PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock Code : 372)

2025 ANNUAL REPORT

* *For identification purpose only*

CONTENTS

Definitions and Glossary

In this annual report, the following expressions have the following meanings unless otherwise specified:

"2025 AGM"	annual general meeting of the Company to be held on Tuesday, 12th August, 2025 at 10:30 a.m. or any adjournment thereof
"Board"	Board of Directors of the Company
"Bye-laws"	Bye-laws of the Company
"Company"	PT International Development Corporation Limited
"Current Year"	the year ended 31st March, 2025
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"PRC" and "China"	the People's Republic of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholders"	shareholders of the Company
"HK$" and "HK cents"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"%"	per cent.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ching Man Chun, Louis
(Chairman and Managing Director)
Mr. Yeung Kim Ting
Mr. Wong Kung Ho, Alexander
(appointed on 18th April, 2024)
Ms. Wong Man Ming, Melinda
(re-designated from non-executive Director to executive Director on 26th February, 2025)

Independent Non-executive Directors

Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson *(Chairman)*
Mr. Yam Kwong Chun
Mr. Lam Yik Tung

REMUNERATION COMMITTEE

Mr. Lam Yik Tung *(Chairman)*
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson

NOMINATION COMMITTEE

Mr. Yam Kwong Chun *(Chairman)*
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

CORPORATE GOVERNANCE COMMITTEE

Mr. Ching Man Chun, Louis *(Chairman)*
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

COMPANY SECRETARY

Ms. Lo Yuen Mei

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

LEGAL ADVISORS

CLKW Lawyers LLP

PRINCIPAL BANKERS

DBS Bank (HK) Limited
Fubon Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Nonghyup Bank
The Hong Kong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11th Floor
Centre Point
181–185 Gloucester Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda
(with effect from 1st January, 2025)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33th Floor
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong
(with effect from 24th January, 2025)

WEBSITE

www.ptcorp.com.hk

STOCK CODE

Hong Kong Stock Exchange 372

Chairman’s Statement

Looking ahead, the global economic environment is expected to remain highly volatile amidst ongoing geopolitical tensions, persistent inflationary pressures, and the risk of a global economic downturn. Notably, US-China trade tensions, the legacy of the global trade war, and shifting US tariff policies continue to cast uncertainty over international markets. Central banks’ future interest rate decisions will be closely monitored as they seek to balance the imperative of controlling inflation against the need to support economic growth.

In response to these challenges, the Chinese government launched a series of policies in September 2024 aimed at stimulating the property market and boosting the economy, including the introduction of reforms to promote new quality productive forces (新質生產力). However, the effectiveness of these measures remains uncertain due to domestic headwinds such as weak consumer demand, liquidity concerns within the property sector, heightened financial market volatility, and subdued investor sentiment.

During the year under review, Thousand Vantage maintained stable operations at our oil port and storage facilities. The Directors are optimistic that nearby infrastructure construction projects within the Guangxi region will further stimulate local fuel demand, thereby supporting revenue growth for the Group. We will continue to explore funding opportunities to commence construction of a new berth, which will maximize the throughput and utilization of our oil storage tanks.

In line with President Xi’s vision for new quality productive forces (新質生產力), management is actively seeking innovative methods and advanced technologies to enhance productivity, expand our petrochemical sales, and deliver more efficient services to our oil storage customers.

Our petrochemical commodity sales continued to generate revenue throughout the year, although we have adopted a more prudent approach to managing risks in this segment. Margins have been volatile, influenced by external factors such as the Russia-Ukraine conflict, the latest Israel-Iran tensions, and elevated costs of capital due to high interest rates. Going forward, management will closely monitor the global economic and interest rate outlook before increasing exposure to the trading business.

Our investment banking operations in Mauritius have demonstrated robust growth, with increased revenue and strengthened business activities on the island. The Group will strive to further enhance revenue contributions and pursue additional expansion opportunities in this market.

ENHANCED COOPERATION WITH PIPECHINA

We are pleased to announce that we expect our cooperation with PipeChina to be formally launched later this year. Our terminal is set to become the sole sea access point (入海點) for PipeChina in Guangxi province. We anticipate that this strategic partnership will significantly boost business volumes at our terminal and storage facilities, as the use of this pipeline will substantially reduce transportation costs for our customers and partners.

Chairman's Statement

OUTLOOK

Looking ahead, the Group anticipates further challenges and uncertainties during the latter half of 2025 and into 2026. In alignment with government policy guidance and industry development trends, the Group will continue to implement prudent measures and proactive strategies to mitigate the adverse impacts of market conditions on our business, while remaining vigilant and adaptive to the evolving environment.

Specifically, the Group will reinforce the development of our existing business segments by broadening our product scope, expanding our range of services, and growing our customer base. We will also actively seek new business opportunities to diversify our portfolio, whether through trading, retail, or other emerging business lines. In line with the dissolution of our UK subsidiary, Cupral, the Group will continue to assess opportunities to dispose of non-core or underperforming assets as necessary.

In conclusion, the Directors are closely monitoring the shifting global economic landscape and are actively studying a range of opportunities that may benefit the Group and its shareholders as a whole. We remain committed to delivering sustainable growth and long-term value through prudent management and strategic innovation.

Ching Man Chun, Louis
Chairman and Managing Director

Hong Kong, 30th June, 2025

Management Discussion and Analysis

BUSINESS REVIEW

Review of Financial Performance

During the year ended 31st March, 2025 (the "**Current Year**"), the Group, pursuant to its long-term strategy of exploring potential investments and enhancing the value of its strategic investments by active participation through close liaisons with the management of the Group's invested companies, continued to strategically invest or hold significant interests, in a portfolio of listed companies in Korea and explore high-potential private companies and funds, financial assets and securities, and engaged in trading of commodities, petrochemical storage business, port and port-related services, financial institute business and loan financing services.

For the Current Year, the Group reported a loss of HK$175,968,000 attributable to the owners of the Company (2024: HK$21,341,000) and basic loss per share of HK58.12 cents (2024: HK7.39 cents). The Current Year loss was mainly due to unrealized fair value loss of financial instruments, in particular, the Group's investment in AFC Mercury Fund and an impairment loss on property, plant and equipment and right-of-use assets related to the petrochemical segment.

Trading

During the Current Year, the Group generated a segment revenue of HK$70,285,000 (2024: HK$98,459,000) and a segment loss of HK$2,625,000 (2024: HK$883,000). The management has taken a more prudent approach to control the risk of this segment. Moving forward, the management will closely monitor the macro economy and interest rates outlook before increasing exposure towards the trading business.

Metal Recycling

On 16th April, 2021, several independent third-party individuals and the Group entered into an investment and shareholders' agreement in relation to the subscription of 24,999,050 ordinary shares in aggregate in Cupral at a total subscription amount of British Pound Sterling ("**GBP**") 2,500,000 (equivalent to approximately HK$26,955,000) (the "**Cupral Subscription**"). On completion of the Cupral Subscription, the Group has been allotted 22,500,000 ordinary shares in Cupral with an aggregate subscription price of GBP2,250,000 (equivalent to approximately HK$24,260,000), which represents 90% of the enlarged issued share capital of Cupral.

During the Current Year, the Group's metal recycling business recorded a revenue of HK$579,000 (2024: HK$42,758,000) and a segment profit of HK$15,248,000 (including net gain on deconsolidation of Cupral of HK$16,204,000) (2024: loss of HK$32,745,000).

On 9th April, 2024, Cupral filed a notice of appointment of administrators in the United Kingdom pursuant to the Insolvency Act 1986 of the United Kingdom. Details of discontinued operation are set out in note 15 to the consolidated financial statements.

Management Discussion and Analysis

BUSINESS REVIEW (continued)

Long-term Strategic Investments

During the Current Year, the Group's long-term investment contributed nil segment revenue (2024: nil) and a segment loss of HK$125,794,000 (2024: segment profit of HK$130,084,000). The segment loss for the Current Year was mainly attributed to the unrealised fair value loss of financial instruments from the Group's investment in AFC Mercury Fund.

AFC Mercury Fund

In June 2018, the Group, through its subsidiary, entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares in AFC Mercury Fund, as a limited partner, at an aggregate consideration of US$20,000,000 (equivalent to approximately HK$156,000,000).

AFC Mercury Fund principally invests in shares of companies listed on the Korea Exchange, principally STX Corporation Limited (stock code: 011810) and STX Green Logis Ltd. (stock code: 465770). STX Corporation Limited is primarily engaged in the business of energy trading, commodity trading, machinery and engine trading, and STX Green Logis Ltd. is primarily engaged in the business of shipping and logistics. The shares of the AFC Mercury Fund held by the Group represent approximately 29.71% of the issued share capital of the AFC Mercury Fund as at 31st March, 2025.

During the Current Year, an unrealised fair value loss of HK$116,454,000 (2024: fair value gain of HK$135,792,000) was made.

Petrochemical

Jiangsu Hong Mao (江蘇宏貿倉儲) (owned as to 90% by the Group)

The Group invested in Yangtze Prosperity Development (HK) Limited ("**YPD (HK)**") through the capitalisation of a loan in 2019. YPD (HK) is incorporated in Hong Kong as an investment holding company which in turn owns the entire equity interest in 江蘇宏貿倉儲有限公司, which has been granted a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating petrochemical storage and related facilities thereon.

Such investment reinforces the Group's commitment towards sustainable development and it will broaden the income stream of the Group in the future. This business segment has not commenced operation as at 31st March, 2025.

BUSINESS REVIEW (continued)

Petrochemical (continued)

Thousand Vantage (owned as to 65% by the Group)

Thousand Vantage is an investment holding company. Its subsidiaries are principally engaged in the provision of petrochemical port and storage services as well as port-related services through operation of a terminal at Yingling Terminal Operation Area of Qinzhou Port, in Guangxi, the PRC. It has become a subsidiary of the Group on 11th October, 2021.

The assets held by Thousand Vantage and its subsidiaries (the "**Thousand Vantage Group**") mainly include right-of-use assets (representing land and sea areas use right) and property, plant and equipment thereon (representing mainly port infrastructure, oil tanks and related facilities, plant and machinery and construction in progress).

During the Current Year, the Thousand Vantage Group contributed a revenue of HK$51,494,000 (2024: HK$50,539,000) and a loss of HK$64,668,000 (2024: HK$128,234,000). The loss in the Current Year was mainly due to an impairment loss on property, plant and equipment and right-of-use assets for HK$53,943,000 (2024: HK$91,845,000) as a result of the poor macroeconomic environment in the People's Republic of China which led to lower consumer demand for petrochemical products. As a result of the decline in demand, the Group recorded less revenue than the forecast prepared in the prior year and thus the Group had recognised the impairment losses.

Financial Institute Business

Our Helios Asset Management (HK) Limited ("**Helios**"), which is principally engaged in assets management and advisory business in Hong Kong and is licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) Type 4 licence (Advising on Securities) and Type 9 licence (Asset Management) from the Securities and Futures Commission. During the year, the Group surrendered these licences.

Our insurance brokerage firm, PT Insurance Brokers Company Limited, a member of the Hong Kong Confederation of Insurance Brokers, is allowed to carry out insurance brokerage business in the long term (including linked) insurance in Hong Kong.

Muhabura Capital Limited ("**MCL**"), a subsidiary of the Company incorporated in Mauritius, was granted an investment banking licence by Financial Services Commission of Mauritius ("**FSC**").

For the Current Year, the Group's financial institute business reported a segment revenue of HK$18,888,000 (2024: HK$2,961,000) and a segment profit of HK$3,736,000 (2024: segment loss of HK$5,086,000). Increase in revenue and profit are attributed to improvement in the business of MCL during the year.

Loan Financing Services

For the Current Year, the Group's loan financing operation reported nil segment revenue (2024: nil) and a segment profit of HK$515,000 (2024: segment loss of HK$627,000).

Other Investment

During the Current Year, the Group's other investment contributed nil segment revenue (2024: nil) and a segment loss of HK$115,000 (2024: HK$11,270,000).

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31st March, 2025, the Group has total assets of HK$654,715,000 (2024: HK$911,258,000) represented a decrease of HK$256,543,000 or 28.2% when compared with the last year. The decrease was mainly due to the impairment of a cash-generating unit under a subsidiary, Thousand Vantage, during the year.

As at 31st March, 2025, equity attributable to owners of the Company amounted to HK$173,208,000 (2024: HK$344,135,000), representing a decrease of HK$170,927,000 or 49.7% as compared to 31st March, 2024.

The Group continued to adopt a prudent funding and treasury policy to manage its liquidity needs. The objective is to maintain adequate funds for financing working capital and capture investment opportunities as and when they become available.

As at 31st March, 2025, current assets and current liabilities of the Group were HK$220,679,000 (2024: HK$171,305,000) and HK$572,155,000 (2024: HK$524,318,000) respectively. Accordingly, the Group's current ratio was about 0.39 (2024: 0.33).

Gearing Ratio

As at 31st March, 2025, the Group had bank balances and cash of HK$33,586,000 (2024: HK$81,999,000) and bank and other borrowings of HK$111,354,000 (2024: HK$139,968,000). The Group's gearing ratio was 44.9% at 31st March, 2025 (2024: 16.8%). The gearing ratio is calculated on the basis of net borrowings over the equity attributable to owners of the Company. Net borrowings are arrived at by deducting bank balances and cash from bank and other borrowings.

Foreign Currency Management

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in Hong Kong dollars, Korean Won, Renminbi and United States dollars. Appropriate measures would be undertaken by the Group when exchange rate fluctuations become significant.

Pledge of or Restrictions on Assets

Details of the pledge of or restrictions on assets are set out in note 34 to the consolidated financial statements.

Capital Commitments

Details of the capital commitments are set out in note 33 to the consolidated financial statements.

