assessing the possibility and impact of each identified risk into three levels: high, medium and low. Risks are then prioritised and classified into the overall risk levels, high, medium and low based on the possibility and impact ratings.

Risk levels	Definition of the overall risk levels
High	Risks at this level may have serious consequences. It is highly likely that there will be some impacts to the Group and hindrance for the Group to achieve strategic goals.
Medium	Risks at this level may have serious consequences, but they are less likely to occur. Conversely, the consequences could be minor in nature, but the probability of occurrence is higher.
Low	Risks at this level have limited harm and consequences for the Group to achieve its strategic goals, and the probability of occurrence is low.

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The Group has identified its risk profile based on the climate-related risks suggested by the TCFD recommendations on climate-related financial disclosure. All climate-related risks are assessed to be in medium- or high-risk levels according to the risk assessment.

Climate risks		Overall risk level	Management Approach
Physical	Acute	Medium	— Prepared relevant contingency strategies for extreme weather events, such as work-from-home arrangements for non-essential employees
	Chronic		
Transition	Policy and Legal	High	— Engaged with professionals to provide advice on climate-related issues — Continuously monitor the latest climate-related regulations and trend
	Technology	Medium	— Further adopt green technology and materials for use in business operations
	Market	High	— Diversify supply chain and customer base
	Reputation	High	— Continuously monitor the latest climate-related regulations and trend

The Group recognises that extreme weather events caused by climate change, such as tropical storms, heavy rainfall, and flooding, may negatively impact daily operations. As such, the Group has formulated a series of action plans and emergency response measures to address extreme weather conditions and raise its capacity to adapt to climate change. These include, but not limited to, work-from-home plans for employees and insurance against damages from extreme weather events.

For the Agricultural Operation, the Group foresees that climate change would bring about increased risk of droughts in the long term, which would negatively impact the yield of rice and soybean crops, as well as production of cattle. In addition, the association of methane emissions with cattle production may lead to reduced consumption of beef by consumers as climate change awareness among the public continues to rise. These factors would severely limit the output of the Agricultural Operation.

However, the Group views climate change not only as a risk to mitigate, but also an opportunity for the Group. For the Agricultural Operation, the Group is looking at alternate feeds for cattle that may decrease their methane emissions, which would allow cattle produced from the Group stand out as more sustainable products to consumers.

A4.4 Metrics and Targets

To measure the level and impact of the Group's climate-related risks, the Group monitors metrics and indicators to ensure an effective and quantitative assessment. The Group monitors and reviews its Scope 1, Scope 2, Scope 3 GHG emissions (in tCO₂eq.), total GHG emissions (in tCO₂eq.) and GHG emission intensity (in tCO₂eq./million pieces of product sold) regularly. The GHG emission data and information about target setting are shown in the section "A1. Emissions" of this Report.

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B. SOCIAL

1. Employment and Labour Practices

B1. Employment

The Group has complied strictly with the relevant laws and regulations to ensure employees' interests are protected. See below for a list of employment laws and regulations of the respective regions the Group operate in.

PRC	Bolivia
<ul style="list-style-type: none"> • Labour Law • Labour Contract Law • Regulations on Paid Annual Leave for Employees • Law on the Protection of Disabled Persons • Trade Union Law • Social Insurance Law • Law on the Protection of Women's Rights and Interests • Special Rules on the Labour Protection of Female Employees 	<ul style="list-style-type: none"> • General Labour Law • Pensions Law • Law No. 045 against Racism and all Types of Discrimination • Law No. 348 on the Guarantee for Women of a Life Free of Violence

The Group also recognizes that its employees is the core to its operations, therefore, it holds employees' interests highly. Consequently, policies are in place to ensure that employees' interests are safeguarded and respected.

Employee Benefits and Welfare

The Group places great value in employees, providing employees with competitive compensation and benefits to attract and retain talents. It has a systematic benefit matrix for employees in different positions, with more generous benefits offered to those who hold higher positions. Depending on employees' positions and experience, they are entitled to different levels of statutory paid leave, Housing Provident Fund, and social insurance (including pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance).

In the Agricultural Operation, most employees are entitled to transportation subsidy, complementary meals, and accommodation. In Novagro S.A., bonus is also paid for every 6 months an employee works. The soybean cultivation, rice cultivation, and cattle raising fields follow all labour laws as outlined by the government. The group also ensures compliance with the newly imposed paid sick leave and safe working times law.

Regular work hours are capped at a maximum of eight hours a day and forty hours a week. However, the Group has the right to extend work hours given that an agreement is established with employees and the Labour Union if necessary. Overtime work is normally less than an hour per day, and not more than three hours, even on special occasions. Overtime compensation will be provided according to the statutory requirements. The Group ensures to abide by all applicable employment and labour related laws of Hong Kong and the PRC. During the Reporting Period, the group did not note any cases of material non-compliance with laws and regulations in relation to employment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Promotion and Dismissal

Employees are offered promotion opportunities primarily based on their capabilities, personality, potential, and performance that is reflected through annual performance appraisals. During the appraisal process, managers and team members set their objectives together, which are then self-evaluated and reviewed by eligible supervisors. For the termination of contracts, either party may terminate the contract with one month advancement in written notice or salary in lieu of notice.

There was no non-compliance with laws and regulations related to employee compensation and dismissal, recruitment and promotion, working hours, rest periods, and other benefits or welfare that have a significant impact on the Group during the Reporting Period.

Equal Opportunity

The Group strives to provide equal and fair opportunities for employees in respect of recruitment, training and development, job advancement, compensation, and benefits. Employees are not discriminated against or deprived of any opportunities based on gender, ethnic background, religion, colour, age, marital status, family status, retirement, disability, pregnancy, or any other factors as prohibited by applicable laws.

Human Rights

The Group has policies on human rights which:

- Supports protection of human rights, particularly those of the employees and business partners;
- Respects employees' right to voluntary freedom of association, under the law;
- Provides a safe and healthy working environment;
- Does not support forced and compulsory labour or the exploitation of children;
- Supports elimination of employment discrimination and promotion diversity in the workplace;
- Provides our employees with remuneration and tools for growing their careers, and takes their wellbeing into consideration;
- Promotes fair competition and does not support corruption;
- Conducts business with honesty and integrity in compliance with applicable laws; and
- Develops and implements company procedures and processes to ensure all business units complies with the policy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employee Relations and Channels of Communication

The Group's employees are encouraged to use various communication channels for horizontal and vertical communication (such as email, staff welfare meetings, and employer-employee meeting). Events such as annual dinners, festival-related celebrations, and birthday celebrations are also regularly organised to nourish a greater sense of belonging amongst employees and to provide enhanced communication channels between senior management and general staff. If employees have any concerns that, for example, relate to discrimination and harassment, health and safety of working environment, or human rights, they are encouraged to speak up and raise the matter to their managers, human resources, or other members of management either online or via their hotline.

B1.1 Total Workforce

The Group had a total of 96 employees as of 31 March 2025. See below for the detail breakdown of the workforce by Key Operations and employee group.

Table 6 Employment Figures

Workforce as of:	31 March 2025		31 March 2024	
	Number of Employees	Percentage	Number of Employees	Percentage
Agricultural Operation				
By Employment Type				
Full-time	79	100%	77	100%
Part-time	0	0%	0	0%
By Gender				
Male	60	76%	58	75%
Female	19	24%	19	25%
By Employee Category				
Senior Management	5	6%	5	6%
Middle Management	7	9%	6	8%
Frontline and Other Employees	67	85%	66	86%
By Age Group				
18–25	3	4%	5	6%
26–35	19	24%	20	26%
36–45	30	38%	31	41%
46–55	17	21%	14	18%
56 or above	10	13%	7	9%
By Geographical Region				
Bolivia	79	100%	77	100%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Workforce as of:	31 March 2025		31 March 2024	
	Number of Employees	Percentage	Number of Employees	Percentage
<i>Property Investment Operation</i>				
By Employment Type				
Full-time	7	42%	7	42%
Part-time	10	58%	10	58%
By Gender				
Male	7	42%	7	42%
Female	10	58%	10	58%
By Employee Category				
Senior Management	2	12%	2	12%
Middle Management	0	0%	0	0%
Frontline and Other Employees	15	88%	15	88%
By Age Group				
18–25	0	0%	0	0%
26–35	0	0%	0	0%
36–45	5	29%	5	29%
46–55	7	42%	7	42%
56 or above	5	29%	5	29%
By Geographical Region				
Mainland China	17	100%	17	100%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Workforce as of:	31 March 2025		31 March 2024	
	Number of Employees	Percentage	Number of Employees	Percentage
Total Workforce	96	100%	94	100%
By Operation				
Agricultural Operation	79	82%	77	82%
Property Investment Operation	17	18%	17	18%
By Employment Type				
Full-time	86	90%	84	89%
Part-time	10	10%	10	11%
By Gender				
Male	67	70%	65	69%
Female	29	30%	29	31%
By Employee Category				
Senior Management	7	7%	7	7%
Middle Management	7	7%	6	6%
Frontline and Other Employees	82	86%	81	87%
By Age Group				
18–25	3	3%	5	5%
26–35	19	20%	20	21%
36–45	35	36%	36	38%
46–55	24	25%	21	23%
56 or above	15	16%	12	13%
By Geographical Region				
Bolivia	79	82%	77	82%
Mainland China	17	18%	17	18%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B1.2 Turnover Rate

A total of 5 employees left the Group during the Reporting Period, contributing to an overall turnover rate of 5.2%. See below for the detail breakdown of turnover rate by Key Operations and employee group.

Table 7 Turnover Rate

Turnovers as of:	31 March 2025		31 March 2024	
	Number of Employees	Turnover Rate	Number of Employees	Turnover Rate
Agricultural Operation				
By Employment Type				
Full-time	5	6.3%	6	7.8%
Part-time	0	N/A	0	N/A
By Gender				
Male	5	8.3%	4	6.9%
Female	0	0.0%	2	10.5%
By Employee Category				
Senior Management	0	0.0%	0	0.0%
Middle Management	0	0.0%	0	0.0%
Frontline and Other Employees	5	7.5%	6	9.1%
By Age Group				
18–25	1	33.3%	3	60.0%
26–35	0	0.0%	3	15.0%
36–45	1	3.3%	0	0.0%
46–55	3	17.6%	0	0.0%
56 or above	0	0.0%	0	0.0%
By Geographical Region				
Bolivia	5	6.3%	6	7.8%
Property Investment Operation				
By Employment Type				
Full-time	0	0.0%	2	28.6%
Part-time	0	0.0%	2	20.0%
By Gender				
Male	0	0.0%	2	28.6%
Female	0	0.0%	2	20.0%
By Employee Category (percentage)				
Senior Management	0	0.0%	0	0.0%
Middle Management	0	N/A	0	N/A
Frontline and Other Employees	0	0.0%	4	26.7%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Turnovers as of:	31 March 2025		31 March 2024	
	Number of Employees	Turnover Rate	Number of Employees	Turnover Rate
By Age Group (percentage)				
18–25	0	N/A	0	N/A
26–35	0	N/A	0	N/A
36–45	0	0.0%	0	0.0%
46–55	0	0.0%	2	28.6%
56 or above	0	0.0%	2	40.0%
By Geographical Region				
Mainland China	0	0.0%	4	23.5%
Total	5	5.2%	10	10.6%
By Operation				
Agricultural Operation	5	6.3%	6	7.8%
Property Investment Operation	0	0.0%	4	23.5%
By Employment Type				
Full-time	5	5.8%	8	9.5%
Part-time	0	0.0%	2	20.0%
By Gender				
Male	5	7.5%	6	9.2%
Female	0	0.0%	4	13.8%
By Employee Category				
Senior Management	0	0.0%	0	0.0%
Middle Management	0	0.0%	0	0.0%
Frontline and Other Employees	5	6.1%	10	12.3%
By Age Group				
18–25	1	33.3%	3	60.0%
26–35	0	0.0%	3	15.0%
36–45	1	2.9%	0	0.0%
46–55	3	12.5%	2	9.5%
56 or above	0	0.0%	2	16.7%
By Geographical Region				
Bolivia	5	6.3%	6	7.8%
Mainland China	0	0.0%	4	23.5%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B2. Health and Safety

Occupational health and safety are factors identified as the most material topic of the Group from stakeholder engagement. During the Reporting Period, the Group has complied with occupational health related laws and regulations to avoid any health risks from being imposed onto its employees. See below for a list of occupational health related laws and regulations of the respective regions the Group operate in.

PRC	Bolivia
<ul style="list-style-type: none"> Labour Law Labour Contract Law Law on The Prevention and Control of Occupational Diseases 	<ul style="list-style-type: none"> Law on Hygiene, Occupational Security and Welfare

B2.1 Work Injuries and Work-Related Fatalities

During the Reporting Period, there were no work-related injury cases nor loss of working days recorded by the Group. In addition, no fatalities of the Group's employees have been recorded in the last three reporting years.

Table 8 Work Injuries and Fatalities

	2024/25	2023/24	2022/23
Number of work fatalities	0	0	0
Fatality rate	0.00%	0.00%	0.00%
Cases that contributed to >3 lost working days	0	0	0
Work injury cases that contributed to ≤3 lost working days	0	0	2
Lost days due to work injury	0	0	0

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B2.2 Occupational Health and Safety Measures

The Group has the following policies in place to ensure that a safe working environment is provided and that employees are protected from occupational hazards.

In the Agricultural Operation, employees are provided with appropriate workwear according to their work positions. Aside from distributing protective items, training is also arranged, and medical aid is sought immediately in case of any potential poisoning cases. The measures in brief are as follows:

- Employees who work outdoors are provided with mosquito repellent, first aid kits, boots, eye protections, etc.;
- Employees who may contact any chemical or biological agents, like herbicides or pesticides, are provided with body protectors, and safety gloves and masks;
- Training on the proper operation of a fumigation machine is provided to prevent undesirable consequences resulting from faulty application; and
- Detection and evaluation of occupational diseases relevant to the operation, such as poisoning from chemical agents are carried out; when symptoms of these diseases are identified, employees are sent for professional medical treatment.

At the soybean, corn, and rice plantation, Novagro S.A. also has a pre-harvest interval guideline that employees must follow regarding the application of fertilisers, herbicides, and insecticides, to make sure employees do not inhale toxic chemicals and that their health is protected. Generally, the interval between application and harvest is 20–25 days for fertilisers, and 6–8 days for herbicides. In the future, the Agricultural Operation plans to expand their occupational safety measures to areas such as strategies on ergonomics and accident prevention.

Apart from supplying adequate first aid supplies in the first aid kits at workplaces, basic first aid training courses are also provided to employees to ensure employees possess basic first aid knowledge and skills. There was no instance of non-compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have had a significant impact on the Group during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B3. Development and Training

The Agricultural Operation arranges training for employees who operate fumigation machines. Such training is usually conducted by the suppliers of these machines. In Novagro S.A., employees are also trained to understand the procedures of harvesting and using pesticides and herbicides, as well as the days required after application and before harvest. In addition, the Group also supports the continued professional development of its employees in the Agricultural Operation through MBA, Diploma in Agricultural Business, and Diploma in Tax Regulation.

For the Property Investment Operation, the Group had organised for its employees to participate in continued professional development courses in accounting offered by the Beijing Municipal Finance Bureau.

Overall, 67 employees, or 69.8% of all employees, received 568 hours of training during the Reporting Period. The average training hours per employee (inclusive of those who did not receive training) was 5.92 hours. See below for a detailed breakdown of percentage participation and training hours by employee group.

Table 9 Percentage of Employees Trained

	2024/25	2023/24
Number of employees trained	67	68
Percentage of employees trained (%)	69.8	72.3
... male employees trained (%)	83.6	87.7
... female employees trained (%)	37.9	37.9
... senior management employees trained (%)	42.9	71.4
... middle management employees trained (%)	100.0	100.0
... frontline employees trained (%)	69.5	70.4

Table 10 Average Training Hours Received by Employees

	2024/25	2023/24
Total hours of training received by employees	568	2,561
Average hours of training received per employee	5.92	27.24
... a male employee received (hours)	5.52	34.51
... a female employee received (hours)	6.83	10.97
... a senior management employee received (hours)	1.32	125.00
... a middle management employee received (hours)	4.86	30.83
... a frontline employee received (hours)	6.40	18.53

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B4. Labour Standards

The Group strictly follows applicable laws and regulations and does not recruit any form of child labour or forced labour. See below for a list of labour standard related laws and regulations of the respective regions the Group operate in.

PRC	Bolivia
<ul style="list-style-type: none"> Labour Law Law on Protection of Minors Provisions on the Prohibition of Using Child Labour 	<ul style="list-style-type: none"> Child and Adolescent Code Comprehensive Law against Human Trafficking and Smuggling

In the Agricultural Operation, instead of using contractors, all employees are recruited directly, minimising the chances of child or forced labour. Management also regularly visits the farms to check that no employees of such type are present or working within the operation.

In pursuant to the Labour Law of the PRC, the human resources department ensures accuracy of the information provided by candidates by checking their identity cards and relevant certificates.

There was no significant non-compliance with laws and regulations regarding prevention of child and forced labour that have a significant impact on the Group during Reporting Period. The Group has prepared contingency plans in the event that child labour or forced labour is discovered in its operations, and the Group shall proceed by dismissing any offenders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. Operating Practices

B5. Supply Chain Management

B5.1 Number of Suppliers

During the Reporting Period, the Agricultural Operation engaged 313 suppliers that were based in Bolivia and Mainland China. For suppliers from Bolivia, the Agricultural Operations mainly procured resources for farming and machinery, and services relating to agriculture production. For suppliers from Mainland China, the Agricultural Operation mainly procured agricultural chemicals that cannot be locally sourced. The Property Investment Operation did not record the number of suppliers they engaged. See below for a detailed breakdown of key suppliers.

Table 11 Key Suppliers

Supplier Region	Type of Supplier	Number
Bolivia		310
	Spare Parts and Maintenance	99
	Administrative Expenses, Services, and Professionals	80
	Minor Supplies	42
	Harvest, Fumigation, Fencing, and Transportation	19
	Agricultural Chemicals (pesticides, fungicides, herbicides, fertilizers)	18
	Livestock and Related Expenses	17
	General Suppliers	9
	Seeds	9
	Diesel, Gasoline, Oil, and Lubricants	6
	Property Food	6
	Veterinary Supplies	5
	Fencing Services	3
Mainland China and Hong Kong		3
	Agricultural Chemicals (pesticides, fungicides, herbicides, fertilizers)	3

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B5.2 Practices Relating to Engaging Suppliers

The Agricultural Operation has established purchasing procedures for engaging suppliers, and prioritises local suppliers for materials and services.

The Group takes into account suppliers' track record, prevailing market price, and delivery time. At the same time, the purchase of supplies is determined and adjusted by the current inventories and projected usage trends. Besides, the Group performs close monitoring of the suppliers' or subcontractors' business practices through onsite inspections. Any observations of non-compliance during the site visit will be reported immediately to the management. Corrective action plans will be carried out to remediate the identified risks in a timely manner. A number of suppliers of the Group were engaged through the Group's standardised purchasing process. Where possible, the Group strives not to over-rely on a particular supplier by maintaining more than one supplier for each type of goods or services provided in order to ensure the stability of the supply chain. The Group is keen on supporting local economies, hence, more than 80% of the approved suppliers of the Group are local suppliers.

B5.3 Practices Used to Identify Environmental and Social Risks Along Supply Chain

To identify environmental and social risks along the supply chain, the Group carries out in-site inspections and qualification audits when selecting suppliers. In addition, the Group organises random inspections and inquiries to check whether there are any violations of environmental or social responsibility throughout its supply chain. When engaging with suppliers, the Group conducts inspection and testing upon receipt of offered products and services.

B5.4 Practices Used to Promote Environmentally Conscious Suppliers

The Group has developed a rating and scoring system to select its suppliers. All potential suppliers are subject to a selection process, which includes 20 pre-set criteria and requirements that must be passed. The supplier list is frequently updated to ensure names of suppliers, licenses and certificates are in place and valid. When purchasing office equipment, the Group gives higher priority to energy efficient equipment and installations.

In addition, the Group is aware that it is important to consider the environmental and social performance of suppliers when sourcing. Hence the Group has established a purchasing procedure for selecting environmentally-conscious suppliers, and is currently in the stage of cleaning up and improving quality control of existing suppliers.

B6. Product Responsibility

The Group is aware of its responsibilities associated with the products and services it provides. Various policies and guidelines have been formulated for assuring quality of its products and services. No non-compliance with laws and regulations regarding product and service-related health and safety, advertising, labelling, and privacy matters that have a significant impact on the Group was noted in the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B6.1 Product Recalls

The Property Investment Operation of the Group do not involve any shipping and recalls.

No products shipped by the Agricultural Operation of the Group were subject to recalls for safety and health reasons.

B6.2 Complaints on products and services

During the Reporting Period, the Agricultural Operation had received isolated customer comments regarding the quality and condition of its delivered grains, such as humidity, impurities, or green grains. The Group reviews each case separately and works closely with its clients, to ensure that their feedback shall be used to improve its operations. The Group did not receive any records of complaints from the Property Investment Operation during the Reporting Period.

B6.3 Intellectual Property ("IP")

There was no material non-compliance with laws and regulations relating to IP during the Reporting Period.

B6.4 Quality Assurance Process

As the products of the Agricultural Operation will end up being consumed by humans, both Novagro S.A. and Argotanto are extremely careful with ensuring the health and safety of its crops and cattle, especially with the use of agrochemicals and medication. While the Bolivian government barely regulates such application, both farms employ agronomists who decides the types, concentration, and volume of agricultural chemicals used to ensure the safety of its products. In the soybean cultivation plant, guidelines established in Bolivia are followed throughout the growing period. Application of pesticides and herbicides are given great care, using only those that were legally imported into Bolivia, and harvesting only 20-25 days after application of pesticides and 6-8 days after application of herbicides for consumers' safety. In Argotanto, only legal and authorised medicine are used on cattle to prevent negative health impacts. Refer to Table 12 for a list of selected agrichemicals used in the Agricultural Operation, and Table 13 for a list of medication and injections used on cattle.

For the cattle raising farm, Argotanto keeps record of the conditions and details of each batch of cattle. If the farm is told of problems with the cattle by its clients, such as the slaughtering house, it will be able to trace and identify the respective cattle that are involved.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Table 12 Major Types of Agrochemicals used in Agricultural Operation

Agrochemicals Used	Application	Total Consumption (kg)
Potassium Sulfate (Fertiliser)	Soybean field	358,000
MAP (Fertiliser)	Soybean field	247,100
UREA (Fertiliser)	Rice paddy field	185,000
Sulfur (Fertiliser)	Soybean field	2,250
Herbicides	Crops field	89,683
Insecticides	Crops field	34,519
Fungicides	Crops field	13,803

Table 13 Medication Fed/Injected in Cattle Raising Operation

Medication/Injection Used on Cattle	Amount per dosage
Mineral salts (supplement when necessary)	3 ml/calve
Aftose (annual vaccine)	2 ml/calve
Brucellosis control (lifetime vaccine for 1–2-year-old female calves)	1,700 units
Rabia vaccine (annual vaccine)*	2,400 units
Stain and Gangrene (annual vaccine)	1,700 units
External parasites control (half-yearly dosage)	20 ml
Internal parasites control (half-yearly dosage)	2–20 ml, depending on age
Antibiotics against neonatal diarrhoea (monthly during partition period)	3 ml/calve

* Mandatory under law

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B6.5 Information Security

The Group is committed to protecting clients' and employees' data with technical measures and procedures in place. The Group's collected information is classified into three categories, namely public, confidential, and restricted. Confidential information should be labelled before released outside of the Group, and is only released with a non-disclosure agreement in place; printed copies must be destroyed when their relevant task has been finished, usually by shredding. Access to the restricted information is limited only to related personnel. Restricted information should be stored only on central servers, while electronic copies must be securely disposed of.

To protect systems from malware, anti-virus software is used and updated frequently. Firewalls are used to block unnecessary and unexpected network traffic from entering the network. Employees are also reminded to use email cautiously and to avoid the spread of malware.

The Group conducts information privacy training and information security training regularly to ensure the staff have full knowledge of this aspect of their duty.

B6.6 Advertising and Labelling

The Group conducts training on advertising laws for employees in accordance with the Advertising Law of the PRC to the management team in Mainland China.

The Advertising Law prohibits false or misleading content. Besides, advertisements featuring a commodity or service that does not exist, or one that contains incorrect information in relation to function, origin, usage, quality, ingredients, or price, are all deemed misleading by the Advertising Law. The Law also prohibits superlatives such as "national", "highest", and "best".

In terms of online advertising, internet advertisements must not interfere with the users' normal use of the internet. A user must be given clear instructions on how to close a pop-up advertisement. Electronically sent advertisements via emails must include the sender's identity and the contact details of the sender. Furthermore, children younger than the age of 10 cannot serve as an endorser of a product or service.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B7. Anti-corruption

B7.1 Concluded Legal Cases Regarding Corrupt Practices

The Group complies with all applicable laws on prohibiting corruption and bribery in Bolivia and the PRC, including the Criminal Law of the PRC, Anti-Money Laundering Law of the PRC and Law Against Unfair Competition of the PRC. There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

B7.2 Preventive Measures

The Group strives to maintain a high level of corporate ethical culture, and it strictly prohibits all forms of bribery and corruption. The Group emphatically asserts its zero-tolerance stance regarding any behaviours that not only violate relevant laws and regulations in Hong Kong, the PRC, and Bolivia, but also those that severely damage the business integrity and reputation of the Group.

Apart from internal anti-corruption management, officials from the government and regulatory agency also conduct unannounced visits (namely dawn raids) to investigate potential violation of administrative or criminal laws in the aspects of anti-monopoly (e.g. price-fixing), commercial bribery, false advertising, consumer rights protection and criminal offence (e.g. bribery, serious pollution accident). Guidelines for dawn raids reporting had been established to ensure staff's cooperation with officials.

B7.3 Anti-corruption Training

In order to enhance the anti-corruption awareness and level of employees, the Group has disbursed anti-corruption materials and information provided by the Independent Commission Against Corruption ("ICAC") to its directors and other employees during the Reporting Period. Topics of anti-corruption included the situations of corruption reporting, anti-corruption laws and cases, fair competition, code of conduct, anti-money laundering, etc.

B8. Community Investment

The Group is dedicated to helping the underprivileged and uniting different communities through various means.

The Agricultural Operation is keen on supporting local communities, and hence donates irregularly for community annual parties. It is also welcoming of people who would like to know more about the agriculture industry in Bolivia, and has received university students to visit and get to know the farm in the past.

During the Reporting Period, the Group did not organize any further community activities or donations. However, the Group would seek opportunities to invest in and engage with local communities in the future.

REPORT OF DIRECTORS

The directors (the “Directors”) of the Company present their report and the audited financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the activities of the principal subsidiaries is set out in note 36 to the consolidated financial statements. There were no significant changes in the nature of the Group’s principal activities during the year.

BUSINESS REVIEW

A business review of the Group during the year and a discussion on the Group’s future business development is shown in the “Management Statement” on pages 3 to 6 of this annual report. The Management Statement also forms part of this report of the directors.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss on page 74 of the annual report.

The Directors did not recommend the payment of a dividend for the year ended 31 March 2025 (2024: Nil).

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in note 28 to the consolidated financial statements.

RESERVES

Movements in reserves of the Group and the Company during the year are set out in consolidated statement of changes in equity on page 78 and note 30 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2025, the Company did not have any distributable reserves.

INVESTMENT PROPERTIES

Details of movements in investment properties of the Group during the year are set out in note 16 to the consolidated financial statements. Particulars of the major properties of the Group held for investment purposes at 31 March 2025 are set out on page 170 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements respectively.

BANK AND OTHER BORROWINGS

Particulars of bank and other borrowings of the Group as at 31 March 2025 are set out in note 26 to the consolidated financial statements.

REPORT OF DIRECTORS

DIRECTORS

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

Executive directors:

Mr. Chen Yi, Ethan (*Chief Executive Officer*)

Mr. Jiang Xiao Heng, Jason

Mr. Zhou Zhizhu (appointed on 17 May 2024)

Ms. Wang Xue (appointed on 18 December 2024)

Non-executive director:

Mr. Jiang Zhaobai (*Chairman*)

Independent non-executive directors:

Mr. Ho Yiu Yue, Louis

Mr. Ko Ming Tung, Edward

Mr. Ng Ge Bun

Pursuant to Article 97 of the Articles of Association, Mr. Jiang Zhaobai, Mr. Ho Yiu Yue, Louis and Mr. Ko Ming Tung, Edward will retire from office by rotation at the annual general meeting. All the retiring Directors shall be eligible and offer themselves for re-election at the forthcoming annual general meeting.

Pursuant to Article 88 of the Articles of Association, Ms. Wang Xue will retire from office by rotation and re-election by shareholders at the forthcoming annual general meeting.

The Company has received annual confirmations of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") from all independent non-executive Directors namely, Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Mr. Ng Ge Bun. As at the date of this report, the Company still considers these independent non-executive Directors to be independent.

DIRECTORS' AND SENIOR MANAGERMENTS' BIOGRAPHIES

Biographical details of the Directors and senior management of the Group as at the date of this annual report are set out on pages 7 to 9 of this annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation. Details of directors' remuneration are set out in note 9 to the consolidated financial statements.

DIRECTORS OF SUBSIDIARIES

A list of the names of the directors of the Group's principal subsidiaries during the year and up to the date of this report can be found in the Company's website at www.everchina202.com.hk under "Company Info".

REPORT OF DIRECTORS

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in Section 469 of the Companies Ordinance) for the benefit of the Directors of the Company is currently in force and was in force throughout the year. The Company has arranged insurance cover in respect of legal action against its Directors. The insurance coverage is reviewed at least annually for ensuring that the Directors and officers are adequately protected against potential liabilities.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or its subsidiaries 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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 March 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in shares and underlying shares

Name of Directors	Nature of interests	Number of shares in the Company	Approximate percentage of shareholding
Jiang Xiao Heng, Jason ("Mr. Jason Jiang")	Interest in controlled corporation (Note (1))	2,042,210,000	28%

Notes:

- (1) As at 31 March 2025, of the 2,042,210,000 shares, 1,133,300,000 shares are held by Rich Monitor Limited and 908,910,000 shares are held by Pengxin Holdings Company Limited. All of which are wholly and beneficially owned by Mr. Jiang Xiao Heng Jason ("Mr. Jason Jiang"). Therefore, he is deemed to be interested in 2,042,210,000 shares of the Company under the SFO. Mr. Jason Jiang is the son of the Mr. Jiang Zhaobai, a non-executive Director and the Chairman of the Board.

Save as disclosed above, as at 31 March 2025, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

REPORT OF DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were there rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or minor (natural or adopted), or were such rights exercised by them; nor was the Company or any of the Subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 3 September 2021, the shareholders of the Company approved the adoption of the Company's new share option scheme ("Scheme") and the termination of the Company's then existing Share Option Scheme (the "Old Option Scheme"). The Scheme adopted by the Company was on 3 September 2021. A summary of the principal terms of the Scheme, as disclosed in accordance with the Listing Rules on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") is as follows:

Purpose

The purpose of the Scheme is to provide incentives or rewards to the participants for their contribution or potential contribution to, and continuing efforts to promote the interest of, the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

Qualifying participants

Under the terms of the Scheme, the Directors of the Company may, at their discretion, grant options to the any directors, whether executive or non-executive and whether independent or not, of the Group, full time or part time employees of the Group (the "eligible participants").

Maximum number of shares

The scheme mandate limit for the Scheme allows the Company to issue a maximum of 729,436,936 share options, representing 10.00% of the issued share capital of the Company as at the date of the approval of the Scheme.

Maximum entitlement of each eligible participant

Share options granted to connected persons and its associates is subject to the approval of the independent non-executive Directors. In addition, any grant of share options to a substantial shareholder or an independent non-executive Director or any of their respective associates, in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, is subject to the approval of the shareholders of the Company in a general meeting. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company shall not exceed 30% of the shares of the Company in issue from time to time. Subject to the shareholders' approval, the maximum number of shares in respect of which options may be granted under the scheme shall not exceed 10% of the shares in issue as at the date of the approval, or the maximum number of shares in respect of which options may be granted to any eligible participants may not exceed 1% of the shares in issue from time to time in a 12-month period.

REPORT OF DIRECTORS

Time of exercise of share option

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may in its absolute discretion determine which shall not be more than 10 years from the date of grant of the option and subject to the provisions of early termination thereof and the Board may provide restrictions on the exercise of an option. Pursuant to Chapter 17 of the Listing Rules, the vesting period for options shall not less than 12 months.

Acceptance of offer

An offer of the grant of an option shall remain open for acceptance for a period of 28 days from the date of the letter containing the grant. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant thereof is received by the Company.

Subscription price

The subscription price in respect of any particular option shall be such price as the Directors may determine at the date of grant of the relevant option but shall be at least the highest of (i) the nominal value of the shares of the Company; (ii) the closing price of the shares of the Company on the Stock Exchange on the date of grant; and (iii) the average of the closing prices of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of the grant of the option.