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

Capital Structure

On 12th November, 2024, the Board proposed to implement share consolidation (the "**Share Consolidation**") on the basis that every ten (10) issued and unissued ordinary shares with a par value of HK$0.01 each in the share capital of the Company (the "**Existing Shares**") would be consolidated into one (1) ordinary share with a par value of HK$0.10 each (the "**Consolidated Shares**"). An ordinary resolution approving the Share Consolidation was passed at the extraordinary general meeting of the Company on 9th December, 2024. The Share Consolidation became effective on 11th December, 2024. Immediately after the Share Consolidation being effective, the authorized share capital of the Company became HK$1,028,000,000 divided into 10,280,000,000 Consolidated Shares of HK$0.10 each, of which 302,742,424 Consolidated Shares were in issue and fully paid or credited as fully paid. Details of the Share Consolidation were disclosed in the announcements of the Company dated 12th November, 2024 and the circular of the Company dated 22nd November, 2024 respectively.

As at 31st March, 2025, the total number of issued shares and the issued share capital of the Company were 302,742,424 (2024: 3,027,424,240) and HK$30,274,242 (2024: HK$30,274,242) respectively.

SIGNIFICANT INVESTMENTS

Description of investment	*Note*	**Carrying amount as at 1st April, 2024**	**Fair value loss recognised in profit and loss**	**Carrying amount as at 31st March, 2025**	**Percentage to the Group's audited total assets as at 31st March, 2025**
		HK$'000	*HK$'000*	*HK$'000*	
Unlisted investment, at fair value					
– Investment in AFC Mercury Fund	*(a)*	230,705	(116,454)	114,251	17.5%

(a) This unlisted investment at fair value represents 29.71% of the issued share capital of the AFC Mercury Fund, which principally invests in shares of companies listed on the Korea Exchange, principally STX Corporation Limited (stock code: 011810) and STX Green Logis Ltd. (stock code: 465770). STX Corporation Limited is primarily engaged in the business of energy trading, commodity trading, machinery and engine trading, and STX Green Logis Ltd. is primarily engaged in the business of shipping and logistics.

During the Current Year, an unrealised fair value loss of HK$116,454,000 (2024: gain of HK$135,792,000) was recognised and the Group intends to hold the investment for long-term strategic purposes.

According to the subscription agreement, unless all partners agree to extend the maturity date, the maturity date of the Fund will be within 12 months after the year ended 31st March, 2025. The directors of the Company expect to realise the investment in the Fund and not to extend the maturity date of the Fund and therefore the financial asset at FVTPL has been classified as current asset as at 31st March, 2025.

Biographies of Directors and Company Secretary

EXECUTIVE DIRECTORS

Mr. Ching Man Chun, Louis ("Mr. Ching"), the Chairman and the Managing Director

Mr. Ching, aged 46, joined the Company as an executive Director in June 2017 and is also a director of various subsidiaries of the Company. Mr. Ching was subsequently appointed as the Chairman of the Board and managing director of the Company in September 2017. Mr. Ching holds a bachelor of arts degree in economics from Boston University in the United States of America. He has extensive experience in commodity trading and business development in the PRC and other countries in Asia and Africa.

Mr. Ching is the sole shareholder and sole director of MARCHING GREAT LIMITED and Champion Choice Holdings Limited, being the substantial shareholders of the Company, within the meaning of part XV of the SFO. Mr. Ching is the ultimate controlling shareholder of the Company.

Mr. Yeung Kim Ting ("Mr. Yeung")

Mr. Yeung, aged 59, was first appointed as an independent non-executive Director in August 2017 and was subsequently re-designated as an executive Director of the Company in July 2019 and is also a director of various subsidiaries of the Company. Mr. Yeung had been a chairman of the Audit Committee, a member of Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company prior to the re-designation. Mr. Yeung holds a bachelor of arts (honours) degree majoring in accounting from the University of Ulster in Northern Ireland of the United Kingdom. Mr. Yeung is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has over 30 years of experience in accounting, auditing, merger and acquisition, business development, financial and general management. Mr. Yeung worked at PricewaterhouseCoopers Hong Kong and Shenzhen from 1991 to 2007. From 2007 onwards, he served as chief financial officer or director in different companies including listed companies in the US and Hong Kong.

Mr. Wong Kung Ho, Alexander ("Mr. Wong KH")

Mr. Wong KH, aged 50, joined the Group since 2019 and was subsequently appointed as an executive Director of the Company in April 2024. He currently serves as a director and responsible officer of PT Insurance Brokers Company Limited and the Head of Trading of Muhabura Capital Limited, both of which are wholly owned subsidiaries of the Company. Mr. Wong KH holds a bachelor of science degree in business administration from Boston University in the United States. He has over 22 years of experience in the finance industry. He worked in Citibank N.A., Hong Kong Branch from October 2002 to June 2004 with the last position as investment consultant, American Express Bank Limited from June 2004 to August 2005 with the last position as head – investment consultant, Citibank (Hong Kong) Limited from August 2005 to March 2006 with the last position as branch manager and American Express Bank Limited from April 2006 to June 2008 with the last position as relationship manager. He also worked in BNP Paribas Wealth Management Hong Kong Branch from June 2008 to September 2016 with the last position as relationship manager.

Biographies of Directors and Company Secretary

EXECUTIVE DIRECTORS (continued)

Ms. Wong Man Ming, Melinda ("Ms. Wong")

Ms. Wong, aged 51, joined the Company as a non-executive Director in October 2023 and was subsequently re-designated as an executive Director of the Company in February 2025. She acts as director of Muhabura Capital Ltd and is primarily responsible for overseeing the financial institute business of the Group in Muhabura Capital Ltd. Ms. Wong holds a bachelor's degree in business administration (accounting) from Washington State University in the United States. She was a certified public accountant in the state of Washington in 2004, and she is currently a regular member of the American Institute of Certified Public Accountants. She has over 20 years of experience in the accounting and corporate finance industry. Ms. Wong started her career with Deloitte Touche Tohmatsu, an international audit firm, in 1999. In 2003, Ms. Wong joined Rexcapital (Hong Kong) Limited and commenced her career in the corporate finance field. Throughout the period from August 2004 to July 2011, Ms. Wong worked in the investment banking or corporate finance departments of Shang International Finance Limited (formerly known as Somerley Capital Limited), UOB Asia (Hong Kong) Limited, Macquarie Capital (Hong Kong) Limited, and Optima Capital Limited respectively, where she was involved in a wide range of takeovers, mergers and acquisitions, initial public offerings, privatisations and other corporate finance advisory work for Hong Kong listed issuers. From August 2011 to January 2019, Ms. Wong worked at the Listed Issuer Regulation team of the Listing Division of Hong Kong Exchanges and Clearing Limited, primarily responsible for monitoring listed issuers' compliance with the Listing Rules. In January 2019, Ms. Wong rejoined Optima Capital Limited as a director in the corporate finance department and remained in such position until September 2022.

Ms. Wong is now an independent non-executive director of KWG Group Holdings Limited (stock code: 1813), a company listed on the Hong Kong Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yam Kwong Chun ("Mr. Yam")

Mr. Yam, aged 60, joined the Company as an independent non-executive Director in March 2017 and is the chairman of Nomination Committee and a member of the Audit Committee, Remuneration Committee and Corporate Governance Committee of the Company. Mr. Yam holds a bachelor of commerce degree and a master of business administration, both from University of Melbourne in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a certified practising accountant of the CPA Australia. Mr. Yam had worked for Deloitte Touche Tohmatsu, an international accounting firm and as a finance executive for a number of group of companies operating in Hong Kong, the PRC, the United States of America and other overseas countries. Mr. Yam has extensive experience in auditing, accounting and financial management. Mr. Yam was an independent non-executive director of Reliance Global Holdings Limited (stock code: 723) from December 2017 to December 2024, a company listed on the Hong Kong Stock Exchange.

Biographies of Directors and Company Secretary

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Wong Yee Shuen, Wilson ("Mr. Wong")

Mr. Wong, aged 58, joined the Company as an independent non-executive Director in November 2017 and is the chairman of the Audit Committee, a member of Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Australia CPA and Australian Institute of Banking and Finance. He holds a master of commerce, majoring in banking and finance from University of New South Wales. With more than 20 years' experience in audit/assurance at public accounting firms including PricewaterhouseCoopers and Ernst and Young, Mr. Wong specialised in banking audits and auditing listed companies. Mr. Wong was an independent non-executive director of Ping An Securities Group (Holdings) Limited (Stock Code: 231) from February 2020 to November 2022, a company listed on the Hong Kong Stock Exchange.

Mr. Wong is now an independent non-executive director of China Pipe Group Limited (stock code: 380), a company listed on the Hong Kong Stock Exchange.

Mr. Lam Yik Tung ("Mr. Lam")

Mr. Lam, aged 49, joined the Company as an independent non-executive Director in July 2019 and is the chairman of Remuneration Committee, a member of the Audit Committee, Nomination Committee and Corporate Governance Committee of the Company. Mr. Lam holds a bachelor of business administration degree majoring in finance and accounting from Simon Fraser University in Canada. He has accumulated over 10 years of corporate finance, auditing and accounting experience from a European investment bank and an international accounting firm.

COMPANY SECRETARY

Ms. Lo Yuen Mei ("Ms. Lo")

Ms. Lo was appointed as Company Secretary in October 2019. Ms. Lo holds a bachelor of arts (honours) degree majoring in accounting from Edinburgh Napier University and subsequently obtained a master of professional accounting from The Hong Kong Polytechnic University. Her first job was in an audit firm in Hong Kong as an audit trainee. She has over 20 years of experience in company secretarial, finance, accounting, compliance and internal auditing and worked for various listed and unlisted companies in Hong Kong and Singapore, in the fields of construction, liquefied petroleum gas trading, commodities trading, metal and plastic packaging, insurance, property development, financial media and securities companies. Ms. Lo had previously served as the company secretary of Richly Field China Development Limited (stock code: 313), a company listed on the Hong Kong Stock Exchange from 2012 to 2015. Ms. Lo is currently a member of The Hong Kong Institute of Certified Public Accountants and a member of The Hong Kong Securities and Investment Institute.

Directors' Report

The Board is pleased to present this annual report together with audited consolidated financial statements of the Group for the Current Year.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. A list of the Company's principal subsidiaries as of 31st March, 2025 and details of the principal activities of the Company's principal subsidiaries are set out in note 38 to the consolidated financial statements.

Further discussion and analysis of the Group's business review as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year and an indication of likely future developments in the Group's business, can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" set out on pages 4 to 10 of this annual report. This discussion forms part of this Directors' report.

RESULTS

Details of the Group's results for the Current Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 83 to 84 of this annual report.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Current Year (2024: nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on page 176 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Current Year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the authorised and issued share capital of the Company during the Current Year are set out in note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the Current Year are set out in the consolidated statement of changes in equity on page 87 of this annual report and note 37 to the consolidated financial statements respectively.

Directors' Report

DISTRIBUTABLE RESERVES

The Company has no distributable reserves as at 31st March, 2025 and 2024.

DIRECTORS

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

Executive Directors:

Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*
Mr. Yeung Kim Ting
Mr. Wong Kung Ho, Alexander *(appointed on 18th April, 2024)*
Ms. Wong Man Ming, Melinda *(re-designated from non-executive Director to executive Director on 26th February, 2025)*

Independent Non-executive Directors:

Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

Pursuant to bye-law 98 of the Bye-laws and the code provision B.2.2 of Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules, Mr. Ching Man Chun, Louis, Mr. Yam Kwong Chun and Mr. Lam Yik Tung will retire from office by rotation at the 2025 AGM and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

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

Non-executive Directors (including independent non-executive Directors) are appointed for a term of twelve-month period which automatically renews for successive twelve-month period unless terminated by either party in writing prior to the expiry of the term, subject to retirement by rotation and re-election in accordance with the Bye-laws.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and the Company has assessed their independence and considers all the independent non-executive Directors to be independent.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March, 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the SFO), which were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange were as follows:

Long positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of issued shares held	Approximate percentage of the issued shares of the Company
Mr. Ching Man Chun, Louis ("**Mr. Ching**")	Beneficial owner	15,000,000	4.95%
	Interest of controlled corporation	73,200,000 *(Note)*	24.18%

Note:

The 73,200,000 shares of the Company are beneficially owned by Champion Choice Holdings Limited ("**Champion Choice**"), which is wholly and beneficially owned by Mr. Ching. Mr. Ching is also the sole director of Champion Choice. Accordingly, Mr. Ching is deemed to be interested in 73,200,000 shares of the Company directly held by Champion Choice under the SFO.

Save as disclosed above, as at 31st March, 2025, none of the Directors and chief executive of the Company or any of their close associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be maintained 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.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Bye-laws, every Director or other officer of the Company for the time being acting in relation to any affairs of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, misfortune or damage which may happen in the execution of his/her office or in relation thereto provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the directors or other officers. The Company has arranged appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against its directors and officers arising out of corporate activities. The level of the coverage is reviewed annually.

Directors' Report

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in note 6 to the consolidated financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, no directors were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as required to be disclosed pursuant to Rule 8.10 of the Listing Rules, other than those businesses of which the directors of the Company were appointed as directors to represent.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Saved as disclosed in note 36 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, which subsisted at the end of the Current Year or at any time during the Current Year.

CONTROLLING SHAREHOLDER'S INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed, neither the Company or any of its subsidiaries had any contract of significance with its controlling shareholder or any of its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries during the Current Year.

CHANGES IN INFORMATION IN RESPECT OF DIRECTORS

Pursuant to Rule 13.51B of the Listing Rules, the changes in information of Directors subsequent to the date of the 2024/25 Interim Report of the Company and up to the date of this report are set out below:

1. Mr. Yam Kwong Chun has ceased to be an independent non-executive director of Reliance Global Holdings Limited (stock code: 723), a company listed on the Main Board of the Stock Exchange, with effect from 1st January, 2025.

2. Ms. Wong Man Ming, Melinda has been re-designated as an executive Director of the Company from a non-executive director with effect from 26th February, 2025.

Changes in directors' emoluments during the Current Year are set out in note 6 to the consolidated financial statements.

Directors' Report

SHARE OPTION SCHEME

The existing share option scheme of the Company (the "**Share Option Scheme**") shall be valid and effective for a period of 10 years until 19th August, 2031. As a result of the Share Consolidation becoming effective on 11th December, 2024 and in accordance with the Share Option Scheme, the maximum number of share options which can be granted under the Share Option Scheme, being initially 201,828,282 Existing Shares (subject to adjustment), was adjusted pursuant to the terms of the Share Option Scheme to 20,182,828 Consolidated Shares, representing 6.67% of the number of shares in issue of the Company as at the date of this report.