The remaining life of the Scheme

The Directors shall be entitled at any time within 10 years commencing on 3 September 2021 to offer the grant of an option to any eligible participant. The Scheme will expire on 2 September 2031. As at 31 March 2025, the remaining life of the Scheme is approximately 6 years and 5 months.

Save for the Scheme, the Company did not have any other share option scheme as at 31 March 2025. From the date of the Scheme being adopted up to 31 March 2025, no options had been granted and remained outstanding under the Scheme of the Company.

As at 31 March 2025, the total number of ordinary shares available for issue pursuant to the grant of options under the scheme mandate of the Scheme was 729,436,936, representing 10% of the ordinary shares in issue as at 31 March 2025 and date of this Annual Report.

REPORT OF DIRECTORS

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2025, to the best knowledge of the Directors of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short position in the ordinary shares and underlying Shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in shares and underlying shares

Name of Shareholder	Number of shares in the Company		Total	Approximate percentage of shareholding
	Beneficial owner	Interest in controlled corporation		
Rich Monitor Limited	1,133,300,000 (Note (1))	–	1,133,300,000	15.54%
Pengxin Holdings Company Limited	908,910,000 (Note (1))	–	908,910,000	12.46%
Ansheng Holdings Co., Ltd	732,935,000 (Note (2))	–	732,935,000	10.05%
Tong Yung Ling	–	732,935,000 (Note (2))	732,935,000	10.05%

Notes:

- (1) Rich Monitor Limited and Pengxin Holdings Company Limited are wholly and beneficially owned by Mr. Jiang Xiao Heng Jason ("Mr. Jason Jiang"). Therefore, he is deemed to be interested in 2,042,210,000 shares of the Company under the SFO. The interests of Mr. Jason Jiang in the Company is stated under the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares" above.
- (2) As at 31 March 2025, Ansheng Holdings Co., Ltd is wholly and beneficially owned by Mr. Tong Yung Ling. Therefore, he is deemed to be interested in 732,935,000 shares of the Company under the SFO.

Save as disclosed above, as at 31 March 2025, the Company has not been notified by any other person or corporation having interests or short positions in the shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

REPORT OF DIRECTORS

CONNECTED TRANSACTIONS

On 26 March 2025, the Group entered into the provisional agreement with Shanghai Pengxin Zhihuiyuan Property Development Company Limited ("Shanghai Pengxin Zhihuiyuan") in relation to acquire the property located in Minhang District, Shanghai, the PRC at the consideration of RMB400,000,000 (equivalent to approximately HK\$428,000,000) (the "Acquisition"). Shanghai Pengxin Zhihuiyuan is wholly owned by Shanghai Pengdu Health Technology Development Company Limited, which is directly owned as to (i) approximately 32.3% by Mr. Jiang Zhaobai, a non-executive Director and the chairman of the Company, as well as the father of Mr. Jiang Xiao Heng Jason, an executive Director and a substantial Shareholder interested in approximately 28% of the issued share capital of the Company; (ii) approximately 44.6% by Mr. Jiang Lei, the brother of Mr. Jiang Zhaobai; and (iii) approximately 23.1% by Shanghai Pengxin Asset Management Company Limited. Shanghai Pengxin Asset Management Company Limited is indirectly owned as to (a) 99% by Mr. Jiang Zhaobai; and (b) 1% by Mr. Jiang Lei. The Acquisition constituted connected transaction of the Company as defined in Chapter 14A of the Listing Rules. Details of the transaction were set out in the Company's announcement dated 26 March 2025. As at 31 March 2025, the Group had paid a deposit of RMB120,000,000 (equivalent to approximately HK\$128,480,000) to Shanghai Pengxin Zhihuiyuan for the Acquisition which was disclosed in note 33 to the consolidated financial statements. The Company confirms that the Group has complied with the applicable disclosure requirements in relation to the transaction in accordance with Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of related party transactions are set out in note 33 to the consolidated financial statements.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes of the Group are set out in note 32 to the consolidated financial statements.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 169 of the annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2025, the largest and five largest customers of the Group accounted for 36% and 70% of the Group's total revenue respectively and the largest and five largest suppliers of the Group accounted for 9% and 30% of the Group's total purchases respectively.

None of the Directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) had an interest in any of the Group's five largest customers and suppliers.

REPORT OF DIRECTORS

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of its directors, the directors confirmed that the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange during the year.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 10 to 22.

KEY RISKS FACTORS AND UNCERTAINTIES

The Group's businesses, operating results, financial position and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The Group's risk management and internal control systems are in place to ensure principal risks as well as significant emerging risks are identified, monitored and managed on a continuous basis. The principal risks and uncertainties set out below may have material impacts on the Group's businesses, operating results, financial position or business prospects, but they are by no means exhaustive or comprehensive.

Regulatory and Compliance Risk

As a listed company with diversify business in different countries, the Group is exposed to and subject to extensive government policies and regulations of mainland China, Hong Kong, Indonesia and Bolivia. These include the Listing Rules, Hong Kong Companies Ordinance as well as legal, tax, environmental and any other statutory requirements for our various kinds of businesses in different jurisdictions. The Group is committed to complying with the relevant policies, regulations and guidelines applicable to its operations by experienced and professional staff as well as by consultancy with external experts.

Market and Investment Risk

The Group's operations including but not limit to property investment operation, hotel operation and agricultural operation are susceptible to different factors such as government policies and regulations, economic growth, social environment, customer demands, etc. The uncertainty of economic conditions may have material impacts on the market and investment risk. The Group is kept abreast with the changes in business environment and timely assesses the impacts on the operations in order to formulate the best strategy for persisted growth. Besides, the Group sticks firmly to its prudent investment approach and expands its operating scale in an organised manner. The Group would perform comprehensive due diligence review on new business opportunities and selected cautiously the appropriate projects for investment.

Environmental and Social Risk

The Group's agricultural operation will face a moderate environmental risk in case there in severe and permanent climate across the South America. Such risk may have an adverse impact on harvest of crops and affect the turn over of the Group in agricultural operation.

REPORT OF DIRECTORS

Business and operational Risk

Distinctive risks factors in the Group's businesses such as default of tenants, customers, buyers and strategic business partners, and inadequacies or failures of internal processes, people and systems may have different levels of negative impact on the results of the Group's operation. Unexpected accidents may happen although precautionary measures are established, which may cause financial loss to the Group.

The Company engages external professional to review key activities of the Group annually and ensures all material controls, including financial and operational, are functioning effectively. Precautionary and contingency measures are also set up to ensure the Group is protected against major potential loss, damage or impact to our operations. Insurance coverage against accidental losses and/or other hazards is used in protecting our assets against any potential liabilities.

Financial Risk

The Group is exposed to interest rate, credit, liquidity, currency and other price risks which arise in the normal course of the Group's businesses. The analysis of these risks is illustrated in the note 35 to the consolidated financial statements in detail. The Group closely monitors the financial risks and when appropriate will adopt measures to manage and hedge corresponding risks by using of derivatives such as interest rate and currency swaps.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to environmental protection and the efficient use of resources. The Group encouraged the employees to develop good habits, conserve resources and energy to build a green and comfortable office environment. The Group has adopted various environmental policies which include minimising consumption of electricity and paper, waste reduction and promoting the use of electronic communication and storage. They are regularly reviewed and results are closely monitored. Information on the environmental policies and performance of the Group is set out in the "Environmental, Social and Governance Report" on pages 23 to 58 of this Annual Report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong, the PRC, Bolivia and Indonesia. Our establishment and operations accordingly shall comply with all the applicable laws and regulations in the jurisdictions where we have operations. Meanwhile, the Company is a company listed in Hong Kong. The Group also has to comply with the Listing Rules on the Hong Kong Stock Exchange. As far as the Board and management are aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year, save for disclosed in the Corporate Governance Report on pages 10 to 22, there was no material breach of or noncompliance with the applicable laws and regulations by the Group.

REPORT OF DIRECTORS

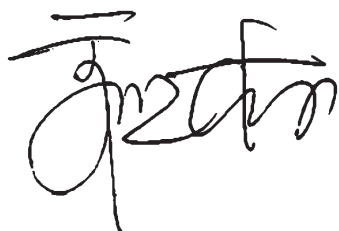
RELATIONSHIPS WITH KEY STAKEHOLDERS

Human resources are regarded as the most important and valuable assets of the Group. Competitive remuneration packages are provided to attract and motivate employees. In addition, to conform to the market standard, the Group regularly reviews the remuneration package of employees and makes necessary adjustments. Moreover, the Group understands the importance of maintaining good relationship with business partners is vital to achieve its long-term goals. Thus, management of the Group have kept good communication, promptly exchanged ideas and shared business update with them as and when appropriate. During the year, there was no material and significant dispute between the Group and its business partners.

AUDITORS

The consolidated financial statements for the year ended 31 March 2025 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. A resolution for the reappointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year will be proposed at the forthcoming annual general meeting.

On behalf of the Board



Jiang Zhaobai

Chairman

Hong Kong, 27 June 2025

INDEPENDENT AUDITORS' REPORT



國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF EVERCHINA INT'L HOLDINGS COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of EverChina Int'l Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 74 to 168, which comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements, which indicates that the Group incurred a loss of approximately HK\$40,238,000 for the year ended 31 March 2025 and, as of that date, the Group had net current liabilities of approximately HK\$53,970,000. In addition, the Group has short-term bank and other borrowings amounting to approximately HK\$413,312,000, including other borrowings of approximately HK\$233,700,000 which have not been repaid according to the scheduled repayment dates before the end of the reporting period. As at 31 March 2025, the Group had cash and cash equivalents amounting to HK\$312,618,000 which is insufficient to fully repay the bank and other borrowings expiring within 12 months. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matters

How our audit addressed the key audit matters

Valuation of the investment properties

Refer to note 16 and the accounting policies in note 4 to the consolidated financial statements.

As at 31 March 2025, management has estimated the fair value of the Group's investment properties of approximately HK\$634,690,000 with a loss arising on change in fair value of approximately HK\$66,076,000 was recognised in the consolidated statements of profit or loss for the year ended 31 March 2025. Independent external valuations in respect of all of the portfolio of the Group's investment properties were performed in order to support the management's estimation.

The valuations are dependent on certain key assumptions that require significant management judgement including reversionary yield and rental income from future reversion leases in light of current market condition.

Our procedures in relation to valuation of the Group's investment properties included but not limited to:

- Evaluating the independent valuer's competence, capabilities and objectivity;
- Assessing the methodologies used and the appropriateness of the key assumptions and parameters based on our knowledge of the property industry and using our auditors' valuation expert; and
- Checking, on a sample basis, the accuracy and relevance of the input data used.

We found the key assumptions used by management for valuation of investment properties to be supportable by available evidence.

INDEPENDENT AUDITORS' REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon (the "Other Information").

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

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

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

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

AUDITORS' 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 auditors' report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

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

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

INDEPENDENT AUDITORS' REPORT

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

From the matters communicated with those charged with governance, 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors' report is Fong Ka Yiu.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Fong Ka Yiu

Practising Certificate Number: P08080

Hong Kong, 27 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Continuing operations			
Revenue	7	108,181	102,484
Cost of sales		(59,922)	(57,007)
Gross profit		48,259	45,477
Other income and gain/(losses), net	8	16,954	(19,224)
Staff costs	9	(20,153)	(22,953)
Administrative costs		(33,161)	(30,510)
Impairment loss recognised on property, plant and equipment	17	(1,079)	(11,156)
Impairment loss recognised on mining rights	19	—	(52,947)
(Allowance for)/reversal of expected credit losses on other receivables and loan to an associate, net		(8,080)	303
Loss arising on changes in fair value of investment properties	16	(66,076)	(151,648)
Gain/(loss) arising on changes in fair value less costs to sell on biological assets	22	41,167	(2,966)
Loss from operations	10	(22,169)	(245,624)
Finance costs	11	(28,820)	(29,227)
Share of results of associates	20	(1,315)	—
Loss before tax from continuing operations		(52,304)	(274,851)
Tax expenses	12	(17,263)	(1,527)
Loss for the year from continuing operations		(69,567)	(276,378)
Discontinued operations			
Profit/(loss) for the year from discontinued operations, net of income tax	13	29,329	(46,144)
Loss for the year		(40,238)	(322,522)
Attributable to:			
Owners of the Company			
— Continuing operations		(69,540)	(273,702)
— Discontinued operations		29,329	(46,144)
		(40,211)	(319,846)
Non-controlling interests			
— Continuing operations		(27)	(2,676)
		(40,238)	(322,522)
Loss per share attributable to owners of the Company			
From continuing and discontinued operations			
— Basic and diluted		(0.551) cents	(4.385) cents
From continuing operations			
— Basic and diluted	14	(0.953) cents	(3.752) cents

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(40,238)	(322,522)
Other comprehensive expenses		
<i>Items that maybe reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(32,110)	(30,417)
Total comprehensive expenses for the year	(72,348)	(352,939)
Total comprehensive expenses attributable to:		
Owners of the Company	(72,321)	(350,263)
Non-controlling interests	(27)	(2,676)
	(72,348)	(352,939)
Total comprehensive expenses attributable to owners of the Company:		
Continuing operations	(48,807)	(304,824)
Discontinued operations	(23,514)	(45,439)
	(72,321)	(350,263)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Investment properties	16	634,690	718,682
Property, plant and equipment	17	352,853	367,025
Right-of-use assets	18	221	884
Mining rights	19	–	–
Interests in associates	20	63,761	549
Prepayment for property, plant and equipment	23	128,480	–
		1,180,005	1,087,140
Current assets			
Inventories	21	7,613	9,862
Biological assets	22	66,517	30,325
Other receivables, deposits and prepayments	23	44,741	21,171
Cash and cash equivalents	24	312,618	24,918
		431,489	86,276
Assets classified as held for sale	13	–	391,260
		431,489	477,536
Total assets		1,611,494	1,564,676
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	28	2,664,298	2,664,298
Reserves		(1,596,943)	(1,524,622)
Equity attributable to owners of the Company		1,067,355	1,139,676
Non-controlling interests		29,074	29,101
Total equity		1,096,429	1,168,777

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Lease liabilities	18	—	236
Deferred tax liabilities	27	29,606	59,381
		29,606	59,617
Current liabilities			
Trade and other payables and deposits received	25	65,674	82,208
Lease liabilities	18	236	671
Tax payable		6,237	6,237
Bank and other borrowings	26	413,312	247,166
		485,459	336,282
Total liabilities		515,065	395,899
Total equity and liabilities		1,611,494	1,564,676
Net current (liabilities)/assets		(53,970)	141,254
Total assets less current liabilities		1,126,035	1,228,394

Approved and authorised for issue by the Board of Directors on 27 June 2025 and signed on its behalf by:



Jiang Zhaobai
Director



Chen Yi
Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Equity attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Special reserve HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Statutory surplus reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000		
At 1 April 2023	2,664,298	571,996	1,342,477	110,246	26,121	871	(3,226,070)	1,489,939	31,777	1,521,716
Loss for the year	-	-	-	-	-	-	(319,846)	(319,846)	(2,676)	(322,522)
Exchange differences on translation of foreign operations	-	-	-	-	(30,417)	-	-	(30,417)	-	(30,417)
Total comprehensive expenses for the year	-	-	-	-	(30,417)	-	(319,846)	(350,263)	(2,676)	(352,939)
At 31 March 2024 and 1 April 2024	2,664,298	571,996	1,342,477	110,246	(4,296)	871	(3,545,916)	1,139,676	29,101	1,168,777
Loss for the year	-	-	-	-	-	-	(40,211)	(40,211)	(27)	(40,238)
Exchange differences on translation of foreign operations	-	-	-	-	(32,110)	-	-	(32,110)	-	(32,110)
Total comprehensive expenses for the year	-	-	-	-	(32,110)	-	(40,211)	(72,321)	(27)	(72,348)
At 31 March 2025	2,664,298	571,996	1,342,477	110,246	(36,406)	871	(3,586,127)	1,067,355	29,074	1,096,429

Special reserve

The special reserve represented the difference between the nominal value of shares of Burlingame International Company Limited ("Burlingame") and the nominal value of shares issued for the swap of the shares of Burlingame pursuant to the scheme of arrangement as set out in the document issued by the Company and Burlingame dated 27 July 2000.

Contributed surplus

Pursuant to a special resolution by the shareholders of the Company at a special general meeting held on 18 September 2009 and upon all conditions precedents to the capital reorganisation have been fulfilled on 9 April 2010, (i) the nominal value of each share was reduced from HK\$0.10 to HK\$0.01 by cancelling the Company's paid up capital to the extent of HK\$0.09 on each share, (ii) part of the credit arising from capital reduction was utilised to set off accumulated losses of the Company and (iii) the remaining credit balance in the contributed surplus of the Company will be utilised in accordance with the articles of association of the Company and all applicable laws.