The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contributions to, and continuing efforts to promote the interests of, the Company or any of its subsidiaries and/or any of its invested entities.

Pursuant to the Share Option Scheme, the Board may, on or before 19th August, 2031, in its absolute discretion, subject to the terms of the Share Option Scheme, offer to grant share options to, inter alia, (i) employees (whether full time or part time), executive or non-executive directors of the Company or any of its subsidiaries or any of its invested entities; (ii) any shareholders of the Company or any of its subsidiaries or any of its invested entities; (iii) any advisors (professional or otherwise), consultants, any person or entity who has contributed or will contribute to the growth and development of the Group; (iv) suppliers, (v) customers; (vi) any person or entity that provides research, development or other technological support to any member of the Group or any of its invested entities; and (vii) joint venture partners, business alliance partners or any person or entity who has contributed or may contribute by way of other business arrangement to the development and growth of the Group.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) adopted by the Group shall not, in aggregate, exceed 30% of the share capital of the Company in issue from time to time.

The exercise price in respect of any options shall be at the discretion of the Board (subject to any adjustments made pursuant to the Share Option Scheme), provided that it shall not be lower than the nominal value of the shares of the Company and shall be the highest of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of the offer, which must be a business day; and (ii) the average closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer.

SHARE OPTION SCHEME (continued)

The Board may in its absolute discretion determine the period in respect of any options, save that such period shall not be more than 10 years from the date of the grant of option, and the minimum period for which a share option must be held before it can be exercised. Unless otherwise determined by the Board and stated in the offer to a grantee, the Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised.

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption date i.e. 20th August, 2021. The total number of shares issued and to be issued upon exercise of the share options granted to each participant except for independent non-executive directors and substantial shareholders of the Company (including exercised, cancelled and outstanding options) within any 12-month period under the Share Option Scheme and any other share option scheme(s) of the Company and/or any of its subsidiaries shall not exceed 1% of the number of shares in issue of the Company for the time being.

Any grant of share options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the number of shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheets on each relevant date on which the grant of such options is made to (and subject to acceptance by) such person under the relevant scheme, in excess of HK$5,000,000, such further grant of share options shall be subject to prior approval by resolution of the shareholders of the Company (voting by way of poll).

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned for 21 days from the date of the grant of option. A consideration of HK$1.00 is payable on acceptance of the offer of the grant of share option.

As at 31st March, 2025, there was no share option was outstanding or had been granted or agreed to be granted under the Share Option Scheme. No options were ever granted under the Share Option Scheme. Details of the Share Option Scheme of the Company are set out in note 29 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the directors, the chief executive, their spouses or children under the age of 18 had any right to subscribe for securities of the Company, or had exercised any such right during the year ended 31st March, 2025.

Directors' Report

VOLUNTARY CONDITIONAL CASH OFFER

In April 2025, MARCHING GREAT LIMITED ("**MARCHING GREAT**" or the "**Offeror**") and the Company jointly announced, among others, the voluntary conditional general cash offer made by the Offeror to acquire all the issued shares ("**Offer Share(s)**") of the Company (other than those already owned by the Offeror and parties acting in concert with it) at an offer price of HK$0.175 per Offer Share (the "**Offer**") in accordance with the Takeovers Code. The Offer closed on 5th June, 2025. MARCHING GREAT had received valid acceptances in respect of a total of 65,697,353 Offer Shares, representing approximately 21.7% of the then entire issued share capital of the Company. Since then, Mr. Ching Man Chun, Louis had become the controlling shareholder of the Company. At the close of the Offer and up to the date of this annual report, Mr. Ching Man Chun, Louis has an aggregate (both direct and deemed) interest of approximately 50.83% in the total issued shares of the Company.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Save as disclosed below, as at 31st March, 2025, the Directors and chief executive of the Company are not aware of any person who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Substantial Shareholders	Capacity	Number of issued shares held	Approximate percentage of the issued shares of the Company
Mr. Ching	Beneficial owner	15,000,000	4.95%
	Interest of controlled corporation	73,200,000 *(Note 1)*	24.18%
Champion Choice	Beneficial owner	73,200,000 *(Note 1)*	24.18%
Mr. Zhu Bin ("**Mr. Zhu**")	Beneficial owner	31,288,276 *(Note 2)*	10.33%
	Interest of controlled corporation	234,000 *(Note 2)*	0.07%

Notes:

(1) The 73,200,000 shares of the Company are beneficially owned by Champion Choice, which is wholly and beneficially owned by Mr. Ching. Mr. Ching is also the sole director of Champion Choice. Accordingly, Mr. Ching is deemed to be interested in 73,200,000 shares of the Company directly held by Champion Choice under the SFO.

(2) Based on the disclosure of interest filing of Mr. Zhu as at 18th August, 2023, Mr. Zhu owns 31,288,276 shares of the Company and owns the entire issued share capital of One Perfect Group Ltd ("**One Perfect**"), which holds 234,000 shares of the Company. Accordingly, Mr. Zhu is deemed to be interested in 234,000 shares of the Company held by One Perfect under the SFO.

Directors' Report

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the applicable laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

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

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

MAJOR CUSTOMERS AND SUPPLIERS

During the Current Year, the Group's purchases and sales attributable to the major customers and suppliers respectively were as follows:

	Customers percentage of total sales	Suppliers percentage of total purchases
Five largest	38%	47%
The largest	7%	14%

None of the Directors, or any of their close associates or any Shareholders (which to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any beneficial interest in the Group's five largest customers or suppliers during the Current Year.

BORROWINGS

As at 31st March, 2025, the Group had bank and other borrowings of HK$111,354,000 (2024: HK$139,968,000).

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company disclosed in the section headed "Share Option Scheme" above, no equity-linked agreement was entered into by the Company during the Current Year or subsisted as at 31st March, 2025.

MANAGEMENT CONTRACTS

Other than a contract of service with any Director or any person under the full employment of the Company, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Current Year.

CONNECTED TRANSACTION

There was no connected transaction or continuing connected transaction undertaken by the Company during the Current Year and up to the date of this report which was required to be disclosed pursuant to Chapter 14A of the Listing Rules. The related party transactions disclosed in note 36 to the consolidated financial statements did not constitute connected transactions or continuing connected transactions of the Company, or were either disclosed previously pursuant to the Listing Rules or exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

UPDATE OF USE OF PROCEEDS FROM RIGHTS ISSUES

On 21st June, 2023, the Company completed a rights issue of 1,009,141,413 rights shares at a subscription price of HK$0.036 per rights share on the basis of one (1) rights share for every two (2) existing shares held by the qualifying Shareholders on the record date of 22nd May, 2023 (the "**Rights Issue**"). The net proceeds from the rights issue after deducting the expenses are estimated to be approximately HK$35,426,000. The intended use of the net proceeds is for the settlement of the payables in relation to the acquisition of property, plant and equipment, involving the outstanding payment of balance of approximately RMB59,829,000 together with the corresponding interest in relation to the fee for the construction of port infrastructure owed by Guangming, a non-wholly owned subsidiary of the Company, through debt or equity financing to the non-wholly owned subsidiary and/or its intermediate holding company(ies).

The actual net proceeds from the Rights Issue after deducting the expenses were approximately HK$33.6 million and the details of the use of the net proceeds during the year ended 31 March 2024 are as follows:

	Intended use of the net proceeds (HK$)	**Utilisation of net proceeds during the year ended 31 March 2024 (HK$)**	**Remaining balance of the net proceeds unutilised as at 31 March 2024 (HK$)**
Settlement of the payables in relation to the acquisition of property, plant and equipment, involving the outstanding payment of a balance of approximately RMB59,829,000 together with the corresponding interest in relation to the fee for the construction of port infrastructure owed by Guangming, a non-wholly owned subsidiary of the Company	Approximately HK$33.6 million	Approximately HK$32.8 million used as intended	Approximately HK$0.8 million

Directors' Report

CHANGE IN USE OF PROCEEDS

On 19th November 2024, the Group intended to change the use of unutilised net proceeds in the amount of HK$0.8 million and re-allocated the same to working capital of the Group on or before 31st March, 2025 since the amount of the remaining balance of the net proceeds was not substantial. Such HK$0.8 million net proceeds had been fully utilised as working capital of the Group during the year ended 31st March, 2025.

Details of which were set forth in the Company's announcements dated 28th April, 2023, 9th June, 2023, 20th June, 2023, 30th June, 2023, 21st September, 2023, 19th November, 2024 and the Company's prospectus dated 23rd May, 2023.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Company is aware, there was no incidence of non-compliance with the all applicable laws and regulations that had a significant impact on the businesses and operations of the Group during the Current Year.

KEY RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises that government and regulators, shareholders, business partners, customers, natural environment and employees are key stakeholders of the Group's success. The Group has put effort to achieve corporate sustainability through engaging employees, providing quality services to customers and collaborating with business partners to deliver sustainable products and services to the market. For more detailed information, details of which was disclosed in the "Environmental, Social and Governance Report" on pages 55 to 56 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

The Group is committed to maintain a high standard of environmental, social and corporate governance ("**ESG**") practices to ensure business development and sustainability. The Group made efforts to reduce our consumption of energy and natural resources in the course of its operations. More information about the Group's ESG performance is set out in the section headed "Environmental, Social and Governance Report" on pages 52 to 79 of this annual report.

Directors' Report

EMPLOYEES AND REMUNERATION POLICY

As at 31st March, 2025, the Group had a total of 154 employees (2024: 161 employees), including executive Directors. The Group's remuneration policy is to ensure that the Group's remuneration structure is appropriate and aligns with the Group's goals and objectives. The employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training and provident funds. The share option scheme of the Company is established for the eligible participants (including employees). No share option was granted during the Current Year and there was no outstanding share option as at 31st March, 2025 and as at the date of this report.

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holdings in the shares of the Company. Intending holders and investors of the Company's shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in shares. It is emphasised that none of the Company or its Directors or officers will accept any responsibility for any tax effect on, or liabilities of, holders of shares in the Company resulting from their subscription for, purchase, holding, disposal of or dealing in such shares.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, at least 25% of the Company's total issued share capital is held by the public as required under the Listing Rules.

LITIGATIONS

The Group was involved in certain litigations, details of which are set out in note 41 to the consolidated financial statements.

Directors' Report

EVENTS AFTER THE REPORTING PERIOD

On 3rd April, 2025, MARCHING GREAT LIMITED ("**MARCHING GREAT**" or the "**Offeror**") and the Company jointly announced, among others, the voluntary conditional general cash offer made by the Offeror to acquire all the issued shares ("**Offer Share(s)**") of the Company (other than those already owned by the Offeror and parties acting in concert with it) (the "**Offer**") on the basis to set out in the in the offer document (the "**Offer Document**") despatched to the independent shareholders of the Company on 24th April, 2025 in connection with the Offer in accordance with the Takeovers Code. As disclosed in the Offer Document, the final offer price is HK$0.175 per Offer Share. In addition, the Offer was then conditional upon valid acceptances of the Offer and had resulted in MARCHING GREAT and the parties acting in concert with it holding more than 50% of the voting rights of the Company. On 2nd May, 2025, the Offeror and the Company jointly announced the Offer had become unconditional in all respects. The Offer closed on 5th June, 2025. MARCHING GREAT had received valid acceptances in respect of a total of 65,697,353 Offer Shares, representing approximately 21.7% of the then entire issued share capital of the Company. Upon the close of the Offer, Champion Choice Holdings Limited ("**Champion Choice**") holds approximately 24.18% of the issued shares of the Company whereas Mr. Ching Man Chun, Louis directly holds approximately 4.95% of the issued shares of the Company. Mr. Ching Man Chun, Louis directly holds the entire equity interest in MARCHING GREAT and Champion Choice. Mr. Ching is deemed interested in the shares of the Company held by MARCHING GREAT and Champion Choice. Accordingly, Mr. Ching Man Chun,.Louis has an aggregate (both direct and deemed) interest of approximately 50.83% in the total issued shares of the Company.

Further details are disclosed in the joint announcements dated 3rd April, 2025, 2nd May, 2025, 13th May, 2025, 20th May, 2025 and 5th June, 2025, the Offer Document dated 24th April, 2025 and the response document of the Company dated 22nd May, 2025.

Material Acquisitions or Disposals and Future Plans for Material Investment

During the Current Year, save for those disclosed in note 15 to the financial statements, there was no material acquisitions or disposals of subsidiaries, associates or joint ventures nor were there material investments authorised by the Board at the date of this report.

AUDIT COMMITTEE

The members of Audit Committee comprised of Mr. Wong Yee Shuen, Wilson, Mr. Yam Kwong Chun and Mr. Lam Yik Tung who are the independent non-executive Directors of the Company. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the audited consolidated financial statements of the Group for the year ended 31st March, 2025 with management and discussed with the independent auditor on auditing, internal control and financial reporting matters in respect of this annual report.

AUDITOR

The consolidated financial statements of the Company for the year ended 31st March, 2025 have been audited by Deloitte Touche Tohmatsu ("**Deloitte**"), who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Ching Man Chun, Louis
Chairman and Managing Director

Hong Kong, 30th June, 2025

Corporate Governance Report

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

CORPORATE GOVERNANCE

The Company adopted the CG Code contained in Appendix C1 to the Listing Rules as its policies and practices on corporate governance.

The Board is responsible for performing the corporate governance duties, including developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the trainings and continuous professional development of the Directors, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements and reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. In addition, the Board has also designated corporate governance committee under the Board to assist in the performance of corporate governance duties.

In the opinion of the Directors, the Company had complied with the code provisions set out in Part 2 of the CG Code throughout the year ended 31st March, 2025 except for the following deviations with reasons as explained:

Code Provision C.2.1 of Part 2 of the CG Code
Under the code provision C.2.1 of Part 2 of the CG Code, it stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Deviation:
Mr. Ching Man Chun, Louis, an executive Director of the Company, has taken up the positions of the Chairman of the Board and the Managing Director of the Company with effect from 30th September, 2017. The Board considers that vesting the roles of chairman and chief executive in the same person enables more effective and efficient planning and implementation of business plans, the Board also believes that the balance of power and authority is adequately ensured.