Capital reserve

The capital reserve represents the deemed capital contribution from a substantial shareholder.

Exchange reserve

Exchange reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in the consolidated statement of profit or loss and other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to the consolidated statement of profit or loss on the disposal of the foreign operations.

Statutory surplus reserve

Statutory surplus reserve represents the appropriation of 10% of profit after taxation, calculated in accordance with the accounting standards and regulations applicable to subsidiaries of the Company established in the People's Republic of China ("PRC"). When the balance of such reserve reaches 50% of the Group's registered capital, any further appropriation is optional.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES			
Loss before taxation			
Continuing operations		(52,304)	(274,851)
Discontinued operations		–	(22,092)
		(52,304)	(296,943)
Adjustments for:			
Depreciation of property, plant and equipment	17	7,938	21,408
Depreciation of right-of-use assets	18	663	648
Impairment loss recognised in respect of property, plant and equipment	17	1,079	11,985
Impairment loss recognised in respect of mining rights	19	–	52,947
Loss arising from change in fair value of investment properties	16	66,076	151,648
Gain on disposal of property, plant and equipment		–	(275)
(Gain)/loss arising from change in fair value less costs to sell of biological assets	22	(41,167)	2,966
Allowance/(reversal of) for expected credit losses recognised on other receivables and loan to an associate, net		8,080	(446)
Loss on early repayment of amount due to a related company	8	–	17,444
Loss on disposal of a subsidiary	8, 37	–	2,674
Interest income		(833)	(424)
Finance costs		28,820	29,763
Share of results of associates		1,315	–
Operating cash flows before movements in working capital		19,667	(6,605)
Decrease/(increase) in inventories		2,249	(2,401)
(Increase)/decrease in other receivables, deposits and prepayments		(32,954)	4,489
Decrease/(increase) in biological assets		4,975	(628)
(Decrease)/increase in trade and other payables and deposits received		(16,007)	467
Cash used in operating activities		(22,070)	(4,678)
Profits tax paid		(17,708)	(27,060)
Interest received		833	424
Net cash used in operating activities		(38,945)	(31,314)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	17	(3,070)	(4,369)
Proceed from disposal of property, plant and equipment		7,080	1,969
Proceeds from disposal of asset held for sale		384,418	–
Proceeds from disposal of financial assets at fair value through profit or loss		–	45,407
Proceeds from disposal of a subsidiary	37	–	20,995
Payment for interests in associates		(67,382)	–
Prepayment for acquisition of property, plant and equipment		(128,480)	–
Net cash generated from investing activities		192,566	64,002

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
FINANCING ACTIVITIES			
Interest paid		(31,049)	(26,250)
New bank and other borrowings raised		178,147	3,026
Repayment of bank and other borrowings		(10,455)	(41,145)
Repayment of lease liabilities		(720)	(701)
Net cash generated from/(used in) financing activities		135,923	(65,070)
Net increase/(decrease) in cash and cash equivalents		289,544	(32,382)
Cash and cash equivalents at beginning of the year		24,918	60,746
Effect of change in foreign exchange rate		(1,844)	(3,446)
Cash and cash equivalents at end of the year		312,618	24,918
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	312,618	24,918

The accompanying note form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Unit 1506, 15/F., Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in (i) agricultural operation and (ii) property investment operation. The Group was also engaged in (i) hotel operation and (ii) securities investment and financing operation which was discontinued in the last year (see note 13). Details of the principal activities of its subsidiaries are set out in note 36.

In the opinion of the directors of the Company, Mr. Jiang Xiao Heng Jason is the ultimate controlling party of the Company.

The consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which is a collective term that includes all applicable individual HKFRS Accounting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosure provisions of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are set out in note 5.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, biological assets and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. BASIS OF PREPARATION *(Continued)*

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern assessment

The Group incurred a net loss approximately HK\$40,238,000 (2024: HK\$322,522,000) for the year ended 31 March 2025 and, as of that date, the Group had net current liabilities of approximately HK\$53,970,000 (31 March 2024: net current assets of approximately HK\$141,254,000). In addition, the Group has short-term bank and other borrowings of approximately HK\$413,312,000 (31 March 2024: HK\$247,166,000), including other borrowings of approximately HK\$233,700,000 which have not been repaid according to the scheduled repayment dates before the end of the reporting period. As at 31 March 2025, the Group had cash and cash equivalents of approximately HK\$312,618,000 (31 March 2024: HK\$24,918,000) which is insufficient to fully repay the bank and other borrowings expiring within 12 months. These indicate that the Group's ability to meet these liquidity requirements depends on its ability to generate sufficient net cash inflows from future operations and other sources.

These facts and circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. BASIS OF PREPARATION *(Continued)*

Going concern assessment *(Continued)*

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group. The directors of the Company adopted the going concern of the Company basis for the preparation of the consolidated financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

- (1) Subsequent to 31 March 2025, the Group repaid bank and other borrowings totaling HK\$235,533,000, including fully settlement of other borrowing of approximately HK\$233,700,000 which have not been repaid according to the scheduled repayment dates. Consequently, the Group's short-term bank and other borrowings have reduced to HK\$177,779,000. The Group will continue to actively negotiate with its banks in a timely manner to ensure that the facilities and bank borrowing remain available. Given the Group's relationship with the banks and its historical success in renewing banking facilities, the Directors believe that the relevant lenders will not exercise their rights to demand immediate repayment of any significant borrowings upon maturity of the bank borrowing;
- (2) The Group had unutilised banking facility of approximately HK\$144,546,000 as at 31 March 2025;
- (3) The management is currently soliciting other financing arrangements and fund-raising alternatives to further support the funding needs of the Group; and
- (4) The Group will continue to search for potential buyer(s) for disposal of certain commercial properties of the Group and investment in associate to further enhance its liquidity position.

Based on cash flow projections, prepared by the management, the Group will have sufficient working capital for its current needs and it is reasonable to expect the Group to remain a commercially viable concern and consider that the Group would be able to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any future liabilities that may arise and to re-classify non-current assets and liabilities as current assets and liabilities. The effects of these adjustments have not been reflected in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

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

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

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

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

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

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

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

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

The directors of the Company anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group which qualifies as business combination, except for those acquisitions which qualify as a common control combination and are therefore accounted for using the merger accounting.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange and, all acquisition-related costs are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statements of profit or loss and other comprehensive income.

Basis of consolidation

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Basis of consolidation *(Continued)*

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Interests in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the interests in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Business combinations *(Continued)*

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "Conceptual Framework") except for transactions and events within the scope of HKAS 37 or HK(IFRIC)-Int 21, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Business combinations *(Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are presenting ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

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

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue from contracts with customers *(Continued)*

The Group recognises revenue under the following accounting policies:

(a) Sale of goods

Revenue from the sales of cattles and agricultural produce is recognised at a point in time when control of the products has transferred, which generally considers with the time when the goods are delivered and title has passed.

(b) Property rental income

Property rental income is recognised on a straight-line basis over the period of the lease.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income and losses, net".

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Property, plant and equipment *(Continued)*

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

Buildings — Hotel property	Over the shorter of the estimated useful lives of 50 years and the terms of the leases
Leasehold improvements	Over the terms of the leases
Furniture and fixtures	15%
Equipment, motor vehicle and others	5–20%

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Investments in an associate

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is or the portion so classified is accounted for in accordance with HKFRS 5. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Investments in an associate *(Continued)*

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

Biological assets

Biological assets are stated at fair value less costs to sell, with any resultant gain or loss recognised in the consolidated statement of profit or loss. Costs to sell are incremental costs directly attributable to the disposal of an asset excluding financial cost, income tax and costs necessary to get the assets to market.

The fair value of livestock is determined based on the current market price of livestock of similar age, breed and genetic merit. The feeding costs and other related costs including the depreciation charge, utilities cost and consumables incurred for the raising of heifers and calves are capitalised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Biological assets *(Continued)*

The agricultural produce is initially measured at fair value less costs to sell at the time of harvest. The fair value of agricultural produce is determined based on market prices in the local market. The fair value less costs to sell at the time of harvest represents the cost of agricultural produce for further processing.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on the estimated selling prices less any estimated costs expected to be incurred to disposal. Cost necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Mining rights

Mining rights are stated at cost less accumulated amortisation and any impairment losses. The mining rights are amortised over the estimated useful lives of the mines in accordance with the production plan of the entities concerned and the proven and probable reserves of the mines using the unit of production method.

Exploration and evaluation expenditure

Exploration and evaluation assets include topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies, and expenditure incurred to secure further mineralisation in existing manganese mine and to expand the capacity of a mine. Expenditure incurred prior to acquiring legal rights to explore an area is written off as incurred. Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. They are subsequently stated at cost less accumulated impairment. When it can be reasonably ascertained that a mining property is capable of commercial production, exploration and evaluation costs are transferred to tangible or intangible assets according to the nature of the exploration and evaluation assets. If any project is abandoned during the evaluation stage, the total expenditure thereon will be written off.

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

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and mining rights to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of property, plant and equipment, right-of-use assets and mining rights are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, 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 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Impairment on property, plant and equipment, right-of-use assets and mining rights *(Continued)*

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Lease

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract 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 component on the basis of the relative stand-alone price of the lease component and the aggregate standalone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term lease and lease of low-value assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Lease (Continued)

The Group as a lessee *(Continued)*

Right-of-use assets

The cost of right-of-use assets includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Lease *(Continued)*

The Group as a lessee *(Continued)*

Lease liabilities (Continued)

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liabilities is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review or expected payment under a guaranteed residual value, in which cases the related lease liabilities is remeasured by discounting the revised lease payments using the initial discount rate.
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liabilities 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 the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Lease *(Continued)*

The Group as a lessor

Classification and measurement of lease

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

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

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

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

Financial instruments

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets

Classification and subsequent measurement of financial assets

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

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

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

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is classified as held for trading if:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

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

Impairment of financial assets

The Group performs impairment assessment under expected credit losses ("ECL") model on financial assets (including trade and other receivables and cash and cash equivalent which are subject to impairment assessment under HKFRS 9). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables without significant financing component.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

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

(i) Significant increase in credit risk

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provisional matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- past-due status;
- nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Classification as financial liabilities or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, deposit received, bank and other borrowings, amount due to a related company and lease liabilities subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Derecognition of financial liabilities (Continued)

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before taxation as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Taxation *(Continued)*

Deferred tax *(Continued)*

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

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

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

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

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

For leasing transactions in which the tax deductions are attributes to the lease liabilities, the Group applies HKAS12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

Cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Rehabilitation provision

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related manganese. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in finance costs. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

For closed sites, changes to estimated costs are recognised immediately in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Retirement benefits costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme in Hong Kong (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group entity in the PRC participates in defined contribution retirement benefit plans (including Housing Provident Fund) organised by relevant government authorities for its employees in the PRC and contribute to these plans based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans.

The Group has no further obligation for post-employment benefits beyond the contributions made. The Group's contributions to these plans are charged to the consolidated statement of profit or loss as incurred.

Share-based payments

Equity-settled share-based payments transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share capital. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to accumulated losses.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Related parties

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 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 holding company of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (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 holding company of the entity).
 - (viii) the entity, or any member of a group of which it is apart, provides key management personnel services to the Group or to the parent of the Group.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close family members 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 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the most senior executive management that makes strategic decisions.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Fair value of investment properties

Investment properties are stated at fair values based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in note 16.

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuations is reflective of the current market conditions. Changes to these assumptions, including the potential risk of any market violation, policy, geopolitical and social changes or other unexpected incidents as a result of change in macroeconomic environment, travel restrictions implemented by many countries, increased complexity in international trade tensions geopolitics, change in policy direction and/or mortgage requirement or other unexpected incidents would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

As at 31 March 2025, the carrying amount of the Group's investment properties is HK\$634,690,000 (2024: HK\$718,682,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

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

For the Group's property, plant and equipment, right-of-use assets and mining rights, the Group has to exercise judgments in determining whether an asset is impaired or the event previously causing the asset impaired no longer exists, particularly in assessing: (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of the asset can be supported by the recoverable amounts, in the case of value in use, the net present value of the future cash flows which are estimated based upon the continuing use of the asset or disposal; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections are discounted using an appropriate rate. Changing the assumptions applied by management to determine the level of impairment, including the discount rates and the growth rate assumptions in the cash flow projections, could material affect the net present value result in the impairment test.

Details of the impairment of property, plant and equipment, right-of-use assets and mining rights are disclosed in notes 17, 18 and 19 respectively.

Provision of ECL for other receivables

Other receivables with significant balances and credit-impaired are assessed for ECL individually.

In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and other receivables are disclosed in note 23 and 35.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

Fair value of cattle

The Group's cattle are valued at fair value less costs to sell. The fair value of cattle is determined based on the market-determined prices as at the end of the reporting period adjusted with reference to the species, age, growing condition, costs incurred to reflect differences in characteristics and/or stages of growth of the cattle when market-determined prices are unavailable; or the cost when appropriate. Any change in the estimates may affect the fair value of the cattle significantly. The independent qualified professional valuer and management review the assumptions and estimates periodically to identify any significant change in the fair value of cattle. Details of assumptions used are disclosed in note 22.

Fair value of agricultural produce

The Group's agricultural produce are valued at fair value less costs to sell. The fair value of agricultural produce is determined based on either the market-determined prices as at the end of the reporting period adjusted with reference to the species, age, growing condition and costs incurred in characteristics and/or stages of growth of the agricultural produce; or the present value of expected net cash flows from the agricultural produce discounted at a current market-determined rate, when market-determined prices are unavailable; or the cost when appropriate. Any change in the estimates may affect the fair value of the agricultural produce significantly. The independent qualified professional valuer and management review the assumptions and estimates periodically to identify any significant change in the fair value of agricultural produce. Details of assumptions used are disclosed in note 22.

6. SEGMENT INFORMATION

For management purpose, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Particulars of the Group's reportable operating segments are summarised as follows:

Continuing operations:

Agricultural operation	—	Agricultural farming and sale of crops and cattle raising and sales of cattle in the Plurinational State of Bolivia ("Bolivia")
Property investment operation	—	Leasing of rental property in the PRC

In addition to the above reportable segments, other operating segments include resource operation, of which resource operation was reported as separate segments in prior years. None of these segments met the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these were grouped in "Unallocated". Prior year segment disclosures have been represented to conform with the current year's presentation.

Discontinued operations:

Hotel operation	—	Hotel operation in the PRC
Securities investment and financing operation	—	Provision of securities investment and financing operation in Hong Kong and the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT INFORMATION *(Continued)*

Two operating segments, regarding the Hotel operation and Securities investment and financing operation was discontinued during the year ended 31 March 2024. The segment information reported does not include any amounts for these discontinued operations, which are described in more detail in note 13. Information regarding the above segments is reported below.

(a) Segment revenue and result

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

Continuing operations:

	Segment revenue		Segment results	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000 (Restated)
Agricultural operation	78,434	73,901	47,565	(10,967)
Property investment operation	29,747	28,583	(47,972)	(135,549)
Total	108,181	102,484	(407)	(146,516)
Other income and gain/(loss), net			16,954	(19,224)
Impairment loss recognised on mining rights			–	(52,947)
Unallocated expenses			(38,716)	(26,937)
Loss from operations			(22,169)	(245,624)
Finance costs			(28,820)	(29,227)
Share of results of associates			(1,315)	–
Loss before taxation			(52,304)	(274,851)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year ended 31 March 2025 (2024: Nil).

Segment result represents the result generated from each segment without allocation of central administration costs including directors' salaries, other income and gain/(loss), net, finance costs, impairment loss recognised on mining rights and allowance for ECL on other receivables and loan to an associate, net. This is the measure reported to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT INFORMATION *(Continued)*

(b) Segment assets and liabilities

	2025 HK\$'000	2024 HK\$'000 (Restated)
Segment assets		
Continuing operations:		
Agricultural operation	463,994	428,142
Property investment operation	819,694	726,048
Total segment assets	1,283,688	1,154,190
Assets relating to discontinued operations	–	398,378
Interest in associates	63,761	549
Unallocated assets	264,045	11,559
Consolidated total assets	1,611,494	1,564,676
Segment liabilities		
Continuing operations:		
Agricultural operation	43,053	47,852
Property investment operation	194,960	17,103
Total segment liabilities	238,013	64,955
Liabilities relating to discontinued operations	–	40,884
Unallocated bank and other borrowings	234,700	247,166
Unallocated liabilities	36,115	36,657
Tax payable	6,237	6,237
Consolidated total liabilities	515,065	395,899

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

All assets are allocated to reportable segments other than certain property, plant and equipment, right-of-use assets, interest in associates, certain other receivables, certain prepayments, certain deposits and certain cash and cash equivalents that are not attributable to individual segments.

All liabilities are allocated to reportable segments other than certain other payables, certain other borrowings, lease liabilities and tax payable that are not attributable to individual segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT INFORMATION *(Continued)*

(c) Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

For the year ended 31 March 2025

Continuing operations:

	Agricultural operation HK\$'000	Property investment operation HK\$'000	Unallocated HK\$'000	Consolidated total HK\$'000
Other segment information				
Depreciation of property, plant and equipment	7,270	364	304	7,938
Depreciation of right-of-use assets	–	–	663	663
Addition to non-current assets (note)	3,068	–	2	3,070
Impairment of property, plant and equipment	1,079	–	–	1,079
Loss arising on change in fair value of investment properties	–	66,076	–	66,076
Gain arising on change in fair value less costs to sell on biological assets	(41,167)	–	–	(41,167)
Allowance for ECL on other receivables and loan to an associate, net	–	2,910	5,170	8,080

Note: Addition to non-current assets includes addition to property, plant and equipment and right-of-use assets excluding biological assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT INFORMATION *(Continued)*

(c) Other segment information *(Continued)*

Amounts included in the measure of segment profit or loss or segment assets: *(Continued)*

For the year ended 31 March 2024 (Restated)

Continuing operations:

	Agricultural operation HK\$'000	Property investment operation HK\$'000	Unallocated HK\$'000	Consolidated total HK\$'000
Other segment information				
Depreciation of property, plant and equipment	7,778	418	648	8,844
Depreciation of right-of-use assets	–	–	648	648
Addition to non-current assets (note)	4,084	–	1,612	5,696
Impairment of property, plant and equipment	11,156	–	–	11,156
Impairment loss recognised on mining rights	–	–	52,947	52,947
Loss arising on change in fair value of investment properties	–	151,648	–	151,648
Loss arising on change in fair value less costs to sell on biological assets	2,966	–	–	2,966
Reversal of allowance for ECL on trade and other receivables and loan receivables	(33)	(5)	(265)	(303)

Note: Addition to non-current assets includes addition to property, plant and equipment and right-of-use assets, excluding biological assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT INFORMATION *(Continued)*

(d) Geographical information

Continuing operations

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's investment properties, property, plant and equipment, right-of-use assets and prepayment for property, plant and equipment (collectively referred to as "Specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or goods were delivered. The geographical location of the Specified non-current assets is based on the physical location of the asset or the location of the operation to which they are allocated.

	Revenue from external customers		Specified non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	–	–	809	1,670
The PRC	29,747	28,583	766,304	728,463
Bolivia	78,434	73,901	349,129	356,458
Indonesia	–	–	2	–
	108,181	102,484	1,116,244	1,086,591

Note: Specified non-current assets excluded interests in associates.

(e) Information about major customers

Continuing operations:

The percentage of turnover attributable to the Group's five largest customers to the total turnover during the year was 70% (2024: 79%). The percentage of turnover attributable to the largest customer to the total turnover during the year was 36% (2024: 67%).

Revenue from a major customer for the years ended 31 March 2025 and 2024 contributing over 10% of the Group's revenue are as follows:

	2025 HK\$'000	2024 HK\$'000
Agricultural operation — Customer A	38,993	68,998
Agricultural operation — Customer B	24,289	—*

* The corresponding revenue does not contribute over 10% of the Group's revenue for the respective year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

7. REVENUE

Revenue is analysed as follow:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Continuing operations:		
Timing of revenue recognition		
A point in time:		
Agricultural operation income	78,434	73,901
Revenue from other sources		
Property rental income	29,747	28,583
	108,181	102,484

As permitted under HKFRS 15 paragraph 121, it does not disclose the (i) aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period, and (ii) information about when the Group expects to recognise as revenue, as the Group's contracts with customers generally have an original expected duration of one year or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

8. OTHER INCOME AND GAIN/(LOSSES), NET

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Continuing operations:		
Bank interest income	833	418
Other interest income	16,107	400
Net foreign exchange gain/(loss)	7	(210)
Gain on disposal of property, plant and equipment	–	275
Loss on early repayment of amount due to a related company	–	(17,444)
Loss on disposal of a subsidiary (note 37)	–	(2,674)
Sundry income	7	11
	16,954	(19,224)

9. STAFF COSTS

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Continuing operations:		
Salaries and allowances (including directors' emoluments)	18,710	21,349
Retirement benefit scheme contributions	1,443	1,604
	20,153	22,953

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

9. STAFF COSTS (Continued)

(a) Directors' emoluments and chief executive remuneration

The emoluments paid or payable to each director were as follows:

	Directors' fees		Salaries and benefits-in-kind		Retirement benefit scheme contributions		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive directors								
Jiang Zhaobai (note (i))	–	140	–	11	–	21	–	172
Lam Cheung Shing, Richard (note (ii))	–	140	–	2,564	–	280	–	2,984
Chen Yi, Ethan (note (iii))	240	240	3,152	2,619	45	36	3,437	2,895
Jiang Xiao Heng Jason (note (iv))	240	100	650	262	54	23	944	385
Zhou Zhizhu (note (vi))	210	–	–	–	–	–	210	–
Wang Xue (note (v))	69	–	–	–	–	–	69	–
	759	620	3,802	5,456	99	360	4,660	6,436
Non-executive Director								
Jiang Zhaobai (note (i))	240	100	1	7	3	15	244	122
Independent non-executive directors								
Ho Yiu Yue, Louis	240	240	–	–	–	–	240	240
Ko Ming Tung, Edward	240	240	–	–	–	–	240	240
Ng Ge Bun	240	240	–	–	–	–	240	240
	720	720	–	–	–	–	720	720
	1,719	1,440	3,803	5,463	102	375	5,624	7,278

Notes:

- (i) Mr. Jiang Zhaobai has been re-designated from an executive Director to a non-executive Director on 1 November 2023.
- (ii) Mr. Lam Cheung Shing, Richard has resigned as an executive Director, and also ceased to be the Chief Executive Officer of the Company on 1 November 2023.
- (iii) Mr. Chen Yi, Ethan has been appointed as the Chief Executive Officer of the Company on 1 November 2023.
- (iv) Mr. Jiang Xiao Heng Jason has been appointed as an executive Director on 1 November 2023.
- (v) Ms. Wang Xue has been appointed as an executive Director on 18 December 2024.
- (vi) Mr. Zhou Zhizhu has been appointed as an executive Director on 17 May 2024.

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None (2024: One) of the directors has agreed to waived the emoluments (2024: HK\$3,582,000) during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

9. STAFF COSTS *(Continued)*

(b) Five highest paid individuals

The five individuals with the highest emoluments in the Group, two (2024: two) were directors of the Company whose emoluments is included in the disclosures in note 9(a) above. The emoluments of the remaining three (2024: three) individuals, who are neither a director nor chief executive of the Company are detailed as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	3,869	3,797
Retirement benefit scheme contributions	564	405
	4,433	4,202

The number of the highest paid employees who are neither a director nor chief executive of the Company whose remuneration fell within the following bands are as follows:

	Number of individuals	
	2025	2024
Nil to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	1	1
HK\$1,500,001 to HK\$2,000,000	–	–
HK\$2,000,001 to HK\$2,500,000	1	1
	3	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. LOSS FROM OPERATIONS

Loss from continuing operations has been arrived at after charging/(crediting):

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Continuing operations:		
Depreciation of property, plant and equipment (note 17)	7,938	8,844
Depreciation of right-of-use assets (note 18)	663	648
Auditors' remuneration	2,250	2,400
Allowance for/(reversal of) ECL on other receivables and loan to an associate, net	8,080	(303)
Impairment loss recognised on property, plant and equipment (note 17)	1,079	11,156
Impairment loss recognised on mining rights (note 19)	–	52,947
Short-term lease payment	193	193
Expenses relating to leases of low value assets	30	35
Loss arising on changes in fair value of investment properties (note 16)	66,076	151,648
(Gain)/loss arising on change in fair value less costs to sell on biological assets (note 22)	(41,167)	2,966
Gross rental income from investment properties (note 7)	(29,747)	(28,583)
Less: direct operating expenses from investment properties that generated rental income during the year	850	1,081
	(28,897)	(27,502)

11. FINANCE COSTS

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Continuing operations:		
Interests on:		
— Bank borrowings	618	703
— Other borrowings	28,153	27,538
— Lease liabilities	49	65
Imputed interest on amount due to a related company	–	921
	28,820	29,227

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. TAX EXPENSES

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Continuing operations:		
Current Tax		
— PRC Enterprise Income Tax	(10,291)	(681)
— Bolivia-corporate tax	(7,146)	(7,465)
— Bolivia-withholding tax	(271)	(1,114)
	(17,708)	(9,260)
Deferred tax credit	445	7,733
	(17,263)	(1,527)

Hong Kong Profits Tax

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for taxation in Hong Kong has been made as the Group has no assessable profit for Hong Kong Profits Tax for the both years.

The PRC Enterprise Income Tax

All the Company's subsidiaries established in the PRC are either subject to the PRC Enterprise Income Tax at 25% of the assessable income of each company or preferential enterprise income tax rate of the assessable income of each company during the years ended 31 March 2025 and 2024, as determined in accordance with the relevant PRC income tax rules and regulations.

The Indonesia Corporate Tax

According to local tax authority, the corporate tax rate applicable to the subsidiary which is operating in the Indonesia is 22% for the years ended 31 March 2025 and 2024. No Indonesia Corporate Tax was recognised as the subsidiary in the Indonesia has no estimated assessable profit for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. TAX EXPENSES *(Continued)*

The Bolivia Corporate Tax

The corporate tax rate applicable to the subsidiaries which are operating in Bolivia is 25% for the years ended 31 March 2025 and 2024. Bolivia Corporate Tax was recognised as the subsidiary in Bolivia has estimated assessable profit for both years. The Bolivia withholding tax represents tax charged by the Bolivia tax authority on dividends at 12.5% of distribution by the Group's Bolivia subsidiaries during the year ended 31 March 2025 and 2024.

Tax expenses is reconciled to loss before taxation per the consolidated statement of profit or loss as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Loss before taxation from continuing operations	(52,304)	(274,851)
Tax calculated at the domestic rates applicable in the country concerned	(8,075)	(68,977)
Tax effect of expenses not deductible for tax purpose	23,064	64,628
Tax effect of income not taxable for tax purpose	(5,852)	(3,316)
Tax effect of tax losses not recognised	7,855	8,078
Withholding tax on overseas dividend	271	1,114
Tax expenses for the year	17,263	1,527

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

13. DISCONTINUED OPERATIONS/ASSETS HELD FOR SALE

DISCONTINUED OPERATIONS

The Group ceased the securities investment and financing operation since April 2023. As at 31 March 2025, the relevant subsidiary under the securities investment and financing operation was de-registration. During the year ended 31 March 2024, the Group resolved discontinuing the operating segment under hotel operation and was therefore classified as discontinued operation in the year ended 31 March 2024.

The results of the discontinued operations for the current and prior years were as follows:

Securities investment and financing operation

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Revenue	–	–
Cost of sales	–	–
Gross profit	–	–
Administrative costs	–	(23)
Loss from operation	–	(23)
Finance costs	–	–
Loss before taxation	–	(23)
Tax expenses	–	(22,151)
Loss for the year	–	(22,174)
Cash flows from securities and financing operation includes:		
Net cash used in operating activities	–	(4,563)
Net cash generated from investing activities	–	–
Net cash generated from financing activities	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

13. DISCONTINUED OPERATIONS/ASSETS HELD FOR SALE (Continued)

DISCONTINUED OPERATIONS (Continued)

Hotel operation

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Revenue — contract with customers	—	—
Cost of sales	—	—
Gross profit	—	—
Other income and gain, net	—	2,399
Staff costs	—	(3,384)
Impairment of property, plant and equipment	—	(829)
Administrative costs	—	(19,862)
Reversal of expected credit loss on trade and other receivables	—	143
Loss from operation	—	(21,533)
Finance costs	—	(536)
Loss before taxation	—	(22,069)
Tax credit/(expense)	29,329	(1,901)
Profit/(loss) for the year	29,329	(23,970)
Cash flows from hotel operation includes:		
Net cash generated from operating activities	—	7,674
Net cash generated from investing activities	—	417
Net cash used in from financing activities	—	(8,288)

Assets held for sale

On 10 January 2024, Loyal Rich International Investment Limited (“Loyal Rich”), a wholly-owned subsidiary of the Company as the vendor entered into a disposal agreement with Shanghai Jingyao Ting Hotel Co., Ltd. (“Shanghai Jingyao Ting”), pursuant to which Loyal Rich has conditionally agreed to sell, and Shanghai Jingyao Ting has conditionally agreed to purchase, the Group’s hotel properties located at Nos. 1729 and 1737 Huangxing Road, Yangpu District, Shanghai, the PRC at a consideration of RMB360,000,000, which has included the value added tax of approximately RMB3,952,000. The disposal of the hotel properties was completed on 11 April 2024.

As at 31 March 2024, the Group’s hotel properties of carrying amount of approximately HK\$391,260,000 are expected to be sold within twelve months, have been classified as assets classified as held for sale and are presented separately in the consolidated statement of financial position. The hotel properties are included in the Group’s hotel operation for segment reporting purposes. An impairment of approximately HK\$829,000 was recognised in statement of profit or loss to reduce the carrying amount of hotel properties to the expected net proceeds of disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

14. LOSS PER SHARE

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

From continuing and discontinued operations

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(40,211)	(319,846)

	Year ended 31 March	
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	7,294,369,363	7,294,369,363

The diluted loss per share is the same as basic loss per share as the Company had no dilutive potential ordinary share outstanding for the years ended 31 March 2025 and 2024.

From continuing operations

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Loss for the year attributable to owners of the Company from continuing operations	(69,540)	(273,702)

From discontinued operations

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Profit/(loss) for the year attributable to owners of the Company from discontinued operations	29,329	(46,144)

15. DIVIDENDS

The directors of the Company did not recommend the payment of any dividend for the years ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
Fair value		
At beginning of the year	718,682	900,000
Fair value change	(66,076)	(151,648)
Exchange alignment	(17,916)	(29,670)
At end of the year	634,690	718,682

Notes:

- The Group leases out various offices and retail units under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 10 years (2024: 1 to 10 years), with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend.
- The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.
- The Group's investment properties held under operating leases to earn rentals or for capital appreciation are measured using the fair value model and are classified and accounted for as investment properties.
- The fair value of the Group's investment properties at 31 March 2025 have been arrived at on the basis of a valuation carried out on the respective date by Colliers Appraisal & Advisory Services Co., Ltd and International Valuation Limited respectively, independent professional valuers who are not connected with the Group and have recent experience in the valuation of similar properties in relevant locations. Both of them are members of the Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in similar locations and conditions.
- The fair value was determined based on the market comparison approach and/or income approach. Market comparison approach involves the analysis of recent market sales evidence of similar properties to compare with the premises under valuation. It assumes each of these properties is capable of being sold in its existing status with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. Income approach relying on the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighborhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuer for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. There were no changes to the valuation techniques during the year.
- The Group's investment properties at their fair values are analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Investment properties in the PRC, held on:		
Medium-term leases	634,690	718,682

- Investment properties with the carrying amount of approximately HK\$231,263,000 (2024: HK\$15,965,000) have been pledged to secure bank borrowing to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. INVESTMENT PROPERTIES (Continued)

Notes: (Continued)

- (h) The Group's investment properties, amounting to approximately HK\$567,210,000 (2024: HK\$526,757,000) are rented out under operating leases.
- (i) Fair value measurements

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair values of certain investment properties have been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

At the end of each reporting period, the management of the Group will (i) verify all major inputs to the independent valuation report; (ii) assess property valuations movements when compared to the prior year valuation report; and (iii) hold discussion with the independent valuer.

Changes in fair values are analysed at the end of each reporting period by the management of the Group.

The table below analyses recurring fair value measurements for investment properties located in Hong Kong and the PRC. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 31 March 2025				
The PRC	–	–	634,690	634,690
At 31 March 2024				
The PRC	–	–	718,682	718,682

There were no transfers among Level 1, Level 2 and Level 3 during the years ended 31 March 2025 and 2024.