Code Provision F.2.2 of Part 2 of the CG Code
Under the code provision F.2.2 of Part 2 of the CG Code, it provides that the Chairman of the Board should attend the annual general meeting of the Company.

Deviation:
Mr. Ching Man Chun, Louis, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 28th August, 2024 (the "**2024 AGM**") due to his other business commitment. Mr. Wong Kung Ho, Alexander, an executive Director, was appointed to chair the 2024 AGM in replying to questions raised by shareholders of the Company at the 2024 AGM.

Except as stated above, the Company has continued to comply with the applicable code provisions of the CG Code. The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the CG Code.

Corporate Governance Report

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has continued to adopt the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the Current Year. The Company has also continued to adopt a code of conduct governing securities transactions by employees and directors of the subsidiaries who may possess or have access to inside information relating to the Company or its securities.

BOARD OF DIRECTORS

Board Composition and Functions

The members of the Board are individually and collectively responsible for the leadership and control, and for promoting the success, of the Company by directing and supervising the Company's affairs. At the date of this report, the Board comprises of seven Directors, including four executive Directors, namely Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*, Mr. Yeung Kim Ting, Mr. Wong Kung Ho Alexander and Ms. Wong Man Ming, Melinda; and three independent non-executive Directors, namely Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung. Each of the Directors has signed a formal letter of appointment setting out the key terms and conditions of their appointments.

The Board has a balanced composition of executive and independent non-executive Directors so that strong independent elements are included in the Board. The Company has always maintained a sufficient number of independent non-executive Directors representing more than one-third of the Board as required under Rule 3.10A of the Listing Rules. With three members of the Board being independent non-executive Directors who possess professional expertise and a diverse range of experience, the Board can effectively and efficiently exercise independent judgment, give independent advice to the management of the Company and make decisions objectively to the benefits and in the interests of the Company and the Shareholders as a whole.

The Company recognises and embraces the benefits of having a diverse Board and therefore has adopted a policy of diversity on the Board (the "**Board Diversity Policy**"). With a view to achieving a sustainable and balanced development, the Company believes increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Board diversity would be considered based on a number of measurable objectives, including but not limited to skills, knowledge, experience, gender, age, length of services and cultural and educational background. All Board candidates will be considered and appointed based on meritocracy, contribution that the selected candidates will bring to the Board against objective criteria, having due regard for the benefits of diversity on the Board. The nomination committee has obligation to review the size, structure and composition of the Board on an annual basis.

BOARD OF DIRECTORS (continued)

Board Composition and Functions (continued)

During the reporting period, the Company has a solid slate of Directors with diverse perspectives, and varied educational background and professional qualifications. All of the Directors have accumulated experience in their respective field of expertise, and made use of their talent and experience to bring sustainable growth to the Company. Biographical details of the Directors are set out on pages 11 to 13 of this annual report. A list containing the names of all Directors and their roles and functions is published on the respective websites of the Hong Kong Stock Exchange and the Company pursuant to code provision B.1.2 of the CG Code, and will be updated from time to time as and when there are any changes.

The Board is responsible for the success and sustainable development of the Company. It has delegated the Executive Board with authority and responsibility for handling the management functions and operations of the day-to-day business of the Company, while reserving certain key matters for the approval by the Board. The types of decisions to be taken by the Board include annual and interim period financial reporting and control, equity fund raising, declaration of interim dividend and making recommendation of final dividend or other distributions, notifiable transactions under Chapters 14 and 14A of the Listing Rules and making recommendation for capital reorganisation or scheme of arrangement of the Company.

The Board monitors the results of business plans implemented by the management; reviews and approves the Company's financial objectives, plans and major financial activities; establishes the internal control system and the risk management system of the Company and discusses with the management regularly to ensure that such systems are operating effectively. The Board promotes a culture of integrity at the Company and requires all Directors and the management to comply with guidance related to integrity and ethics, including conflicts of interest, related party transactions and the treatment of confidential information. At the date of this report, the Board members have no other financial, business, family or other material or relevant relationships with each other.

Director's Training

Every newly appointed Director of the Company will receive an induction training on the general duties of a director of a listed issuer under applicable legal and regulatory requirements.

During the Current Year, Mr. Wong Kung Ho, Alexander, who was appointed as an executive Director of the Company on 18th April, 2024, has attended the induction training conducted by the legal adviser of the Company and obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 17th April, 2024. Mr. Wong Kung Ho, Alexander has confirmed that he understood his obligations as a director of a listed issuer under the Listing Rules.

BOARD OF DIRECTORS (continued)

Director's Training (continued)

As part of an ongoing process of Director's training, the Directors keep abreast of the latest developments to enhance and refresh their knowledge and skills. All Directors are provided with briefings and trainings to ensure that they have a proper understanding of the Company's operations and business and are fully aware of their responsibilities under Listing Rules, other relevant laws and regulations. During the Current Year, each of the Directors of the Company participated in continuous professional development by way of reading materials or attending seminar(s) relating to updates on the Listing Rules and anti-money laundering and counter-terrorist financing.

A summary of training received by the Directors during the year ended 31st March, 2025 based on their training records provided to the Company is as follows:

Name of Director	Briefings/ Seminars/ Reading Materials
Executive Directors	
Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*	✔
Mr. Yeung Kim Ting	✔
Mr. Wong Kung Ho, Alexander *(appointed on 18th April, 2024)*	✔
Ms. Wong Man Ming, Melinda *(re-designated from non-executive Director to executive Director on 26th February, 2025)*	✔
Independent Non-executive Directors	
Mr. Yam Kwong Chun	✔
Mr. Wong Yee Shuen, Wilson	✔
Mr. Lam Yik Tung	✔

ATTENDANCE AT MEETINGS

During the Current Year, four regular Board meetings were held with at least fourteen days' notice given to all Directors. Directors were provided with relevant information to make informed decisions. The Chairman met with the independent non-executive Directors without the executive Directors being present during the Current Year. The Board and each Director have separate and independent access to the Company's senior management. A Director who considers a need for independent professional advice in order to perform his/her duties as a Director may convene, or request the secretary of the Company (the "**Company Secretary**") to convene, a meeting of the Board to approve the seeking of independent legal or other professional advice.

The Company has arranged insurance coverage in respect of legal action against the Directors and officers arising out of their duties. Such insurance coverage will review periodically to ensure the adequacy of its coverage.

ATTENDANCE AT MEETINGS (continued)

During the Current Year, the attendance records of each individual Director at Board meetings, audit committee meetings ("**ACM**"), corporate governance committee meetings ("**CGCM**"), nomination committee meeting ("**NCM**"), remuneration committee meeting ("**RCM**") and the 2024 AGM are set out in the following table:

	Number of meetings attended/held						
Name of Director	**Board Meetings**	**ACM**	**CGCM**	**NCM**	**RCM**	**2024 AGM**	**SGM**
Executive Directors							
Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*	4/4	N/A	2/2	N/A	N/A	0/1	1/1
Mr. Yeung Kim Ting	4/4	N/A	N/A	N/A	N/A	1/1	1/1
Mr. Wong Kung Ho, Alexander *(appointed on 18th April, 2024)*	4/4	N/A	N/A	N/A	N/A	1/1	1/1
Ms. Wong Man Ming, Melinda *(re-designated from non-executive Director to executive Director)*	4/4	N/A	N/A	N/A	N/A	1/1	1/1
Independent Non-executive Directors							
Mr. Yam Kwong Chun	4/4	2/2	2/2	1/1	1/1	1/1	1/1
Mr. Wong Yee Shuen, Wilson	4/4	2/2	2/2	1/1	1/1	1/1	1/1
Mr. Lam Yik Tung	4/4	2/2	2/2	1/1	1/1	1/1	1/1

CHAIRMAN AND MANAGING DIRECTOR

Mr. Ching Man Chun, Louis, an executive Director of the Company, has taken up the positions of the Chairman of the Board and the managing director of the Company. The Board considers that vesting the roles of chairman and chief executive in the same person enables more effective and efficient planning and implementation of business plans, the Board also believes that the balance of power and authority is adequately ensured.

TERM OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Non-executive Directors (including independent non-executive Directors) are appointed for a specific term. The Company has entered into letters of appointment with all non-executive Directors for a term of twelve months which automatically renews for successive twelve-month periods. Same as all other Directors, the non-executive Directors are subject to retirement by rotation and shall offer themselves for re-election in general meetings in accordance with the Bye-laws.

INDEPENDENT NON-EXECUTIVE DIRECTOR(S) ("INED" OR "INEDS")

All INEDs serve the relevant function of bringing independent judgment on the development and performance of the Group. They have the same duties of care and skill and fiduciary duties as executive Directors.

At the date of this report, Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. The Company has received from each of the INEDs an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers that all INEDs are independent.

BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity Policy for ensuring a balance of skills, experience, expertise and diversity of perspectives appropriate for the strategies of the Company, a summary of which is as follows:

Measurable Objectives

Selection of candidates will be based on a number of factors, including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board candidates will be considered and appointed based on meritocracy, contribution that the selected candidates will bring to the Board against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidate will bring to the Board.

Implementation of the Policy

The nomination committee will review annually on the Board's composition under diversified perspectives, including but not limited to progress on achieving any measurable objectives that had been set for implementing this Board Diversity Policy, and monitor the implementation of this Board Diversity Policy.

The nomination committee has primary responsibility for identifying suitably qualified candidates to become members of the Board and, in carrying out this responsibility, will give adequate consideration to this Board Diversity Policy.

Monitoring and Reporting

The Board, the nomination committee or a delegated committee appointed by any of them will disclose in the Corporate Governance Report of the Company's annual report, this Board Diversity Policy or a summary of this Board Diversity Policy, including any measurable objectives that it has set for implementing this Board Diversity Policy, and progress on achieving those objectives.

BOARD DIVERSITY POLICY (continued)

Review of Board Diversity Policy

The nomination committee will review this Board Diversity Policy, as appropriate, to ensure its effectiveness. The nomination committee will discuss any revisions that may be required, and recommend any proposed changes to the Board for consideration and approval.

During the reporting period, the Board consists of six male members and one female member and the Directors come from a variety of different backgrounds and have a diverse range of business, financial services and professional experience. The Board targets to maintain at least the current level of female representation. The Company is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the directors in various aspects and fields can enable our Company to maintain a high standard of operation.

As at the date of this annual report, the employees of the Group (including senior management) comprised 116 males and 38 females and the gender ratio (male:female) was approximately 3.1:1. The Company welcomes all gender to join with an aim to employ a right staff for a right position regardless of the gender. The Company commits to provide equal opportunities to its staff in respect of recruitment, training and development, job advancement and remuneration and benefits.

BOARD COMMITTEES

The Board has established four Board Committees, namely Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee. Each of the Board Committees has its terms of reference with defined powers and authorities given to the Committee members to discharge their duties.

Audit Committee

The Board has established the Audit Committee with specific written terms of reference which clearly defines its role, authority and function in accordance with Rule 3.22 of the Listing Rules and code provision D.3.3 and D.3.7 of part 2 of the CG Code. The Board has at all times complied with the requirements of Rule 3.21 of the Listing Rules for having a minimum of three Non-executive Directors with at least one of them being an Independent Non-executive Director with appropriate professional qualifications in the Audit Committee. The Company Secretary serves as the secretary of the Audit Committee and minutes of the meetings are sent to the members of the Audit Committee within a reasonable time after the meetings. The quorum necessary for the transaction of business by the Audit Committee is two.

At the date of this report, the members of the Audit Committee comprised of three INEDs namely Mr. Wong Yee Shuen, Wilson *(Chairman of the Audit Committee)*, Mr. Yam Kwong Chun and Mr. Lam Yik Tung. Mr. Wong Yee Shuen is a qualified accountant with extensive experience in financial reporting and controls as required by the Listing Rules. Each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, accounting and financial management on the Audit Committee.

BOARD COMMITTEES (continued)

Audit Committee (continued)

The principal duties of the Audit Committee include reviewing the Group's interim and annual results prior to recommending them to the Board for its approval as well as the effectiveness of the audit process; making recommendation on the appointment of external auditors and acting as the key representative body for the Company in monitoring the independence and objectivity of the external auditors; and reviewing the Group's financial information and financial reporting system. The Audit Committee is also responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems, and the effectiveness of the internal audit function of the Company. The Board has also adopted the risk management and internal control policy and the procedures for the employees of the Group to raise concerns about possible improprieties in financial reporting, internal controls or other matters. The Audit Committee has been delegated by the Board with the responsibility for reviewing such procedures and related arrangements. The terms of reference of the Audit Committee is published on the respective websites of the Hong Kong Stock Exchange and the Company. The Audit Committee has been provided with sufficient resources to perform its duties.

During the Current Year, the Audit Committee held two meetings and has performed, inter alia, the following:

- reviewed and discussed with external auditors the annual results for the year ended 31st March, 2024 and the interim results for the six months ended 30th September, 2024 and recommended to the Board for approval respectively;

- reviewed and obtained explanation from management on the interim and annual results, including causes of changes from the previous accounting period, effects on the application of new accounting policies, and compliance with the Listing Rules and relevant legislations;

- reviewed the activities of the Group's internal audit function and its findings and recommendations as laid down in the internal audit reports;

- recommended to the Board regarding the re-appointment of the Company's external auditors;

- reviewed the effectiveness of risk management and internal control systems of the Group, including risk management and internal control policy and reviewed the transaction in compliance with the annual review requirements of the Listing Rules;

- considered the adequacy of resources, professional qualifications and experience of staffs of the Company's accounting and financial reporting function, and their training programs and budget;

- reviewed the terms of reference and internal control policy and recommended the same to the Board for approval; and

- held meetings with the external auditors, at least annually, to discuss matters relating to any issues arising from the audit and any other matters the auditors may wish to raise.

The Board and the members of the Audit Committee did not have any differences in opinion during the Current Year.