The movements of the balance of investment properties measured at fair value based on Level 3 are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of the year	718,682	900,000
Fair value change	(66,076)	(151,648)
Exchange alignment	(17,916)	(29,670)
At end of the year	634,690	718,682

Information about fair value measurements based on Level 3 fair value hierarchy:

	2025	2024				
	Fair value	Fair value	Valuation	Range of significant unobservable inputs		
Description	HK\$'000	HK\$'000	techniques	Daily rental rate	Capitalisation rate	Unit rate
Commercial premises in the PRC	634,690	718,682	Combination of market comparison approach and income approach	RMB3.26 to RMB4.88 (2024: RMB4.1 to RMB5.39) per square meter	4.5% to 6.0% (2024: 4.75% to 6.25%)	RMB230,000 (2024: RMB257,000) per lot

The fair value measurements are positively correlated to the daily rental rate, unit rate and negatively correlated to the capitalisation rate. Capitalisation rates are estimated by valuers based on the risk profile of the investment properties being valued. The higher the capitalisation rate, the lower the fair value. The higher the daily rental rate and unit rate, the higher the fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold land HK\$'000	Building HK\$'000	Hotel property HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Equipment, motor vehicle and others HK\$'000	Total HK\$'000
Cost							
At 1 April 2023	377,159	25,100	518,496	25,931	10,029	42,666	999,381
Additions	–	–	–	1,095	–	3,274	4,369
Reclassified as held for sale	–	–	(513,610)	–	–	–	(513,610)
Disposal	–	–	(165)	–	–	(2,511)	(2,676)
Disposal of a subsidiary	–	(25,100)	–	–	–	–	(25,100)
Exchange alignment	–	–	(161)	(55)	(309)	(95)	(620)
At 31 March 2024 and 1 April 2024	377,159	–	4,560	26,971	9,720	43,334	461,744
Additions	–	–	–	479	–	2,591	3,070
Disposal	(5,197)	–	–	(426)	–	(5,040)	(10,663)
Written off	–	–	–	(322)	–	(181)	(503)
Exchange alignment	–	–	(290)	(41)	(235)	(1,350)	(1,916)
At 31 March 2025	371,962	–	4,270	26,661	9,485	39,354	451,732
Accumulated depreciation and impairment							
At 1 April 2023	31,946	1,256	110,220	16,602	9,576	17,060	186,660
Charge for the year	–	314	12,560	2,366	221	5,947	21,408
Impairment	11,156	–	829	–	–	–	11,985
Reclassified as held for sale	–	–	(122,350)	–	–	–	(122,350)
Disposal	–	–	(27)	–	–	(955)	(982)
Disposal of a subsidiary	–	(1,570)	–	–	–	–	(1,570)
Exchange alignment	–	–	(39)	(27)	(272)	(94)	(432)
At 31 March 2024 and 1 April 2024	43,102	–	1,193	18,941	9,525	21,958	94,719
Charge for the year	–	–	107	2,760	47	5,024	7,938
Impairment	805	–	–	205	–	69	1,079
Disposal	(3,248)	–	–	(333)	–	(2)	(3,583)
Written off	–	–	–	(322)	–	(181)	(503)
Exchange alignment	–	–	(204)	(32)	(235)	(300)	(771)
At 31 March 2025	40,659	–	1,096	21,219	9,337	26,568	98,879
Carrying amount							
At 31 March 2025	331,303	–	3,174	5,442	148	12,786	352,853
At 31 March 2024	334,057	–	3,367	8,030	195	21,376	367,025

Notes:

- During the years ended 31 March 2025 and 2024, hotel property of the Group is held under medium-term leases in the PRC.
- Freehold land with the carrying amount of approximately HK\$145,860,000 (2024: HK\$145,860,000) have been pledged to secure bank facilities granted to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

- (c) Due to the continuous loss in some companies within agriculture segments for the years ended 31 March 2025 and 2024, the management of the Group concluded there was indication for impairment and conducted impairment assessment, the recoverable amount of freehold land and leasehold improvements has been determined based on fair value less costs of disposal. The recoverable amounts are estimated individually. In the absence of current prices in an active market for similar other fixed assets, the Group considers information by reference to the valuation performed by an independent valuer based on the depreciated replacement cost ("DRC") approach. The DRC approach requires a valuation of the market value of the other fixed assets in its existing use and an estimate of the new replacement cost of the other fixed assets from which deductions are then made to allow for physical deterioration and all forms of obsolescence and optimisation.

- (d) Fair value measurements

Information about fair value measurements based on Level 3 fair value hierarchy:

Description	2025 Fair value HK\$'000	2024 Fair value HK\$'000	Valuation techniques	Significant unobservable inputs
Property, plant and equipment in Bolivia	348,923	352,783	Depreciated replacement cost	2025: USD150 to USD5,340 per hectare (2024: USD260 to USD4,690 per hectare)

18. LEASE

(a) Right-of-use assets

	Office premises HK\$'000
At 1 April 2023	224
Addition (Note)	1,308
Depreciation	(648)
At 31 March 2024 and 1 April 2024	884
Depreciation	(663)
At 31 March 2025	221

Note: Amount includes right-of-use assets resulting from new leases entered.

(b) Lease liabilities payable

	2025 HK\$'000	2024 HK\$'000
— Within one year	236	671
— More than one year but not exceeding two years	—	236
	236	907

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. LEASE (Continued)

The weighted average incremental borrowing rate applied to lease liabilities is 8% (2024: 8%).

For the year ended 31 March 2024, the Group leases an office for its operations. Lease contract is entered into for fixed term of 2 years. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the year ended 31 March 2025, total cash outflow for leases of approximately HK\$943,000 (2024: HK\$929,000). Amount includes payments of principal and interest portion of lease liabilities, short-term lease payment and low value assets. These amounts could be presented in operating or financing cash flows.

19. MINING RIGHTS

	HK\$'000
Cost	
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,227,344
Accumulated amortisation and impairment	
At 1 April 2023	1,174,397
Impairment	52,947
At 31 March, 1 April 2024 and 31 March 2025	1,227,344
Carrying amount	
At 31 March 2025	–
At 31 March 2024	–

The mining rights represent the rights to conduct mining activities in district of Kupang City, Nusantara Tenggara Timur, Indonesia.

The mining rights are amortised using the unit-of-production methods based on the total proven and probable mineral reserves, under the assumption that the mining rights have a finite useful lives of 20 years and would expire on 18 November 2031 with a renewal option at most of ten years, extendable to 5 years at two times respectively, till all proven and probable mineral reserves have been mined. For the year ended 31 March 2024, the management considered that commercial production of the mine has not yet commenced, no amortisation were provided during both years.

Due to the softening the market demand of the mineral under mining rights, the market price of the mineral significant decrease, the management of the Group concluded there was indication for impairment and conducted impairment assessment on mining rights. The directors of the Company compared the recoverable amount and the carrying amount of the mining rights and impairment loss of HK\$52,947,000 was recognised in the consolidated statement of profit or loss for the year ended 31 March 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. MINING RIGHTS (Continued)

The recoverable amount of the mining rights was estimated by an independent valuer, International Valuation Limited. The valuation was performed based on the multi-period excess earning method under the income-approach. The excess earnings cash flow were calculated by deducting the cost of sales, operating expense and contributory asset charges, including fixed assets, working capital and assembled workforce from the revenue expected to be generated by the mining right. These cash flows were then discounted at an appropriate discount rate to arrive at the fair value of the mining rights. Weighted average cost of capital plus additional premium was adopted as the discount rate for the excess earnings cash flow. There were no changes to the valuation techniques during the year. Key assumptions adopted by management in the valuation are summarised as follows:

	2024
Adopted manganese ore benchmark price (USD/ton) (Note)	USD133.15
Pre-tax discount rate	15%

Note:

For the year ended 31 March 2024, the adopted manganese ore benchmark price was estimated with reference to South Africa Manganese Ore Index. A premium rate was assumed to the manganese ore benchmark price estimation.

20. INTERESTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Cost of interest in associates	49,856	568
Share of post-acquisition result	(1,315)	–
Exchange alignment	(415)	(19)
	48,126	549
Loan to an associate	18,075	–
Less: allowance for ECL	(2,440)	–
	15,635	–
	63,761	549

Movement in the allowance for ECL of loan to an associate was as follow:

	12m ECL HK\$'000	Lifetime ECL (not credit impaired) HK\$'000	Lifetime ECL (credit impaired) HK\$'000	Total HK\$'000
At 1 April 2024	–	–	–	–
Allowance for ECL	2,461	–	–	2,461
Exchange alignment	(21)	–	–	(21)
At 31 March 2025	2,440	–	–	2,440

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. INTERESTS IN ASSOCIATES *(Continued)*

Details of the Group's associates at the end of the reporting period is as follows:

Name of entity	Country of incorporation/ registration	Principle place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
			2025	2024	2025	2024	
Shanghai Pengmanganese Mining Co., Ltd. ("Shanghai Pengmanganese")	The PRC	The PRC	12.5%	12.5%	33%	33%	Geological survey service
Shanghai Jingyao Ting	The PRC	The PRC	25%	25% (Note (ii))	25%	25%	Hotel management and leasing services
Shanghai Pengyuanrun New Energy Technology Company Limited ("Shanghai Pengyuanrun")	The PRC	The PRC	63%	–	34%	–	Development, construction, operation, and realization of renewable energy projects

Notes:

- (i) The Group is able to exercise significant influence over Shanghai Pengmanganese because it has the power to appoint one out of the three directors of Shanghai Pengmanganese under the articles of association of Shanghai Pengmanganese.
- (ii) No capital was injected by the Group as at 31 March 2024.
- (iii) The proportion of voting power was determined based on agreed percentage of capital contribution stipulated in the agreement. The proportion of ownership interests was determined based on paid-up capital as at 31 March 2025 and 2024.

The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards.

Shanghai Jingyao Ting

	2025 HK\$'000
Current asset	50,969
Non current assets	462,491
Current liabilities	(83,565)
Non current liabilities	(250,467)
Net assets	179,428

	Year ended 31 March 2025 HK\$'000
Revenue	2,893
Loss for the year	(5,273)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. INTERESTS IN ASSOCIATES *(Continued)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in Shanghai Jingyao Ting recognised in the consolidated financial statements:

	2025 HK\$'000
Net assets of Shanghai Jingyao Ting	179,428
Proportion of the Group's ownership interest in Shanghai Jingyao Ting	25%
The Group's share of net assets of Shanghai Jingyao Ting	44,857
Carrying amount of the Group's interest in Shanghai Jingyao Ting	44,857

Shanghai Pengmanganese	2025 HK\$'000	2024 HK\$'000
Current asset	4,312	4,392

	Year ended 31 March 2025 HK\$'000	Year ended 31 March 2024 HK\$'000
Revenue	1	1
Profit for the year	24	1

Reconciliation of the above summarised financial information to the carrying amount of the interest in Shanghai Pengmanganese recognised in the consolidated financial statements:

	2025 HK\$'000	2024 HK\$'000
Net assets of Shanghai Pengmanganese	4,312	4,392
Proportion of the Group's ownership interest in Shanghai Pengmanganese	12.5%	12.5%
The Group's share of net assets of Shanghai Pengmanganese	539	549
Carrying amount of the Group's interest in Shanghai Pengmanganese	539	549

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. INTERESTS IN ASSOCIATES *(Continued)*

Shanghai Pengyuanrun

2025
HK\$'000

Current asset	2,406
Non-current assets	1,927
Net assets	4,333

Reconciliation of the above summarised financial information to the carrying amount of the interest in Shanghai Pengyuanrun recognised in the consolidated financial statements:

2025
HK\$'000

Net assets of Shanghai Pengyuanrun	4,333
Proportion of the Group's ownership interest in Shanghai Pengyuanrun	63%
The Group's share of net assets of Shanghai Pengyuanrun	2,730
Carrying amount of the Group's interest in Shanghai Pengyuanrun	2,730

21. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Consumable goods	7,613	9,862

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. BIOLOGICAL ASSETS

Movements of the biological assets are shown below:

	Cows and bulls HK\$'000	Heifers and calves HK\$'000	Soybean HK\$'000	Rice HK\$'000	Corn HK\$'000	Total HK\$'000
At 1 April 2023	4,641	1,767	22,814	3,441	–	32,663
Increase due to purchases	1,196	–	12,815	1,354	–	15,365
Increase due to raising/plantation (including feeding cost and others)	1,401	1,079	5,698	2,928	–	11,106
Decrease due to sales/harvest	(427)	(1,481)	(19,879)	(3,637)	–	(25,424)
Decrease due to deaths	(223)	(196)	–	–	–	(419)
Transfers	399	(399)	–	–	–	–
Change in fair value less costs to sell	75	2,833	(4,621)	(1,253)	–	(2,966)
At 31 March 2024 and 1 April 2024	7,062	3,603	16,827	2,833	–	30,325
Increase due to purchases	2,787	2,233	3,260	634	441	9,355
Increase due to raising/plantation (including feeding cost and others)	26	2,702	9,968	1,915	1,584	16,195
Decrease due to sales/harvest	(2,716)	(4,287)	(20,087)	(1,976)	–	(29,066)
Decrease due to deaths/natural disaster	(450)	(150)	–	(859)	–	(1,459)
Transfers	728	(728)	–	–	–	–
Change in fair value less costs to sell	4,825	1,294	23,457	11,330	261	41,167
At 31 March 2025	12,262	4,667	33,425	13,877	2,286	66,517

The quantity of biological assets are shown below:

	2025	2024
Cows and bulls	1,726	1,741
Heifers and calves	1,796	1,683
	3,522	3,424
Soybean (in hectares)	4,138	4,499
Rice (in hectares)	945	923
Corn (in hectares)	520	–
	5,603	5,422

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. BIOLOGICAL ASSETS *(Continued)*

The Group is exposed to fair value risks arising from changes in price of the biological assets. The Group does not anticipate that the price of biological assets will significantly decline in the foreseeable future and the directors of the Company are of the view that there is no available derivative or other contracts which the Group can enter into manage the risk of a decline in the price of the biological assets.

The Group is exposed to a number of risks related to biological assets and exposed to the following operation risks:

(a) Regulatory and environmental risks

The Group is subject to laws and regulations in the location in which it operates farming of cattle and plantations. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage these risks.

(b) Climate, disease and other natural risks

The Group's biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular inspections and disease controls and surveys and insurance.

The qualification of the Valuer

The Group's biological assets were independently valued by an external valuer, Campos & Sistemas (the "Valuer"). The Valuer and its professional valuers in charge of this valuation have appropriate qualifications and relevant experiences in various appraisal assignments involving biological assets and agricultural produce. The professional valuers of the Valuer participated in this valuation have appraisal experiences in different kinds of assets such as property assets, industrial assets and biological assets. They have previously participated in the valuation of biological assets and agricultural produce.

Value of cattles

The Group currently has self-operating cattle farm. Cows, bulls, heifers and calves of similar age or in the same stage of life cycle are moved into a curtain-barn. For administration purposes, the housekeeper of the cattle farm would keep proper warehouse records on the number of cows moved into or out of the curtain-barns from time to time throughout the farming period. To facilitate the farming process, a group of cattle within a curtain-barn are sub-divided into certain number of sub-groups of more or less the same size and each of these sub-groups are separated from each other by means of physical barriers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. BIOLOGICAL ASSETS *(Continued)*

Value of cattles *(Continued)*

The Valuer has conducted inspection of the farms to understand, among others, the species of pure breed cattle, cross breeding program being undertaken, parameters in selection and culling of cattle, caring and feeding programs for farming cattle and facilities in the farms. To ascertain the quantity of cattle, the Valuer has checked the inventory records compiled by the finance department by physical count of selected sample groups of cattle. Sample groups (with sample size not less than 25% of total quantity) of cattle in different stages of life cycle have been selected and the following steps have been taken for undertaking physical counting of the selected samples by the Valuer:

- To obtain the warehouse records reflecting the quantities of cattle as at the reporting date;
- To perform physical counting of cattle within the curtain-barns as at the reporting date;
- To obtain the warehouse records in relation to the reduction and addition on the number of cattle of the curtain-barns during the year; and
- To compare and reconcile the results with the stocktaking records prepared by the Group.

In addition, the following principal assumptions have been adopted by the independent external Valuer:

- (a) save for those proposed changes on taxation policies announced by the Tax Bureau of the Bolivia, there will be no major change in the current taxation law and tax rates as prevailing and that all applicable laws and regulations on taxation will be complied with by the Group;
- (b) the biological assets are properly fed with balance diets such that they are gaining weight in accordance under normal growth rate and are receiving appropriate veterinary care;
- (c) the availability of finance will not be a constraint on the farming of the biological assets;
- (d) the production facilities, systems and the technology utilised by the Group in carrying out its cattle farming operations do not infringe any relevant regulations and law;
- (e) the Group has obtained or shall have no impediment to obtain all necessary governmental permits and approvals to carry out its cattle farming operations in the Bolivia;
- (f) the biological assets are not subject to any liabilities, interest-bearing loans and encumbrances that would impair their fair value as at the relevant valuation date;
- (g) the Group will secure and retain competent management, key personnel, marketing and technical staff to carry out and support its cattle farming operations; and
- (h) the estimated fair value does not include consideration of any extraordinary financing or income guarantees, special tax considerations or any other atypical benefits which may influence the fair value of the biological assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. BIOLOGICAL ASSETS (Continued)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of biological assets:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 March 2025

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Cows and bulls	–	12,262	–	12,262
Heifers and calves	–	4,667	–	4,667
Soybean	–	–	33,425	33,425
Rice	–	–	13,877	13,877
Corn	–	–	2,286	2,286
Total biological assets	–	16,929	49,588	66,517

As at 31 March 2024

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Cows and bulls	–	7,062	–	7,062
Heifers and calves	–	3,603	–	3,603
Soybean	–	–	16,827	16,827
Rice	–	–	2,833	2,833
Total biological assets	–	10,665	19,660	30,325

There were no transfer between Level 2 and Level 3 during the current and prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. BIOLOGICAL ASSETS *(Continued)*

Valuation methodology of biological assets

i. Valuation techniques and assumptions

Type	Fair value hierarchy	Valuation technique and Key input	Significant observable input
Cows and bulls, heifers and calves (note)	Level 2	The fair value of the cows and bulls, heifers and calves are determined with the reference to the market determined prices of items with similar age, weight and gender.	<p>Prevailing market price of calves ranging from USD296.76 to USD612.43 per head (2024: USD102.94 to USD355.41 per head)</p> <p>Prevailing market price of heifers ranging from USD506.92 to USD551.67 per head (2024: ranging from USD311.35 to USD537.61 per head)</p> <p>Prevailing market price of cows is ranging from USD888.25 to USD957.24 per head (2024: USD500.89 to USD599.41 per head)</p> <p>Prevailing market price of bulls is ranging from USD1,158.84 to USD1,735.51 per head (2024: USD1,273.16 per head)</p>

Note: The category of cows and bulls included little bulls, cows and bulls. Remainings are included in heifers and calves.

The valuation technique for soybean, rice and corn used is the discounted cash flow method under income approach it requires to assess a series of variables, which include the discount rate, soybean, rice and corn yield per hectare, market price of soybean, rice and corn an estimated maturity of soybean, rice and corn etc. The values of such variables are determined by the independent valuers using information provided by the Group, proprietary and third-party data as well as under some assumptions.

There were no changes to the valuation techniques during the period. Major assumptions adopted for valuation are listed below:

- The soybean, rice and corn are a perennial crop with a half-year crop cycle and the crop is reaped exactly half year after planting;
- The soybean, rice and corn experiences linear growth; and
- The economic life of the soybean, rice and corn is half year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. BIOLOGICAL ASSETS *(Continued)*

Valuation methodology of biological assets *(Continued)*

ii. Significant unobservable inputs

The major inputs for the above valuation models are discount rate, soybean, rice and corn yield per hectare, market prices of soybean, rice and corn and estimated maturity of soybean, rice and corn. The values of such inputs are as follows:

- 1) The discount rate applied for the year ended 31 March 2025 was 6% (2024: 6%).
- 2) The estimated soybean, rice and corn yield per hectare represents the harvest level of the soybean, rice and corn the expected yield are 2.4 tons per hectare (2024: 2.5 tons per hectare), 4 tons per hectare (2024: 3.0 tons per hectare) and 2.3 tons per hectare (2024: Nil) respectively.
- 3) The market price variables represent the estimated market price per hectare for soybean, rice and corn produced by the Group.

	2025			2024	
	Soybean	Rice	Corn	Soybean	Rice
Estimated market price	USD550	USD600	USD312	USD365	USD250
(equivalent to approximately)	(HK\$4,290)	(HK\$4,680)	(HK\$2,434)	(HK\$2,847)	(HK\$1,950)

The yield of soybean, rice and corn is affected by the age, species, the climate, location, soil conditions, topography and agricultural infrastructure.

The higher the discount rate, the lower the fair value. The higher the estimated crop yield per hectare, market prices variables and average maturity of soybean, rice and corn, the higher the fair value.

The fair value measurement is based on the above biological assets' highest and best use, which does not differ from their actual use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Other receivables and deposits (note (i))	168,052	160,414
Less: allowance for ECL, net	(157,856)	(154,291)
	10,196	6,123
Prepayments (note (ii))	163,025	15,048
	173,221	21,171
Less: non-current portion	(128,480)	–
	44,741	21,171

Notes:

- (i) As at 31 March 2025, included in other receivables was an aggregate amount of approximately HK\$123,285,000 (2024: HK\$124,697,000) paid for acquisition and construction of several potential water plant projects in the PRC.
- (ii) As at 31 March 2025, included in the prepayments was an aggregate amount of approximately HK\$128,480,000 was paid for an acquisition of the property for occupying as a serviced apartment for elderly and provide seniors with quality elderly care services. Details of which were set out in the Company's announcement dated 26 March 2025. This amount has been classified as a non-current assets as at 31 March 2025.

The Group's other receivables, deposits and prepayments are determined in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	9,465	9,088
Renminbi ("RMB")	156,083	3,957
Indonesian Rupiah ("IDR")	345	316
US dollar ("USD")	7,328	7,810
	173,221	21,171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

Movement in the allowance for ECL of trade receivables were as follow:

	2025 HK\$'000	2024 HK\$'000
At 1 April	–	186
Reversal of ECL, net	–	(181)
Exchange alignment	–	(5)
At 31 March	–	–

Movement in the allowance for ECL of other receivables were as follow:

	12m ECL HK\$'000	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
At 1 April 2023	770	–	156,456	157,226
— Reversal of ECL, net	(265)	–	–	(265)
Exchange alignment	–	–	(2,670)	(2,670)
At 31 March 2024 and 1 April 2024	505	–	153,786	154,291
— Allowance for ECL, net	519	–	5,100	5,619
Exchange alignment	–	–	(2,054)	(2,054)
At 31 March 2025	1,024	–	156,832	157,856

The average credit period granted to customers is 60 to 90 days (2024: 60 to 90 days). The Group does not hold any other collateral or other credit enhancements over these balances.

Details of impairment assessment are set out in note 35.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	312,618	24,918

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At 31 March 2025, cash and cash equivalents denominated in RMB of approximately HK\$282,434,000 (2024: HK\$6,804,000) are located in PRC. RMB is not freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

25. TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED

The following is an analysis of trade and other payables and deposits received:

	2025 HK\$'000	2024 HK\$'000
Trade payables	3,494	9,700
Other payables and deposits received	62,180	72,508
	65,674	82,208

The Group's trade and other payables and deposit received are determined in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	36,308	46,175
RMB	18,203	21,501
IDR	1,436	1,341
USD	9,727	13,191
	65,674	82,208

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

25. TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED *(Continued)*

The aging analysis of trade payables based on the invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	504	1,159
31 to 60 days	101	246
Over 60 days	2,889	8,295
	3,494	9,700

The average credit period granted by supplier is 30 to 60 days (2024: 30 to 60 days).

The Group's other payables and deposits received as at 31 March 2025 and 2024, inter alia, the following:

- (i) interest payable of approximately HK\$6,763,000 (2024: HK\$9,041,000);
- (ii) deposit of decoration expenses received from Heilongjiang Interchina of approximately HK\$5,675,000 (2024: HK\$5,824,000);
- (iii) amount due to director of the Company of approximately HK\$8,813,000 (2024: HK\$17,413,000) represents an unsecured, unguaranteed, interest-free and repayable on demand to a director;
- (iv) amount due to a shareholder of the Company of approximately HK\$8,100,000 (2024: HK\$Nil) represents an unsecured, unguaranteed, interest-free and repayable on demand to a shareholder; and
- (v) rental deposit received from customer approximately HK\$4,180,000 (2024: HK\$3,564,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

26. BANK AND OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank borrowings, secured (note (i))	178,612	6,166
Other borrowings, secured (note (ii))	233,700	240,000
Other borrowings, unsecured (note (ii))	1,000	1,000
Total borrowings	413,312	247,166
Carrying amount repayable:		
Within one year	412,395	241,916
Within a period of more than one year but not exceeding two years	917	4,333
Within a period of more than two years but not exceeding five years	–	917
	413,312	247,166
Less:		
Amounts due within one year shown under current liabilities with repayment on demand clause	(413,312)	(247,166)
Amounts shown under non-current liabilities	–	–

Notes:

- (i) The bank borrowings are repayable on demand bearing fixed interest rate ranging from 5.80% to 6.00% per annum for the year ended 31 March 2025. (2024: 5.75% to 6.00% per annum).

During the year ended 31 March 2025, the Company had been entered to raise new bank borrowings of HK\$178,147,000 (2024: HK\$3,026,000). The bank borrowings with carrying amount of approximately HK\$178,612,000 (2024: HK\$6,166,000) are secured by Group's freehold land with carrying amount of approximately HK\$145,860,000 (2024: HK\$145,860,000) and investment property, with carrying amount of approximately HK\$231,263,000 (2024: HK\$15,965,000).

- (ii) The other borrowings bear fixed interest rate ranging from 5.25% to 12% per annum for the year ended 31 March 2025 (2024: 5.25% to 12% per annum).

During the year ended 31 March 2025, (i) the other borrowings with carrying amount of HK\$233,700,000 are secured by the shares of certain subsidiaries of the Company and have not been repaid according to the scheduled repayment date before the end of the reporting period, subsequent to the end of the reporting period the other borrowings with carrying amount of HK\$233,700,000 had been fully settled; and (ii) the other borrowings with carrying amount of HK\$1,000,000 is unsecured and repayable on demand.

- (iii) The Group's bank and other borrowings are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	234,700	241,000
United States dollar	1,952	2,869
Renminbi	176,660	3,297
	413,312	247,166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

27. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities recognised by the Group and movements thereon:

	Revaluation of investment properties HK\$'000	Fair value adjustments arising on acquisition of subsidiaries HK\$'000	Total HK\$'000
At 1 April 2023	5,112	64,430	69,542
Credit to the consolidated statement of profit or loss	(4,944)	(4,002)	(8,946)
Exchange alignment	(168)	(1,047)	(1,215)
At 31 March 2024 and 1 April 2024	–	59,381	59,381
Credit to the consolidated statement of profit or loss	–	(29,774)	(29,774)
Exchange alignment	–	(1)	(1)
At 31 March 2025	–	29,606	29,606

Under the Enterprise Income Tax of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of the temporary differences attributable to the profits earned by the PRC subsidiaries of the Group because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

At the end of the reporting period, the Group has unused tax losses of approximately HK\$505,057,000 (2024: HK\$442,021,000) available for offset against future profits. No deferred tax asset has been recognised in respect of approximately HK\$93,718,000 (2024: HK\$82,194,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$122,162,000 (2024: HK\$108,951,000) with expiry dates from 2025 to 2030 (2024: 2024 to 2029). Other losses may be carried forward indefinitely.

28. SHARE CAPITAL

	Number of shares		Nominal value	
	2025	2024	2025	2024
			HK\$'000	HK\$'000
Issued and fully paid ordinary shares:				
At beginning and end of the year	7,294,369,363	7,294,369,363	2,664,298	2,664,298

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. SHARE CAPITAL *(Continued)*

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

29. SHARE OPTIONS

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Company adopted a share option scheme pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 3 September 2021 (the "Share Option Scheme"). The Share Option Scheme became effective for a period of 10 years commencing on 3 September 2021. Under the Share Option Scheme, the board is authorised, at their discretion, invite a wider category of participants as defined in the Company's circular issued on 28 July 2021 (the "Participants"), to take up options to subscribe for fully paid ordinary shares in the Company subject to the terms and conditions stipulated therein.

The subscription price for shares in respect of any options granted under the New Share Option Scheme will be a price determined by the Board, in its absolute discretion, but in any case will not be lower than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant.

An offer of the grant of an option shall remain open for acceptance for a period of 28 days from the date of the letter containing the grant. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant thereof is received by the Company.

Share options granted to connected person and its associates is subject to the approval of the independent non-executive directors ("INEDs"). In addition, any grant of share options to a substantial shareholder or an INED or any of their respective associates, in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, is subject to the approval of the shareholders of the Company in a general meeting.

No participants shall be granted an option, if the total number of Shares issued and to be issued upon exercise of all options granted and to be granted (including both exercised and outstanding Options) in any 12-month period up to the date of the proposed grant to such participant would exceed 1% of the total number of shares in issue unless the proposed grant has been separately approved by the shareholders in general meeting with the proposed participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

No share option was granted under the share option scheme during the years ended 31 March 2025 and 2024.

At the end of the reporting period, the number of shares in respect of which may be issued upon exercise of share options granted and remain outstanding under the share option scheme was Nil (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. STATEMENT OF FINANCIAL POSITION AND MOVEMENT IN RESERVES OF THE COMPANY

(a) Statement of financial position of the Company

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		147	195
Right-of-use asset		221	884
Interests in subsidiaries		452,975	502,389
Interest in an associate		539	549
		453,882	504,017
Current assets			
Other receivables and prepayments		9,309	8,932
Cash and cash equivalents		4,307	173
		13,616	9,105
Total assets		467,498	513,122
Equity			
Share capital	28	2,664,298	2,664,298
Reserves	30(b)	(2,835,422)	(2,792,412)
Capital deficiency		(171,124)	(128,114)
Non-current liability			
Lease liabilities	18	–	236
		–	236
Current liabilities			
Trade and other payables and deposits received		38,720	43,357
Lease liabilities	18	236	671
Amounts due to subsidiaries		364,966	355,972
Other borrowings		234,700	241,000
		638,622	641,000
Total liabilities		638,622	641,236
Total equity and liabilities		467,498	513,122
Net current liabilities		(625,006)	(631,895)
Total assets less current liabilities		(171,124)	(127,878)
Net liabilities		(171,124)	(128,114)

Approved and authorised for issue by the Board of Directors on 27 June 2025 and signed on its behalf by:



Jiang Zhaobai
Director



Chen Yi
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. STATEMENT OF FINANCIAL POSITION AND MOVEMENT IN RESERVES OF THE COMPANY *(Continued)*

(b) Movement in reserves of the Company

The changes in the reserves of the Company during the years ended 31 March 2025 and 2024 are as follows:

	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023	1,342,477	(4,110,081)	(2,767,604)
Loss and total comprehensive expenses for the year	–	(24,808)	(24,808)
At 31 March 2024 and 1 April 2024	1,342,477	(4,134,889)	(2,792,412)
Loss and total comprehensive expenses for the year	–	(43,010)	(43,010)
At 31 March 2025	1,342,477	(4,177,899)	(2,835,422)

31. OPERATING LEASE COMMITMENTS

The Group as lessor

Property rental income earned during the year was approximately HK\$29,747,000 (2024: HK\$28,583,000). Properties held have committed tenants for one to ten years.

At the end of the reporting period, the Group had contracted with tenants for the following undiscounted lease payments receivable on leases:

	2025 HK\$'000	2024 HK\$'000
Within one year	25,552	23,533
In the second year	17,631	15,678
In the third year	15,115	11,846
In the fourth year	12,126	9,699
In the fifth year	6,760	8,461
After fifth year	19,817	8,072
	97,001	77,289

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

32. RETIREMENT BENEFITS SCHEMES

- (a) The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Pursuant to the rules of the MPF Scheme, the Group and its employees are each required to make contributions to the scheme at specific rates, subject to relevant income levels. Contributions of the Group to the MPF Scheme are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. During the years ended 31 March 2025 and 2024, the Group had no forfeited contributions under the MPF Scheme and the Retirement Benefits Scheme utilised to reduce the existing levels of contributions. As at 31 March 2025 and 2024, there was no forfeited contribution under the MPF Scheme and Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years.
- (b) The employees of subsidiaries in the PRC are members of the state-managed retirement benefits scheme operated by the PRC government. The Company's PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.
- (c) Employees employed by the Group outside Hong Kong are covered by the appropriate local retirement benefits schemes pursuant to the local labour rules and regulations.

33. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, during the years ended 31 March 2025 and 2024, the Group had entered into the following material transactions with related parties:

(a) Compensation of key management personnel

Compensation for key management personnel, including amounts paid to the directors of the Company and the senior executives are as follow:

	2025 HK\$'000	2024 HK\$'000
Salaries and other short-term benefits	5,522	6,903
Retirement benefit scheme contributions	102	375
	5,624	7,278

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Management fee paid to a related company

Management fee including amounts paid and payable to a related company is as follow:

	2025 HK\$'000	2024 HK\$'000
Management fee		
Shanghai Chun Chuan Property Service Company Limited ("Shanghai Chun Chuan") (note)	257	1,052

Note: Mr. Jiang Zhaobai has beneficial interest in Shanghai Chun Chuan.

(c) Imputed interest on amount due to a related company

Imputed interest recognised on the amount due to a related company is as follow:

	2025 HK\$'000	2024 HK\$'000
Shanghai Pengxin (Group) Company Limited (note)	–	921

Note: Mr. Jiang Zhaobai has beneficial interest in Shanghai Pengxin (Group) Company Limited.