BOARD COMMITTEES (continued)

Remuneration Committee

The Board has established the Remuneration Committee with specific written terms of reference which clearly defines its role, authority and function in accordance with Rule 3.26 of the Listing Rules and code provision E.1.2 of part 2 of the CG Code. The Company Secretary serves as the secretary of the Remuneration Committee and minutes of the meetings are sent to the members of the Remuneration Committee within a reasonable time after the meetings. The quorum necessary for the transaction of business by the Remuneration Committee is two.

At the date of this report, the members of the Remuneration Committee comprised of three Independent Non-executive Directors namely Mr. Lam Yik Tung *(Chairman of the Remuneration Committee)*, Mr. Yam Kwong Chun, and Mr. Wong Yee Shuen, Wilson.

The principal responsibilities of the Remuneration Committee include advising the Board on the remuneration policy and structure for all the Directors and the senior management of the Company; making recommendation to the Board on remuneration packages for Directors and senior management of the Company; and ensuring that no Director or any his associates is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee is published on the respective websites of the Hong Kong Stock Exchange and the Company. The Remuneration Committee has been provided with sufficient resources to perform its duties.

The objective of the remuneration policy of the Company is to ensure the Company be able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. In evaluating the remuneration packages for Directors and senior management of the Company, the Remuneration Committee takes into consideration various factors such as skills, knowledge, time commitment, responsibilities, and by reference to the prevailing market conditions.

During the Current Year, the Remuneration Committee held four meetings and has performed, inter alia, the following:

- reviewed the proposal for updated terms of reference and the Remuneration Policy for Directors and Senior Management and recommended the same to the Board for approval; and

- determined, with delegated responsibility, the remuneration packages of individual executive Directors and senior management of the Company.

Information on emoluments of the Directors for the year ended 31st March, 2025 is set out in note 6 to the consolidated financial statements. During the year under review, none of the Directors or any of their associates was involved in deciding his/her own remuneration.

Further details of Directors' emoluments and the five highest paid individuals as required to be disclosed pursuant to paragraph 25 of Appendix D2 to the Listing Rules are set out in note 6 to the consolidated financial statements.

Details of any remuneration paid to the members of senior management (excluding Directors) by band and other remuneration related matters as required to be disclosed pursuant to code provision E.1.5 of part 2 of the CG Code are set out in note 6 to the consolidated financial statements.

BOARD COMMITTEES (continued)

Remuneration Committee (continued)

Remuneration Policy of the Directors and Senior Management

It is the Company's policy to ensure that its remuneration structure is appropriate and aligns with the Company's goals and objectives which should be sufficient to attract, retain and motivate the Directors and senior management (the "**Senior Management**")*(Note)* of the Company to run the Group successfully without paying more than necessary. Besides, the procedure for setting policy on all Directors' remuneration packages should be formal and transparent.

The Remuneration Committee shall consult the Chairman and/or the managing director of the Company about their remuneration proposals for other executive Directors and Senior Management.

The emoluments of Directors and Senior Management are based on their skill, knowledge and involvement in the Company's affairs of each Director or Senior Management and are determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. No Director should be involved in deciding his/her own remuneration.

Note: "Senior Management" refers to the same persons as referred to in the Company's annual report and required to be disclosed under Appendix D2 of the Listing Rules.

The ultimate objective of the remuneration is to ensure that the Company is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company.

The board of directors will make appropriate disclosure of details of Director's and past Director's emoluments on an individual and named basis, and of any remuneration payable to members of Senior Management by band, as well as details of this policy in the Company's annual report pursuant to the requirement of the Rules Governing the Listing of Securities on the Listing Rules.

Nomination Committee

The Board has established the Nomination Committee with specific written terms of reference which clearly defines its role, authority and function in accordance with code provision B.3.1 of part 2 of the CG Code. The Company Secretary serves as the secretary of the Nomination Committee and minutes of the meeting is sent to the members of the Nomination Committee within a reasonable time after the meeting. The quorum necessary for the transaction of business by the Nomination Committee is two.

At the date of this report, the members of the Nomination Committee comprised of three INEDs namely Mr. Yam Kwong Chun *(Chairman of the Nomination Committee)*, Mr. Wong Yee Shuen, Wilson, and Mr. Lam Yik Tung.

BOARD COMMITTEES (continued)

Nomination Committee (continued)

The principal responsibilities of the Nomination Committee include reviewing the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills , knowledge and length of service) of the Board; formulating and upholding the nomination policy (the "**Nomination Policy**")and Board Diversity Policy; making recommendations to the Board on the selection of individuals nominated for directorships to complement the Company's corporate strategy as well as on the appointment or re-appointment of Directors and succession planning for Directors; and assessing the independence of the INEDs. For effective functioning in the course of the Director's nomination process, the Board has also adopted (i) the procedures for a member to propose a person for election as a Director in accordance with the Bye-laws; (ii) the Nomination Policy setting out the guidelines and criteria for selecting and recommending the candidates for directorships; and (iii) the Board Diversity Policy. A candidate to be appointed as an INED must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules. The terms of reference of the Nomination Committee is published on the respective websites of the Hong Kong Stock Exchange and the Company. The Nomination Committee has been provided with sufficient resources to perform its duties.

During the Current Year, the Nomination Committee held two meetings and has reviewed and performed, inter alia, the following:

- reviewed the structure, size and composition (including but not limited to the skills, knowledge and experiences) of the Board and reported the same to the Board for consideration;
- reviewed the Board Diversity Policy and the Nomination Policy, and reported the same to the Board for consideration;
- reviewed the terms of reference and recommended the same to the Board for approval;
- assessed the independence of the INEDs;
- nominated a candidate to the Board based on the nomination procedures, process, criteria set out in the Nomination Policy for the appointment of new non-executive Director; and
- reviewed and made recommendations to the Board on the re-appointment of the Directors.

Nomination Policy

The Board has adopted a Nomination Policy which sets out the criteria, process and procedures for nomination of Directors, a summary of which is as follows:

BOARD COMMITTEES (continued)

Nomination Committee (continued)

Selection Criteria

1.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.

- Reputation for integrity;
- Accomplishment and experience in the financial services industry, in particular, in the securities, commodities and futures markets;
- Commitment in respect of available time and relevant interest; and
- Diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

1.2 Retiring non-executive Directors, save for those who have served as non-executive Directors for a period of nine (9) consecutive years, are eligible for nomination by the Board to stand for re-election at a general meeting. For the avoidance of doubt, (a) the 9-year period for determining the eligibility of an non-executive Director for nomination by the Board to stand for election at a general meeting would count from his/her date of first appointment as an non-executive Director until the date of the forthcoming annual general meeting when his/her current term of service will expire at the end of that meeting; and (b) an non-executive Director who has been serving on the Board for a period of nine (9) consecutive years or more may continue to hold office until expiry of his/her current term.

1.3 Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as an non-executive Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as an non-executive Director.

1.4 The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

BOARD COMMITTEES (continued)

Nomination Committee (continued)

Nomination Procedures

1.1 The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

1.2 For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

1.3 Until the issue of the shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

1.4 In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from shareholders, a circular will be sent to shareholders. The circular will set out the lodgment period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information of the proposed candidates, as required pursuant to the applicable laws, rules and regulations, will be included in the circular to shareholders.

1.5 A shareholder can serve a notice to the Company Secretary within the lodgment period of its intention to propose a resolution to elect a certain person as an non-executive Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.

1.6 A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.

1.7 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

BOARD COMMITTEES (continued)

Corporate Governance Committee

The Board has established the Corporate Governance Committee with specific written terms of reference which clearly defines its role, authority and function. The Company Secretary serves as the secretary of the Corporate Governance Committee and minutes of the meetings are sent to the members of the Corporate Governance Committee within a reasonable time after the meetings. The quorum necessary for the transaction of business by the Corporate Governance Committee is two.

At the date of this report, the members of the Corporate Governance Committee comprised of three INEDs namely Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung together with one executive Director namely Mr. Ching Man Chun, Louis *(Chairman of the Corporate Governance Committee)*.

The Board has delegated its corporate governance functions set out in code provision A.2.1 of part 2 of the CG Code to the Corporate Governance Committee. The principal duties of the Corporate Governance Committee include making recommendations to the Board on the Company's policies and practices on corporate governance; and reviewing and monitoring (i) the training and continuous professional development of the Directors and the senior management of the Company; (ii) the Company's policies and practices on compliance with legal and regulatory requirements; (iii) the code of conduct and compliance manual applicable to employees and Directors; and (iv) the Company's compliance with code provisions of the CG Code and disclosures in the Corporate Governance Report. The terms of reference of the Corporate Governance Committee is in compliance with code provisions of the CG Code. The Corporate Governance Committee has been provided with sufficient resources to perform its duties.

During the Current Year, the Corporate Governance Committee held two meetings and has reviewed, considered and made recommendations to the Board for approval on (a) training and continuous professional development of the Directors, (b) the terms of reference of the Corporate Governance Committee, (c) the corporate governance policy, and (d) the status of compliance with the CG Code and disclosures of the Corporate Governance Report, and (e) relevant policies of the Company on compliance with legal and regulatory requirements including anti-money laundering policy, anti-corruption policy and whistle-blowing policy.

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements for each financial period which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The statement made by the auditors of the Company regarding their reporting responsibilities on the financial statements of the Group is set out in the "Independent Auditor's Report" on pages 80 to 82 of this annual report. Pursuant to code provision D.1.3 of Part 2 of the CG Code, the Directors were aware that as disclosed in note 3.1 to the consolidated financial statements in this annual report, material uncertainties exist which cast significant doubt on the Group's ability to continue as a going concern.

ACCOUNTABILITY AND AUDIT (continued)

Going Concern and Mitigation Measures

Multiple Uncertainties Relating to Going Concern

As set out in note 3.1 to the consolidated financial statements, the Group is subject to legal claims in relation to sale and leaseback arrangements and debt dispute (details set out in note 41) and such claims amounted to approximately Renminbi ("**RMB**") 540,660,000 (equivalent to HK$579,722,000 (2024: RMB487,179,000 (equivalent to HK$525,471,000)) in aggregate as at 31st March, 2025. Under certain legal proceedings in relation to sale and leaseback arrangements and debt dispute, the Group has received property preservation orders to restrict the disposition of certain assets and the withdrawal of bank deposits (details set out in note 34) since August 2022.

As at 31st March, 2025, the Group had an outstanding bank loan with a carrying amount of HK$111,354,000 (2024: HK$113,106,000). Due to the property preservation orders received from the court, the Group has breached certain covenants of the bank loan thus the bank may request immediate repayment of the loan. On discovery of the breach, the directors of the Company commenced negotiations of the terms of the loan with the relevant bank. Since those negotiations had not been concluded, the loan has been classified as a current liability as at 31st March, 2025.

As at 31st March, 2025, due to the property preservation orders received from the court, the Group has breached certain terms of the sale and leaseback contracts of oil storage tanks thus the lessor may request immediate repayment of the remaining lease payments. Accordingly, the relevant outstanding lease liabilities arising from sale and leaseback arrangements of oil storage tanks with a carrying amount of HK$258,389,000 (2024: HK$261,161,000) have been classified as current liabilities as at 31st March, 2025.

The Group recorded net current liabilities of HK$351,476,000 (2024: HK$353,013,000) as at 31st March, 2025. The Group also reported a loss of approximately HK$209,094,000 (2024: HK$89,250,000) and had a net operating cash outflow of HK$14,040,000 (2024: HK$69,737,000) for the year ended 31st March, 2025.

These conditions, together with other matters disclosed in note 3.1 to the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

ACCOUNTABILITY AND AUDIT (continued)

Going Concern and Mitigation Measures (continued)

Multiple Uncertainties Relating to Going Concern (continued)

The Group has taken plans and measures to mitigate its liquidity pressure and improve its financial position, which are set out in note 3.1 to the consolidated financial statements. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including: (i) successful negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants as mentioned above; (ii) successful negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks; (iii) successfully defending the Group against civil complaints filed by the civil litigants; (iv) successfully obtaining additional loans of financing from banks or other financial institutions; and (v) successfully obtaining distribution of the proceeds from the disposal of the underlying assets of investment in an unlisted fund.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements.

Disclaimer of Opinion (the "Disclaimer Opinion")

Given the execution of the above plans and measures by the Group are in progress and no written contractual agreements are available to the Group as at the date of the approval for issuance of the consolidated financial statements with details as set out in note 3.1 to the consolidated financial statements, and in view of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements, the auditors are unable to obtain sufficient appropriate audit evidence to provide a basis for an opinion as to whether the going concern basis of preparation of the consolidated financial statements of the Group is appropriate and the auditors disclaim their opinion on the consolidated financial statements of the Group in respect of year ended 31st March, 2025.

The details of the Disclaimer Opinion are set out in the Independent Auditor's Report on pages 80 to 82.

ACCOUNTABILITY AND AUDIT (continued)

Going Concern and Mitigation Measures (continued)

Management's Position, View and Assessment on the Disclaimer Opinion

In respect of the going concern assumption, the management of the Company are of the opinion that the Company is able to continue as a going concern based on the plans and measures taken by the Group to mitigate its liquidity pressure and improve its financial position, including the following:

(i) The Group has been in negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants;

(ii) The Group has been in negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks;

(iii) The Group will continue to work with the People's Republic of China (the "**PRC**") legal advisers of the Group to gather evidence to defend itself against civil complaints filed by the civil litigants;

(iv) The Group will continue to seek additional loans of financing from banks or other financial institutions; and

(v) The Group will continue to liaise with the general partner of the unlisted fund on the possibility of disposal of the underlying assets of the investment in an unlisted fund and distribution of the proceeds from the disposal.

The management of the Group understands that the auditors' Disclaimer Opinion was due to the reason that the validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of the plans and measures as mentioned above which were subject to multiple uncertainties, given that the execution of the plans and measures by the Group were in progress and no written contractual agreements were available to the Group as at the date of the approval for issuance of the consolidated financial statements on 30th June, 2025. Although no written contractual agreements have been entered into as at the date of the approval for issuance of the consolidated financial statements, the Group is actively implementing the plans and measures with details as set out in the paragraph "Proposed Action Plan to resolve the Going Concern issue and the Disclaimer Opinion" below. The management of Group considers that such plans and measures to address the Disclaimer Opinion are effective and upon successful implementation of such plans and measures, the Disclaimer Opinion would be removed in the auditors' report for the year ending 31st March, 2026.