(d) Prepayment for property, plant and equipment

Prepayment for property, plant and equipment is as follow:

	2025 HK\$'000	2024 HK\$'000
Shanghai Pengxin Zhihuiyuan Property Development Company Limited (note)	128,480	–

Note: Mr. Jiang Zhaobai has beneficial interest in Shanghai Pengxin Zhihuiyuan Property Development Company Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below provides details of changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flow were, or future cash flows will be classified in the Group's consolidated statement of cash flows from financing activities:

	Lease liabilities (note 18) HK\$'000	Bank borrowings (note 26) HK\$'000	Other borrowings (note 26) HK\$'000	Interest payable (note 25) HK\$'000	Total HK\$'000
At 1 April 2023	235	11,660	274,000	6,514	292,409
Exchange alignment	–	(375)	–	–	(375)
Interest expenses	65	1,239	–	27,538	28,842
New lease entered	1,308	–	–	–	1,308
Repayment of lease liabilities	(701)	–	–	–	(701)
Interest paid	–	(1,239)	–	(25,011)	(26,250)
New bank and other borrowings raised	–	3,026	–	–	3,026
Repayment of bank and other borrowings	–	(8,145)	(33,000)	–	(41,145)
At 31 March 2024 and 1 April 2024	907	6,166	241,000	9,041	257,114
Exchange alignment	–	(1,546)	–	–	(1,546)
Interest expenses	49	618	–	28,153	28,820
Repayment of lease liabilities	(720)	–	–	–	(720)
Interest paid	–	(618)	–	(30,431)	(31,049)
New bank and other borrowings raised	–	178,147	–	–	178,147
Repayment of bank and other borrowings	–	(4,155)	(6,300)	–	(10,455)
At 31 March 2025	236	178,612	234,700	6,763	420,311

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Group's major financial instruments include other receivables, cash and cash equivalents, trade and other payables and bank and other borrowings. Details of these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at amortised cost	322,814	31,041
Financial liabilities		
Amortised cost	479,222	320,281

Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk, which result from both its operating and investing activities. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's treasury function operates as a centralised service for managing financial risks and for providing cost efficient funding to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk factors *(Continued)*

(a) Market risk

(i) Foreign exchange risk

The Group operates mainly in the PRC, Hong Kong and Bolivia, majority of transactions are denominated in RMB, Hong Kong dollars ("HKD") and USD. It results the Group exposed to foreign exchange risk arising from the exposure of RMB against Hong Kong dollars. As HKD is pegged to the USD, management does not expect any significant movements in the respective exchange rate and considers the exposure to be low.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

Sensitivity analysis

The sensitivity at the end of the reporting period to a reasonably possible change of 5% in the exchange rate of Hong Kong dollars against the RMB, with all other variables held constant, a 5% weakening of RMB against HK\$, a positive number below indicates an decrease in post-tax loss and other equity, vice versa. The Group's post-tax loss and the Group's equity would be increased by approximately HK\$550 (2024: increased by HK\$500).

The carrying amounts of the Group's foreign currencies denominated monetary assets and monetary liabilities as at 31 March 2025 and 2024 are as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
RMB	11	3	—	—

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank and other borrowings (see note 26 for details) and lease liabilities (see note 18 for details). The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 24 for details) and the Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on borrowings from the Group's Hong Kong dollar, RMB and USD denominated borrowings. The Group aims at keeping borrowings at fixed rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and ensure they are within reasonable range.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk factors *(Continued)*

(a) Market risk *(Continued)*

(ii) Interest rate risk *(Continued)*

Sensitivity analysis

No sensitivity analysis is presented as the management considers that the exposure of interest rate risk is insignificant.

(b) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2025 and 2024 in relation to each class of recognised financial assets is the carrying amount of those assets.

The Group made transactions with counterparties with acceptable credit quality in conformance to the Group treasury policies to minimise credit exposure. Acceptable credit ratings from reputable credit rating agencies and scrutiny of financials for non-rated counterparties are two important criteria in the selection of counterparties. The credit quality of counterparties will be closely monitored over the life of the transactions. The Group reviews its financial counterparties periodically in order to reduce credit risk concentrations relative to the underlying size and credit strength of each counterparty and ensure that adequate impairment losses are made for irrecoverable amounts.

In addition, the Group performs impairment assessment under ECL model on trade receivables based on provision matrix.

The Group measures loss allowances for trade receivables at an amount 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Other receivables and loan to an associate relating to accounts that are long overdue with significant amounts, known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance. The Group recognised the allowance for ECL by assessing the credit risk characteristics of debtor, discount rate and the likelihood of recovery and considering the prevailing economic conditions.

In relation to the other receivables and loan to an associate, the Group estimates the ECL, whether the credit risk of other receivables and loan to an associate has increased significantly since initial recognition, the Group consider that a default event occurs when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). 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 Group provided impairment based on 12m ECL unless there are significant increase in credit risk of these amounts since initial recognition, in which case the Group recognised lifetime ECL.

Credit risk on cash and cash equivalents is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for cash and cash equivalents by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on cash and cash equivalents is considered to be insignificant and therefore no loss allowance was recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables and loan to an associate as at 31 March 2025 and 2024:

As at 31 March 2025	Expected loss rate %	Gross carrying amount HK\$'000	Allowance for ECL HK\$'000
12m ECL	14.46	23,948	3,464
Lifetime ECL (credit-impaired)	96.70	162,179	156,832
		186,127	160,296
As at 31 March 2024	Expected loss rate %	Gross carrying amount HK\$'000	Allowance for ECL HK\$'000
12m ECL	7.62	6,628	505
Lifetime ECL (credit-impaired)	100.00	153,786	153,786
		160,414	154,291

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(c) Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and considering of obtaining banking facilities to support the Group's short, medium and long-term funding and liquidity management requirements. In addition, the management of the Group continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on weighted average effective interest rates) and the earliest date the Group can be required to pay:

	Weighted average effective interest rate %	On demand or less than 1 year HK\$'000	Between 1 to 2 years HK\$'000	Between 2 to 5 years HK\$'000	Total contractual undiscounted cash flow HK\$'000	Total carrying amount HK\$'000
At 31 March 2025						
Trade and other payables	–	65,674	–	–	65,674	65,674
Bank and other borrowings	5.25–12.00	436,321	–	–	436,321	413,312
Lease liabilities	8.05	240	–	–	240	236
		502,235	–	–	502,235	479,222
	Weighted average effective interest rate %	On demand or less than 1 year HK\$'000	Between 1 to 2 years HK\$'000	Between 2 to 5 years HK\$'000	Total contractual undiscounted cash flow HK\$'000	Total carrying amount HK\$'000
At 31 March 2024						
Trade and other payables	–	82,208	–	–	82,208	82,208
Bank and other borrowings	5.75–12.00	258,309	–	–	258,309	247,166
Lease liabilities	8.05	720	240	–	960	907
		341,237	240	–	341,477	330,281

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk factors *(Continued)*

(c) Liquidity risk *(Continued)*

Bank and other borrowings with a repayment on demand clause are included in the “on demand or less than 1 year” time band in the above maturity analysis. As at 31 March 2025, the aggregate carrying amounts of these borrowings amounted to approximately HK\$413,312,000 (2024: HK\$247,166,000). Taking into account the Group’s financial position, the directors do not believe that it is probable that the lenders will exercise their discretionary rights to demand immediate repayment. The directors believe that such borrowings will be repaid within one to two years (2024: within one to three years) after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements and the facility letters.

Maturity Analysis — Bank and other borrowings with a repayment on demand clause based on scheduled repayments

	Less than 1 year HK\$'000	Between 1–2 years HK\$'000	Between 2–5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash outflows HK\$'000	Carrying amount HK\$'000
31 March 2025	435,361	960	–	–	436,321	413,312
31 March 2024	252,790	4,559	960	–	258,309	247,166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk factors *(Continued)*

(d) Capital risk management

The primary objective of the Group's capital management is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group's overall strategy remains unchanged from prior year.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of issue new shares or sell assets to reduce debts.

The Group monitors its capital on the basis of the gearing ratio of net debt over total equity. This ratio is calculated as bank and other borrowings and lease liabilities less cash and cash equivalent divided by total equity. The Group aims to maintain the gearing ratio at a reasonable level.

The gearing ratios at the end of the reporting period are as follows:

	2025 HK\$'000	2024 HK\$'000
Bank and other borrowings (note 26)	413,312	247,166
Lease liabilities (note 18)	236	907
Less: Cash and cash equivalents (note 24)	(312,618)	(24,918)
Net debt	100,930	223,155
Total equity	1,096,429	1,168,777
Gearing ratio	9.21%	19.09%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, results in particulars of excessive length.

Name of subsidiary	Place of incorporation/ registration and operation	Paid-up issued ordinary shares/ registered capital HK\$ (unless otherwise stated)	Percentage of ownership interest and voting power held by the Company				Principal activities
			Directly		Indirectly		
			2025 %	2024 %	2025 %	2024 %	
國中(天津)水務有限公司 (note (i))	PRC	RMB625,000,000	100	100	–	–	Investment holding
上海欣耘投資有限公司 (note (ii))	PRC	RMB465,200,000	–	–	100	100	Property investment
Success Flow International Limited (note (iii))	The British Virgin Island (the “BVI”)	USD1	100	100	–	–	Investment holding
Long Bao Property Limited (note (iii))	Hong Kong	100	–	–	100	100	Investment holding
Action Investments Limited (note (iii))	Hong Kong	100	99	99	1	1	Property investment
External Fame Limited (note (iii))	BVI	USD1	–	–	100	100	Investment holding
北京龍堡物業管理有限公司 (note (i))	PRC	RMB45,000,000	–	–	100	100	Property investment
北京博雅宏遠物業管理有限公司 (note (i))	PRC	RMB20,000,000	–	–	100	100	Property investment
Omnigold Resources Limited (note (iii))	BVI	USD1	–	–	100	100	Property investment
Interchina Corporate Services Limited	Hong Kong	10,000	100	100	–	–	Corporate management
EverChina Resources Holdings Limited	Hong Kong	100	100	100	–	–	Investment holding
Universe Glory Limited	BVI	USD50,000	–	–	100	100	Natural resources investment
All Yield Investments Limited	BVI	USD50,000	–	–	100	100	Natural resources investment
PT. Satwa Lestari Permai	Indonesia	IDR5,000,000,000	–	–	95	95	Exploration, mining processing and sale of manganese resources

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ registration and operation	Paid-up issued ordinary shares/ registered capital HK\$ (unless otherwise stated)	Percentage of ownership interest and voting power held by the Company				Principal activities
			Directly		Indirectly		
			2025 %	2024 %	2025 %	2024 %	
EverChina Hotel Investment Limited	BVI	USD10,000	100	100	–	–	Investment holding
Loyal Rich	Hong Kong	10,000	–	–	100	100	Hotel investment
天富（上海）酒店管理有限公司 （“Tianfu (Shanghai)”） (note (i))	PRC	RMB2,000,000	–	–	100	100	Hotel management
Pengxin Agricultural Holdings Company Limited	BVI	USD100	100	100	–	–	Investment holding
Sociedad Agropecuaria Argotanto S.A.	Bolivia	BOB12,000	–	–	100	100	Cattle raising and sales of cattle
Empresa Agropecuaria Novagro S.A.	Bolivia	USD1,327,370	–	–	100	100	Agricultural farming
Agropecuaria Irricobol S.R.L	Bolivia	BOB10,000	–	–	100	100	Cattle raising and sales of cattle

Notes:

- (i) Registered as wholly-owned foreign enterprises under the PRC law.
- (ii) Registered as sole shareholder limited liability company under the PRC law.
- (iii) The share of certain subsidiaries of the Company are secured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

The following table lists out the information relating to PT. Satwa Lestari Permai, the only subsidiary of the Group which has material non-controlling interests. The summarised financial information of PT. Satwa Lestari Permai is set out below:

	2025 HK\$'000	2024 HK\$'000
Non-controlling interests percentage	5%	5%
Current assets	383	361
Non-current assets	2	–
Current liabilities	(17,110)	(16,547)
Net liabilities	(16,725)	(16,186)
Equity attributable to owners of the Company	(45,799)	(45,287)
Non-controlling interests	29,074	29,101

Details of non-wholly owned subsidiary that has material non-controlling interests

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Turnover	–	–
Loss for the year	(539)	(53,518)
Loss and total comprehensive expenses for the year attributable to:		
Owners of the Company	(512)	(50,842)
Non-controlling interests	(27)	(2,676)
	(539)	(53,518)
Net cash used in operating activities	(539)	(571)

The information above is the amount before inter-company eliminations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

37. DISPOSAL OF A SUBSIDIARY

On 30 October 2023, the Group disposed the entire issued share capital of Jet Source Investments Ltd, a wholly owned subsidiary of the Company. The net assets of Jet Source Investments Ltd at the date of disposal were as follows:

	HK\$'000
Consideration received:	
Cash received	21,000
	As at 30 October 2023 HK\$'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	23,530
Other receivables and deposit	139
Cash and cash equivalents	5
Net assets disposed of	23,674
Loss on disposal of a subsidiary:	
Consideration received	21,000
Net assets disposed of	(23,674)
Loss on disposal	(2,674)
Net cash inflow arising on disposal:	
Cash consideration	21,000
Less: cash and cash equivalents disposed of	(5)
	20,995

38. CAPITAL COMMITMENTS

	2025 HK\$'000	2024 HK\$'000
Capital expenditure:		
Contracted but not provided for	309,154	75,275

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

39. EVENTS AFTER REPORTING PERIOD

On 22 May 2025, Beijing Boya Hongyuan Advisory Company Limited ("Beijing Boya"), an indirect wholly-owned subsidiary of the Company entered into the acquisition agreement with Mr. Cheng Jianling, pursuant to which Beijing Boya will acquire 20% equity interest in Daka Robotics (Beijing) Company Limited ("Daka Robotics") at the consideration of RMB200,000 (equivalent to approximately HK\$216,000). On the same date, Beijing Boya entered into the capital increase agreement with Daka Robotics, pursuant to which Beijing Boya conditionally agreed to make capital injection of RMB30,000,000 (equivalent to approximately HK\$32,400,000) into Daka Robotics, which shall be fully credited as reserved capital of Daka Robotics. Details of which were set out in the Company's announcements dated 22 May 2025 and 20 June 2025.

40. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 June 2025.

FIVE YEAR FINANCIAL SUMMARY

For the year ended 31 March 2025

RESULTS

	2025 HK\$'000	For the year ended 31 March			
		2024 HK\$'000	2023 HK\$'000 (Restated)	2022 HK\$'000	2021 HK\$'000
Revenue	108,181	102,484	117,777	149,347	127,093
Loss before taxation	(52,304)	(274,851)	(244,773)	(250,886)	(150,099)
Tax (expenses)/credit	(17,263)	(1,527)	3,470	12,250	15,008
Loss for the year from continuing operations	(69,567)	(276,378)	(241,303)	(238,636)	(135,091)
Profit/(loss) for the year from discontinued operations, net of income tax	29,329	(46,144)	43,884	–	–
Loss for the year	(40,238)	(322,522)	(197,419)	(238,636)	(135,091)
Owners of the Company	(40,211)	(319,846)	(196,544)	(233,386)	(135,055)
Non-controlling interests	(27)	(2,676)	(875)	(5,250)	(36)
Loss for the year	(40,238)	(322,522)	(197,419)	(238,636)	(135,091)

ASSETS AND LIABILITIES

	2025 HK\$'000	As at 31 March			
		2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	1,611,494	1,564,676	2,558,371	2,902,087	3,135,705
Total liabilities	(515,065)	(395,899)	(1,036,655)	(1,055,347)	(1,121,242)
Non-controlling interests	(29,074)	(29,101)	(31,777)	(32,652)	(37,902)
Shareholders' funds	1,067,355	1,139,676	1,489,939	1,814,088	1,976,561

PARTICULARS OF MAJOR PROPERTIES

Location	Use	Lease term
Investment properties		
Retail portion on basement Level 1, Level 1 to Level 2 and 88 office units from Level 3 to Level 12 And 164 carparking spaces on basement, Level 2 and 3 situation at Interchina Commercial Building 33, Dengshikou Street, Dong Cheng District, Beijing, PRC	Commercial premises for rental	Medium-term lease
14 retail units at Levels 1-3 of Above the Bund Square No. 948 Dongdaming Road, Hongkou District, Shanghai, PRC	Commercial premises for rental	Medium-term lease
Other Property		
25 parking spaces located at Basement 1, 2 Alley 66 Guoshun Road, Wujiaochang Jiedao, Yangpu District, Shanghai, PRC	Car parking space for rental	Medium-term lease