ACCOUNTABILITY AND AUDIT (continued)

Going Concern and Mitigation Measures (continued)

Audit Committee's View towards the Disclaimer Opinion

The Audit Committee had reviewed the facts and circumstances leading to the Disclaimer Opinion relating to going concern, discussed with the auditors and the management of the Company regarding the Disclaimer Opinion and taken into account the Board's response to the Disclaimer Opinion. Based on (i) the management's plans and measures to address the Disclaimer Opinion and the implementation of the management's action plan; and (ii) its review of the cash flow projections of the Group which cover a period of not less than 12 months from 31st March, 2025, the Audit Committee has agreed with the management's position and basis including matters involving management's substantial judgments.

The Audit Committee noted that the Group is in the progress of taking the plans and measures to mitigate its liquidity pressure and improve its financial position and understands that such plans and measures, especially with regards to the legal proceedings as set out in (ii) and (iii) below, may involve considerable time before its resolution. The Audit Committee acknowledges that despite the lengthy processes involved, the Group has made considerable progress on the implementation of the action plan. The Audit Committee concurs with the view of the management of the Group that such plans and measures if implemented successfully will mitigate its liquidity pressure and improve its financial position and resolve the Disclaimer Opinion in the auditors' report for the year ending 31st March, 2026.

Proposed Action Plan to resolve the Going Concern issue and the Disclaimer Opinion

The Group's plans and measures to resolve the going concern issue are as follows:

(i) The Group has been in negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants.

The Group has been in negotiation with the management of Qinzhou Branch of Guilin Bank Co., Ltd. ("**Guilin Bank**") for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants. Although Guilin Bank has not provided the Group with a written confirmation that it will not demand immediate repayment from the Group for the existing bank loans due to the breach of loan covenants, the Group has been in negotiations with Guilin Bank since May 2023 by means such as telephone and in person meetings from time to time in respect of providing the written confirmation and revising the loan covenants and understands Guilin Bank has no intention to demand immediate repayment at the moment. The Group expects that the issue in relation to the existing bank loans due to Guilin Bank will be resolved by 31st March, 2026. It is expected that substantial negotiations will take place pending the results and/or based on the conclusion of the proceedings set out in (ii) and (iii) below.

ACCOUNTABILITY AND AUDIT (continued)

Going Concern and Mitigation Measures (continued)

Proposed Action Plan to resolve the Going Concern issue and the Disclaimer Opinion (continued)

(ii) The Group has been in negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks.

The Group has been in negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks. There are four ongoing civil complaints filed by the lessor in respect of four oil storage tanks. The trial for four civil complaints was conducted on 20th May, 2025 and there was a further trial for three of such civil complaints conducted on 30th June, 2025 and no judgment has been handed down by the court as at the date of this report. At the request of the court, the Group has submitted a mediation proposal for three of such civil complaints. The Group may prepare a mediation proposal to the court for the remaining one civil complaint. The Group will continue the negotiation with the lessor and may provide further mediation proposal to the court with a view to resolve the dispute with the lessor pending the judgment. As advised by the PRC legal advisers, it is expected that these civil complaints will be concluded and resolved within the year ending 31st March, 2026.

(iii) The Group will continue to work with the PRC legal advisers of the Group to gather evidence to defend itself against civil complaints filed by the civil litigants.

In respect of the debt disputes in which Guangming, three of its subsidiaries in the PRC (the "**Guangming Subsidiaries**") and an individual who is a former employee of Guangming are defendants, the civil litigant had only entered into loan agreements with a former employee and had only provided loans to the former employee and not to Guangming and the Guangming Subsidiaries. The former employee borrower was neither a director nor the legal representative of Guangming or the Guangming Subsidiaries, and no evidence has been provided by the civil litigant to show that such loan amounts were used in the production operations of Guangming or the Guangming Subsidiaries. The Group has consulted its PRC legal advisers after receiving the civil complaint. Based on the advice from the PRC legal advisers, there are valid grounds to defend and Guangming and/or its subsidiaries have contested the claims by the civil litigant vigorously to protect their legal rights and interests. As at the date of this report, the trial has been completed and the judgment has yet to be handed down by the court. As advised by the PRC legal adviser, it is expected the civil complaint will be concluded and resolved within the year ending 31st March, 2026.

ACCOUNTABILITY AND AUDIT (continued)

Going Concern and Mitigation Measures (continued)

Proposed Action Plan to resolve the Going Concern issue and the Disclaimer Opinion (continued)

(iv) The Group will continue to seek additional loans of financing from banks or other financial institutions

The Group is now in discussion with a financial institution for loan facility. It is expected that the Group could obtain new loan facility from a bank or financial institution within the year ending 31st March, 2026.

(v) The Group will continue to liaise with the general partner of the unlisted fund on the possibility of disposal of the underlying assets of the investment in an unlisted fund and distribute the proceeds from the disposal.

In respect of the Group's liaison with the general partner of the fund on the possibility of disposal of the underlying assets of the fund and distribution of the proceeds from the disposal, the underlying assets managed by the fund include shares of STX Corporation Limited and STX Green Logis Ltd., being companies listed on the Korea Exchange (collectively, the "**Underlying Assets**"). As advised by the general partner of the fund, the fund will dispose of the Underlying Assets when the market prices of these two stocks as quoted on the Korea Exchange reach an appropriate level as determined by the general partner. The fund will mature during the year ending 31st March, 2026 unless all partners to the fund agree to extend the maturity date. It is therefore expected that the Group will receive distribution during the year ending 31st March, 2026.

Taking into account the proposed measures set out above, provided that the plans and measures being executed successfully to mitigate the Company's liquidity position and when the uncertainties casting doubt on the Company's going concern do not exist, the Company expects that the Disclaimer Opinion would be removed in the auditors' report for the year ending 31st March, 2026.

Auditor's Remuneration

Deloitte Touche Tohmatsu ("**Deloitte**"), the Group's principal auditor, was re-appointed by the Shareholders at last annual general meeting held on 28th August, 2024 as the Company's external auditor to hold office until the forthcoming annual general meeting. For the Current Year, the total auditor's remuneration in respect of statutory audit and non-audit services provided by Deloitte was set out below:

Services rendered	**Fees paid/ payable** *HK$'000*
Statutory audit fee	2,000
Fees for non-audit services	46
Total auditor's remuneration for the Current Year	2,046

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for maintaining a sound and effective system of risk management and internal control and for reviewing its effectiveness, particularly in respect of the controls on financial, operational, compliance and risk management, to achieve the Company's business strategies and the Group's business operations. The Directors have adopted an internal control policy for the Group. The internal control policy is fundamental to the successful operation and day-to-day running of a business and it assists the Company in achieving its business objectives.

The policy has been developed with a primary objective of providing general guidance and recommendations on a basic framework of risk management and internal control. The Company's risk management and internal control systems comprise of a well-established organisational structure and comprehensive policies and standards. Procedures have been designed to safeguard assets against unauthorised use or disposition, to ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and to ensure compliance with applicable laws and regulations. The purposes of the Company's risk management and internal control systems are to provide reasonable and not absolute assurance against material misstatement or loss and to manage rather than eliminate risks of failure to achieve Company's business objectives.

The following risk management and internal control systems have been established and executed within the Group:

- control environment including organisational structure, limit of authority, reporting lines and responsibilities;
- risk management self-assessment and internal control review conducted from time to time by the Group;
- appropriate risk management measures such as written policies and procedures; and
- effective information platforms to facilitate internal and external information flow.

The Board oversees the Group's risk management and internal control systems on an ongoing basis. A review of the effectiveness of the systems of risk management and internal control systems of the Group is conducted annually and the results are reported to the Board by the Audit Committee. Current year annual review covers the changes in the nature and extent of significant risks since last annual review, the scope and quality of management's ongoing monitoring of risks and of the internal control systems, risk management weaknesses and all material controls, including financial, operational, compliance controls, and particularly the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions.

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

During the year ended 31st March, 2025, the Company has engaged an independent professional advisory firm to conduct a review of the effectiveness of the Group's risk management and internal control systems and the review results were reported to the Audit Committee. The Current Year under review covered all material controls, including financial, operational and compliance controls and the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting, internal audit and financial reporting functions. The Board considered the risk management and internal control systems of the Group during the reporting year were reasonably implemented, effective and adequate.

DISSEMINATION OF INSIDE INFORMATION

The Company is committed to a consistent practice of timely, accurate and sufficiently detailed disclosure of material information about the Group. The Board has adopted an internal control policy on disclosure of inside information which sets out the obligations, guidelines, procedures and internal controls for handling and dissemination of inside information. With these guidelines and procedures, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosures.

The Board has observed the duty and responsibility of inside information announcement, restriction on sharing non-public information, handling of rumours, unintentional selective disclosure, exemption and wavier to the disclosure of inside information, and also compliance and reporting procedures. Every senior management should take all reasonable measures to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Company from time to time. They should promptly bring any possible leakage or divulgence of inside information to the attention of the Board. For any possible material breach of the relevant disclosures requirement, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding re-occurrence.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is also committed to social responsibilities and its philosophies of sustainable development, and has conducted an annual review on the efforts and achievements made by the Group for environmental, social and governance issues for the Current Year, details of which was disclosed in the "Environmental, Social and Governance Report" on pages 52 to 79 of this annual report, which also serves as a platform for communication with all equity owners by making responses to the major concerns of all stakeholders in our efforts to facilitate mutual understandings.

Corporate Governance Report

COMPANY SECRETARY

Ms. Lo Yuen Mei, the Company Secretary, is an employee of the Group and is responsible for facilitating the Board process, as well as communications among Board members. The Company Secretary's biography is set out in the section headed "Biographies of Directors and Company Secretary" on pages 11 to 13 of this annual report.

The Company Secretary confirmed that she has taken no less than 15 hours of the relevant professional training during the Current Year and complied with all the qualifications, experience and training requirements as required by the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

The Board has adopted a Shareholders' communication policy reflecting the most current practices of the Company for communication with its Shareholders. Such policy aims at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. It will be reviewed regularly to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

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

(a) corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the Hong Kong Stock Exchange's website at www.hkexnews.hk and the Company's website at www.ptcorp.com.hk;

(b) periodic announcements are published on the respective websites of the Hong Kong Stock Exchange and the Company;

(c) corporate information is made available on the Company's website;

(d) Shareholders are encouraged to provide, amongst other things, their contact details, in particular, their email address to the Company's branch share registrar and transfer office in Hong Kong in order to facilitate timely and effective communications;

(e) annual and special general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management; and

(f) the Company's share registrars serve the Shareholders in respect of share registration, dividend payment, change of Shareholders' particulars and related matters.

With the above channels in place, the Shareholders' communication policy is considered to have been effectively implemented throughout the Current Year.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene a Special General Meeting

Pursuant to Bye-law 71 of the Bye-laws, Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Registered Office and the Company's principal place of business in Hong Kong for the attention of the Board and the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition.

The requisition must state the purposes of the meeting, and must be signed by the requisitionist(s), deposited at the Company's principal place of business in Hong Kong, 11/F., Centre Point, 181-185 Gloucester Road, Wan Chai, Hong Kong, and marked for the attention of the Board and the Company Secretary, and may consist of several documents in like form each signed by one or more requisitionists.

Procedures for putting enquiries to the Board

Shareholders and other stakeholders of the Company may send their enquiries and concerns in writing to the Board by addressing them to the Company Secretary at the Company's principal place of business in Hong Kong, 11/F., Centre Point, 181-185 Gloucester Road, Wan Chai, Hong Kong, and the Company Secretary shall forward such written enquiries and concerns received to the Chairman of the Board and managing director of the Company for further handling.

Procedures for putting forward proposals at Shareholders' meetings

Pursuant to the Bermuda Companies Act 1981, Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates, or not less than one hundred Shareholders, may submit to the Company a written request unless the Company otherwise resolves,

(a) to give to the Shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

(b) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

A copy of such written requisition signed by the requisitionist(s) together with a sum reasonably sufficient to meet the Company's relevant expenses in giving effect thereto must be deposited at the Registered Office or the principal place of business of the Company (i) not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution and (ii) not less than one week before the meeting in the case of any other requisition.

Corporate Governance Report

CORPORATE COMMUNICATIONS

Corporate communications (as defined in the Listing Rules), any documents issued or to be issued by the Company for the information or action of Shareholders, including, but not limited to, the directors' report and annual accounts together with a copy of the independent auditor's report, the interim report, a notice of meeting, a circular and a proxy form will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means).

Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communications.

DIVIDEND POLICY

The Company aims at providing stable and sustainable returns to Shareholders. In deciding whether to propose a dividend and in determining an appropriate basis and method for dividend distribution, the Board will take into account, inter alia, the reasonable return on investment of the investors and the Shareholders, the actual and expected financial conditions, business plans, future operations and earnings, capital requirements and expenditure plans of the Company, any restrictions on payment of dividends that may be imposed by the Company's lenders, the general market sentiment and circumstances and any other factors the Board deems appropriate.

CONSTITUTIONAL DOCUMENTS

During the Current Year under review, there is no change to the Bye-laws of the Company. A copy of the Bye-laws is available at the "Corporate Governance" section of the Company's website and posted on the website of the Hong Kong Stock Exchange.

Environmental, Social and Governance Report

1. ABOUT THE REPORT

The Environmental, Social and Governance ("**ESG**") Report published by PT International Development Corporation Limited (the "**Company**") presents the efforts and achievements made in sustainability and social responsibility by the Company and its subsidiaries (collectively the "**Group**" or "**we**"). The ESG Report details the performance of the Group in carrying out the environmental and social policies and fulfilling the principle of sustainable development.

1.1 Scope of the Report

The ESG Report covers the environmental and social performance of the Group's businesses for the period between 1st April, 2024 and 31st March, 2025 (the "**Year**" or "**FY2025**"). As compared to the previous reporting period, the ESG report, including the key performance indicators ("**KPIs**"), covers the long-term investment business, petrochemical storage business, the insurance brokerage business, and additionally the loan financing business, investment banking business, port and port-related services business . The Group's business segments which have revenue generation are included in the scope of the report. For details of corporate governance, please refer to the Corporate Governance Report on pages 27 to 51 of the Company's annual report.

1.2 Reporting Standard

The ESG Report was prepared in accordance with the "Environmental, Social and Governance Reporting Guide" ("**ESG Reporting Guide**") under Appendix C2 of the Rules Governing the Listing of Securities issued by the Hong Kong Stock Exchange and has compiled with the mandatory disclosure requirements and the "comply or explain" provisions of the ESG Reporting Guide.

1.3 Reporting Principles

The content of the ESG Report is determined through stakeholder engagement processes, which includes identifying ESG-related issues, collecting and reviewing the management and stakeholders' opinions, assessing the relevance of the issues and preparing and validating the information reported. The ESG Report covers the key issues concerned by different stakeholders.

1. ABOUT THE REPORT (continued)

1.3 Reporting Principles (continued)

Quantitative environmental and social KPIs are disclosed in the ESG Report so that stakeholders are able to have a comprehensive understanding of the Group's ESG performance. Information of the standards, methodologies, references and source of key emission and conversion factors used on these KPIs are stated wherever appropriate. In order to enhance and maintain comparability of ESG performances between years, the Group has strived to adopt consistent reporting and calculation methodologies as far as reasonably practicable. For any changes in methodologies and specific standards, the Group has presented and explained in detail in corresponding sections. The Group will continue to adopt consistent methodologies as far as reasonably practicable in the future, in case of any changes that could affect a meaningful comparison of the KPIs between years.

1.4 ESG Governance

The Group believes that well-established ESG governance principles and practices will increase investment values, and provide long-term returns to stakeholders. In order to ensure the establishment of appropriate and effective ESG risk management measures and internal control systems, the Board of Directors (the "**Board**") has taken up the responsibility to oversee the Group's ESG strategies and reporting, as well as assessing and determining ESG related risks. The Board monitors and reviews the compliance status of ESG-related laws and regulations, and ensures that newest regulatory trends are followed by the Group when necessary. The Board is also responsible for assessing whether the ESG performance stays in conformity with the strategies and approaches of the Group and monitoring the formulation of the annual ESG report, as well as discussing the content and quality of the ESG reports during Board meetings.

During the Year, the Board has engaged an independent ESG consultancy to manage the ESG performance of the Group. With the assistance from the consultancy, the Board is able to identify potential and material issues to the Group's business and stakeholders. The Board is responsible for supervising stakeholder communication channels and ensuring that stakeholders' expectations are met.

To improve the Group's ESG governance, the Board regularly arranges independent assessments and efficiency analysis on the adequacy and effectiveness of the aforementioned system through an internal review function. The Board also oversees the coordination between departments according to their respective targets, and will look for opportunities to set more explicit ESG goals and targets for the Group.

1.5 Information and Feedback

Your opinions on the Group's ESG performance are highly valued. If you have any advice or suggestions, please feel free to contact the Company by referring to "Corporate Information" on page 3 of the Company's annual report.

2. ABOUT US

Pursuant to long-term strategies of exploring potential investments and enhancing the value of its strategic investments by active participation in or close liaisons with the management of the Group's invested companies, the Group strategically invest and hold significant interests directly and indirectly, in a portfolio of listed and private companies. Such companies are engaged in a variety of business activities, including trading of commodities, petrochemical storage business, port and port-related services, provision of management services, financial institute business and loan financing services.

The Group has recognized that our businesses, no matter the investment segment, the port and port-related services segment, the trading segment, the petrochemical storage segment or the financial institute segment, will cause environmental and social impacts in a certain way, either directly or indirectly. Hence, we put focus on our environmental and social performance by striving to protect the natural environment, share vibrant enterprise growth with employees and keep giving back to society with our determination and effort in sustainable development. By upholding the mission "to become a leading, diversified investment conglomerate that excels at investing in and maximizing returns of companies with high growth potential", the Group has integrated the ESG concerns into its business strategies, risk management approach and daily operations. We endeavor to create a harmonious, civilized and sustainable community through maintaining a high-standard operation with integrity, providing service of high quality and caring for the environment, our employees and the community.

3. STAKEHOLDER ENGAGEMENT

The Group believes that our effort to communicate with stakeholders and address their concerns correlates with our success in environmental and social development. Therefore, we actively engage with our key stakeholders through multiple channels, such as meetings, announcements, company websites, and emails, to understand their expectations regarding ESG aspects, which could help the Group to integrate sustainability strategies into our business practices in the long-term.

The following table sets out our key stakeholders, their requirements and expectations for the Group, and the corresponding response and communication channels.

Stakeholders	Requirements and Expectations	Response and Communication Channels
Government and Regulators	• Compliance with national policies, laws and regulation • Support for local economic growth • Contribution in local employment • Tax payment in full and on time • Production safety	• Regular information reporting • Regular meetings with regulators • Dedicated reports • Examination and inspection
Shareholders	• Returns • Compliant operation • Rise in company value • Transparency and effective communication	• General Meetings • Announcements • Email, telephone communication and company website • Dedicated reports
Partners	• Operation with integrity • Performance of contracts • Mutual benefits	• Review and appraisal meetings

3. STAKEHOLDER ENGAGEMENT (continued)

Stakeholders	Requirements and Expectations	Response and Communication Channels
Customers	• Performance of contracts	• Meetings with customers
Environmental regulatory department	• Environmental protection	• ESG reporting • Investigations and inspections
Employees	• Protection of rights • Occupational health and safety • Remunerations and benefits • Career development	• Meetings with employees • Trainings and workshops

With the opinions and information collected from stakeholders through various channels, the Group has a better understanding on the ESG-related issues concerned by the stakeholders. The Group has also gathered the management's view on ESG-related issues through questionnaires. The information gathered, after being analysed along with materiality maps provided by well-known external institutions[1] and professional opinions from third-party professionals, helped the Group identify and prioritize ESG issues which are concerned by stakeholders and are highly related to the Group's business.

Aspects	Material Issues
Environment	Carbon Emission Environmental Compliance
Labour Practices	Employment Compliance Occupational Health and Safety Diversity and Equal Opportunity Human Capital Development
Operating Practices	Operational Compliance Responsible Investment Information Security

1 The materiality maps referenced in the materiality assessment include the ESG Industry Materiality Map and the SASB Materiality Map produced respectively by MSCI and the Sustainability Accounting Standards Board (SASB).

Environmental, Social and Governance Report

4. ENVIRONMENTAL PROTECTION

Given the various types of environmental problems arising around the world, it is crucial to integrate environmental protection practices into our business operation. As a responsible corporation, the Group strictly conforms to a series of environmental laws and regulations such as the Air Pollution Control Ordinance and Waste Disposal Ordinance of Hong Kong, Environmental Protection Law of the People's Republic of China, Energy Conservation Law of the PRC. Despite the fact that our businesses do not generate heavy pollution or consume a large amount of resources, the Group still puts in place a number of policies which guide emission control, waste management, water saving and energy conservation in order to deliver its long-standing commitment to environmental protection.

The Group has a construction site under the petrochemical storage business in the PRC, and the Group's project company has completed the marine environmental impact assessment and approval has been granted for the construction of a petrochemical storage facility and the provision of petrochemical storage services by the local authorities. Although the construction of the facility has yet to be commenced, office operations for the business has started. In addition, the provision of petrochemical port and storage service in the PRC under our new port and port-related services business may face potential environmental risks if the petrochemical products are not handled and stored properly. Therefore, we will closely monitor the environmental performance of the port operation as well as the construction progress of the petrochemical storage facility once the construction is kick-started to avoid any significant environmental impacts on the surrounding environment.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations relating to environmental issues.

4. ENVIRONMENTAL PROTECTION (continued)

4.1. Emissions

4.1.1 Air Pollutants Emissions

The Group's port and port-related services business involved air pollutants emissions but the amount of air pollutants emitted is negligible. These air emissions are regularly monitored to ensure the compliance with the relevant emission standards.

In addition, the major source of air pollutants of the Group comes from vehicles used in supporting and maintaining our daily business operation.

Air pollutants emissions during the Year:

Type[1]	**FY2025**	FY2024
Nitrogen oxides (NO_x) (kg)	**60.4**	60.2
Sulphur oxides (SO_x) (kg)	**0.7**	0.7
Particulate matter (PM) (kg)	**5.5**	5.4

Note:

1. The calculations of air pollutants from the PRC and HK take reference from the emission factors in the "Guidelines on Greenhouse Gas Emission Accounting and Reporting" provided by the National Development and Reform Commission ("**NDRC**") of the PRC, Appendix II "Reporting Guidance on Environmental KPIs" ("**Appendix II**") provided by the Hong Kong Stock Exchange.

4. ENVIRONMENTAL PROTECTION (continued)

4.1. Emissions (continued)

4.1.2 Greenhouse Gas Emissions

The Group acknowledges that greenhouse gases is one of the main causes that is leading to climate change, which may put the Group at risk of being affected by different environmental and social impacts caused by climate change-related events. During the Year, the Group has set a target to reduce the intensity of greenhouse gas emission as far as practicable. Therefore, we have laid emphasis on greenhouse gas emission control by exerting ourselves in the implementation of an assortment of measures ranging from resources management to emission reduction. The Group's greenhouse gas emission can be classified into three scopes: scope 1 – direct emissions from combustion of fuels in vehicles, stationary combustion facilities and refrigerant and greenhouse gas removal from planted trees; scope 2 – energy indirect emissions from purchased electricity; and scope 3 – other indirect emissions from outbound business trips by employees, freshwater and sewage processing and methane gas generation at landfill due to disposal of paper waste.

Greenhouse gas emissions during the Year:

Types	FY2025	FY2024
Total emission (tonnes CO_2e)[1]	**812**	917
Direct emission (Scope 1) (tonnes CO_2e)[2]	**238**	185
Indirect emission (Scope 2) (tonnes CO_2e)[3]	**550**	695
Indirect emission (Scope 3) (tonnes CO_2e)[4]	**24**	37
Intensity (tonnes CO_2e/employee)	**6.1**	6.5

Notes:

1. The Group's greenhouse gas inventory includes carbon dioxide, methane and nitrous oxide. For the ease of reading and understanding, the greenhouse gas emissions data is presented in carbon dioxide equivalent (CO_2e).

2. This is calculated based on the emission factors in the "Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange, the emission factors provided by the NDRC of the PRC.

3. This is calculated based on the emission factors in the "Average Carbon Dioxide Emission Factor of China Regional Power Grid" provided by the NDRC, the "Sustainability Report 2020" provided by the Hong Kong Electric Co., and the "Energy Observatory Report 2019" provided by the Ministry of Energy and Public Utilities of Mauritius.

4. The calculation of outbound business trip is based on the International Civil Aviation Organization Carbon Emissions Calculator. The calculation method and the emission factor of methane gas generation at landfill due to disposal of paper waste is based on Appendix II provided by the Hong Kong Stock Exchange. The calculation of electricity for water treatment is based on Appendix II provided by the Hong Kong Stock Exchange and the emission factors are provided by the "Average Carbon Dioxide Emission Factor of China Regional Power Grid", and the "Energy Observatory Report 2019" provided by the Ministry of Energy and Public Utilities of Mauritius.

4. ENVIRONMENTAL PROTECTION (continued)

4.1. Emissions (continued)

4.1.3 Waste Generation

The Group understands that the improper management of waste would potentially lead to severe environmental impacts. Therefore, the Group puts emphasis on the generation and management of waste and has set a target to encourage waste recycling to reduce waste disposal to landfill during the Year. Waste produced by the Group included non-hazardous and hazardous waste. Non-hazardous waste produced mainly includes garbage from day-to-day office operation and port operation, while hazardous waste comprises toner cartridges and electronic devices.

Waste generated during the Year:

Hazardous Waste[1]	**FY2025**	FY2024
Weight (kg)	**14,230**	4,088
Intensity (kg/employee)	**107**	28.99

Non-hazardous Waste[2]	**FY2025**	FY2024
Weight (tonnes)	**39.29**	57.05
Intensity (tonnes/employee)	**0.30**	0.40

Notes:

1. This year, six storage tanks were no longer renewed by old clients and a large amount of oil sludge was generated during the cleaning process.

2. Non-hazardous waste data in FY2025 is based on the daily estimated volume of general waste and the volume-to-weight conversion factors provided by the Beijing Municipal Commission of Urban Management, the "Monitoring of Solid Waste in Hong Kong (2020 statistics)" provided by the Hong Kong Environmental Protection Department ("**HKEPD**"), the solid waste conversion factor provided by the United States Environmental Protection Agency ("**USEPA**"), and the Africa Waste Management Outlook.

Committed to taking part in proper waste management, the Group ensures that non-hazardous wastes are collected and disposed of in a proper and legal manner by qualified parties. Hazardous wastes, such as toner cartridges, are returned to suppliers for recycling in a bid to avoid detrimental impacts to the environment.

4. ENVIRONMENTAL PROTECTION (continued)

4.2. Green Operations

It is one of the Group's commitments to promote responsible environmental management and using resources in a sustainable way to build a green environment. Therefore, we operate our office in an environmentally-friendly way.

The Group is highly aware of the potential impacts caused by greenhouse gas emissions. Our dedication to reducing carbon footprint can be reflected by numerous measures targeting at various sources of emission in business operations. For example, employees who are engaged actively in overseas meetings are encouraged to substitute phone or video conferences for overseas business travels to avoid unnecessary outbound travels; in cases where outbound business trips are available, the Group prioritizes direct flights over trips with multiple flights in order to minimize greenhouse gas emissions. We organize events at locations easily accessible by public transportation and optimize route planning for goods delivery to reduce carbon footprint on transportation.

We apply the waste management principles of "Reduce, Reuse, Recycle and Replace" ("**4Rs**") with the aim of striving to reduce waste produced and the negative environmental impacts by waste. We always encourage our staff to reuse envelopes, folders, file cards and other stationery, to recycle and reuse waste paper, metals and plastics by using waste sorting bins, and to reduce the use of disposable and non-recyclable products. For instance, rechargeable batteries are used instead of disposable batteries in our office. We also purchase products with improved recyclability, higher recycled content, reduced packaging and greater durability.

Furthermore, we proactively avoid and reduce the amount of paper waste generated by using electronic means to disseminate information internally, setting printers to default duplex and monitoring printing volume regularly. Discarded paper without any confidential information are ultimately reused and recycled. Because of the Group's business nature, the Group was not involved in production process and hence the use of packaging materials.

In addition to the green office operation, the Group has also implemented comprehensive environmental management in on-site facilities of petrochemical storage business, port and port-related services business and metal recycling business.

Environmental, Social and Governance Report

4. ENVIRONMENTAL PROTECTION (continued)

4.2. Green Operations (continued)

The Group puts heavy emphasis on environmental management at the construction site under the petrochemical storage business. The Group undertakes to procure that its subsidiary (or "**project company**") has to formulate a Health, Safety and Environmental Policy ("**HSE Policy**") which provides strict regulations to contractors who will be working on the construction site. The HSE Policy includes several environmental aspects of daily operation at a construction site, such as the prevention of pollution and waste management. The environmental regulations aim to minimize the negative environmental impacts caused by the construction, and the Group will closely monitor the contractor's compliance to the HSE Policy once the construction commences.

In order to identify potential hazards and operability issues regarding the environment at the site of the petrochemical storage business and make improvements prior to the commencement of construction, the Group's project company has conducted a Hazard and Operability Analysis ("**HAZOP**") for the planned operation processes of the business. The HAZOP has identified potential environmental risks in the planned operation of the petrochemical storage site, and have provided suggestions of improvement, such as adding flammable substance detectors to prevent causing chemical leakage and using closed drainage systems to prevent pipe corrosion and chemical leakage.

As our port and port-related services business involves handling and storage of liquid dangerous goods such as gasoline, diesel oil, mixed aromatics and fuel oil, the environmental management of the port is of paramount importance. The Group has implemented an environmental protection management system to provide concrete guidelines in identifying and monitoring environmental risks, as well as conducting pollution control and preventive measures to avoid any potential environmental incidents. The Group closely monitors the emissions in our port and conducts daily inspection and maintenance of the anti-pollution facilities and equipment. We have established a job responsibility system for environmental protection facilities operators to ensure that they well understood the operation procedures, such that the environmental hazards are under control and the operation are strictly complies with local laws and regulations. Also, we will provide environmental management related trainings for workers at all levels to learn advanced pollution control technology and environmental protection knowledge. An environmental incident response plan is in place for workers to carry out remedial action promptly so as to minimize the detrimental environmental impacts brought by different environmental incidents such as oil spill and fire.

4. ENVIRONMENTAL PROTECTION (continued)

4.3. Energy Conservation

The Group is highly aware of the possible impacts resulted from the use of energy such as the emission of greenhouse gases and other air pollutants. During the Year, the Group has set a target to minimize electricity consumption as far as practicable. Therefore, we shoulder the burden of energy conservation and have dedicated considerable efforts to reducing energy consumption and improving energy efficiency in our office operations. The Group's major sources of energy consumption are from the direct energy consumption, which are the use of vehicles and the use of stationary combustion facilities, and the indirect energy consumption, which is the use of purchased electricity.

Energy consumption during the Year:

Type	**FY2025**	FY2024
Total energy consumption (MWh)	**1,722**	1,795
By type		
Direct energy consumption (MWh)[1]	**472**	495
Indirect energy consumption (MWh)[2]	**1,250**	1,300
Intensity (MWh/employee)	**12.95**	12.73

Notes:

1. This is calculated based on the emission factors in the "Sustainability Report 2020" issued by the Hong Kong Electric Company, the emission factors provided by the NDRC of the PRC.

2. This is calculated based on the actual purchased electricity record.

To effectively lower energy consumption, the Group has performed several improvements on the lighting system to minimize electricity use. Besides using energy efficient lighting in all areas of the offices, we ensure all light fixtures and lamps are cleaned regularly to maximize their efficiency, switch off lighting when rooms are not in use and utilize natural light as far as practicable. We have separated the office area into different lighting zones so that lighting can be used more flexibly and have installed dimmers where possible to adjust light intensity.

In addition, we ensure air conditioners are not installed in locations directly exposed to sunlight, and we regularly clean the filters and fan coils of the air conditioning systems to maintain its high efficiency, while weather strips are placed on doors and windows to prevent leakage of conditioned air. Employees are allowed to wear light clothes every Friday so that energy for air conditioning can be saved, and air-conditioning systems are maintained at 25.5 degrees Celsius throughout the day. The prevention of energy wastage is another important aspect, we thereby use timers to switch off electrical appliances such as printers completely and set all computers to sleeping mode when idling.

Environmental, Social and Governance Report

4. ENVIRONMENTAL PROTECTION (continued)

4.4. Water Conservation

Water is a precious resource, therefore conservation of water is also of great importance from the Group's perspective. During the Year, the Group has set a target to continue promoting water conservation. Therefore, we continued to implement certain measures which help cut down on water consumption. The Group has recognised that raising employees' awareness of water saving is essential in bringing actual effects to water conservation. Thus, we continue to promote water saving awareness and practices within the Group. Our staff reused water as far as practicable so as to prevent waste of water. We are also going to install and use water-efficient or low-flow water fixtures such as faucets and showerheads in our office. During the Year, the Group did not face any issue in sourcing water.

Since water consumption fee is included in the management fee of the offices in Hong Kong, the PRC and the Mauritius, their water consumption data are unavailable. The water consumption data is only available for the port in the PRC during the Year.

Water consumption during the Year:

Type	FY2025	FY2024
Water Consumption (m^3)[1]	**25,966**	33,034
Water Intensity (m^3/employee)	**195.23**	234.38

Note:

1. This is calculated based on the actual water consumption record.

4.5. Climate Change

Climate change has sparked heated discussions in recent years across the globe while different sectors of society have taken action as an attempt to tackle the rough circumstance presented by climate change. The Group is no exception, taking into account the potential impacts on the Group from risks arose due to climate change. The Group has identified several climate-related risks that may adversely impact the Group's operations and development.

The Group is highly aware that climate change may lead to more severe and frequent extreme weather conditions, which potentially puts the Group at risk of reduced productivity due to potential disruptions in the supply chain. Climate change may also shift consumer preferences and increase mandates and regulations on the Group's products and services. The demand of the Group's products and services may diminish as products and services may be at risk of being non-compliant, while the Group's revenue mix and sources may eventually change over time.

4. ENVIRONMENTAL PROTECTION (continued)

4.5. Climate Change (continued)

Facing such risks and potential impacts posed by climate change, the Group identifies, assesses, manages and monitors climate-related risks on a regular basis, and undertakes risk assessment to evaluate the level of vulnerability of its business operations under climate-related risks. Besides, the Group follows market trends regarding climate-related risks to keep itself up to date with the latest development in climate-related issues, so as to identify and evaluate the Group's climate-related risks. The Group also engages with internal and external stakeholders to further understand emerging climate-related risks. We also enhance the Group's understanding of the impacts of climate-related risks on its operation through workshop and training. In cases of extreme weather conditions, the Group provides comprehensive insurance coverage for property and other assets which are susceptible to damage from extreme weather or other physical impacts caused by climate change, so as to alleviate the climate-related risks. In addition, the Group adopts suitable work arrangements according to the Group's policy on working under typhoon and rainstorm conditions to safeguard the safety of employees.

5. EMPLOYEE-FOCUSED

Human resources act as the pillar of the Group, thus we always put the rights and well-being of our employees in the first place. The Group stringently abides by relevant labour laws and regulations during recruitment, promotion, remuneration and dismissal of employees such as the Employment Ordinance of Hong Kong, Labour Law of the PRC, Labour Contract Law of the PRC, and the Worker's Rights Act and Regulations of Mauritius. We have also put in place human resources policies which guide employment and termination, salary review and promotion, as well as employee welfare and equal opportunities.

5.1. Employment

As an equal opportunity employer, the Group assures all candidates of a fair and open recruitment process. Anti-discrimination is highly valued, we do not tolerate any form of discrimination on the grounds of age, sex, physical or mental health status, marital status, family status, race, skin colour, nationality, religion, political affiliation and sexual orientation and other factors, not only during the selection of candidates, but also the consideration of promotion, training and reward provision of employees. Employees are recognised and rewarded by their contribution, performance and skills. To retain talents, the Group reviews and adjusts the salary structure of employees annually. We also offer competitive remuneration to our employees according to both internal and external benchmark as a motivation and to build a high-calibre team which is essential to the Group's success. Whenever an employee offers to resign or is being laid off, an interview will be arranged by human resource so as to collect valuable opinions for any possible improvements of the Group's policies. In addition, staff turnover related problems will be identified and managed.

5. EMPLOYEE-FOCUSED (continued)

5.1. Employment (continued)

The Group strictly prohibits the employment of child labour in accordance with the relevant laws and regulations such as the Employment of Children Regulations of Hong Kong and Provision on the Prohibition of Using Child Labour of the PRC. We ensure that no child labour is employed by verifying the identity of new employees before the commencement of work. Forced labour is also stringently prohibited that no staff engagement in unacceptably dangerous and/or hazardous work, physical punishment, abuse, servitude, peonage or trafficking is allowed in any of our operations and services. If violation is involved, corrective actions will be taken immediately by terminating the employment contract. During the Year, the Group has employed a total of 133 employees in Hong Kong, the PRC, and Mauritius.

Indicators	**FY2025**	FY2024
Total number and percentage (%)		
By gender		
Male	**109(82)**	113(80)
Female	**24(18)**	28(20)
By age		
< 30	**28(21)**	33(23)
30–50	**86(65)**	93(66)
> 50	**19(14)**	15(11)
By employment type		
Permanent	**131(98)**	139(99)
Temporary	**2(2)**	2(1)
By geographical location		
Hong Kong	**24(18)**	109(78)
PRC	**106(80)**	26(18)
United Kingdom	**-**	–
Mauritius	**3(2)**	6(4)

Indicators	**FY2025**	FY2024
Turnover rate (%)		
By gender		
Male	**5**	12
Female	**12**	21
By age		
< 30	**13**	24
30–50	**4**	10
> 50	**6**	20
By geographical location		
Hong Kong	**4**	8
PRC	**5**	19
United Kingdom	**–**	100
Mauritius	**67**	100

5. EMPLOYEE-FOCUSED (continued)

5.2. Promotion and Development

It is the Group's conviction that business success is highly dependent on the continuous improvement in employees' performance and productivity. We therefore are aware of the importance in improving our employees' knowledge and skills, as well as fostering their long-term career development and growth with the Group. We conduct internal training and encourage our employees to take part in external seminars and training courses in order to update themselves with relevant knowledge and techniques. For instance, junior staff were updated with knowledge and trained by the Group's service provider with techniques regarding the application of new accounting software during the Year. The Group is continuously stepping up our education and training policy, planning to provide our employees with necessary up-to-date and job-related training so that they can keep abreast of the ever-changing business environment.

Further to internal training and voluntary external seminars, licensed staff members in the insurance brokerage business and investment banking business are also required by the Insurance Authority in Hong Kong and the Financial Services Commission of Mauritius respectively to attend a set amount of training sessions to fulfill continuous professional development ("**CPD**") requirements on a yearly basis. Such practice has allowed employees to continuously update their technical and regulatory knowledge, as well as refreshing their ethical standards so as to ensure that employees are up to the required professional competence and standard.

Training data during the Year:

Indicators	**FY2025**	FY2024
Average training hours and percentage of trained employees (%)		
By gender		
Male	**19(93)**	19(86)
Female	**10(88)**	9(61)
By employee level		
Senior	**10(91)**	11(60)
Middle	**16(88)**	14(74)
Junior	**19(92)**	18(85)

Education acts as the foundation for the growth and development of our employees. In addition to education, the Group also provides chances of promotion and hence a clear career pathway to employees. Appraisal reviews for employees are conducted regularly so that employees' contribution and work performance can be recognised and rewarded. Employees who have met the expectations and achieved strong performance can be considered for promotion. We always prefer internal promotion over external recruitment so as to promote organizational growth. It is hoped that every employees are able to advance their career by working in the Group.

5. EMPLOYEE-FOCUSED (continued)

5.3. Health and Safety

The Group is devoted to providing and maintaining a healthy and safe workplace for its staff and other persons likely to be affected by its business operations through abiding by relevant laws such as the Occupational Safety and Health Ordinance of Hong Kong, Law of the PRC on the Prevention and Control of Occupational Diseases, and the Occupational Safety and Health Act 2005 of Mauritius. Health and safety standards are given prime consideration in our operations and regulatory compliance is strongly upheld by the Group.

Our employees at all levels, particularly the management, are accountable for maintaining a vigorous and injury-free working environment through the abiding of safety initiatives. Periodic cleaning of air-conditioning systems, regular floor care maintenance, routine pest control service and disinfection treatment of carpets are carried out to ensure a hygienic working environment. The Group also participates in the annual fire and evacuation drill organised by the respective building management offices so that employees are familiarized with the fire evacuation route and their awareness of fire precaution can be strengthened.

The health and safety of employees and construction workers at the upcoming construction site for the petrochemical storage business is of utmost importance to the Group, and the Group and the Group's project company strive to maintain a high level of health and safety at the construction through improving construction infrastructure, even prior to the commencement of the construction. Therefore, the Group's project company's Health, Safety and Environmental (HSE) Policy clearly states the regulations regarding health and safety that contractors must abide by, as well as punishments for violation during the upcoming construction. The HSE Policy also sets out standards for the provision of safety equipment to employees by the contractors, including site signboards and notices for safety and instruction and personal protective gear. The Group's project company will also closely monitor and strictly execute the measures set out in the HSE Policy when the construction commences.

The Group's project company has also obtained an Occupational Health Pre-evaluation Report which ensures that the planned operations for the petrochemical storage business complies with national laws regarding occupational health and safety, including The Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and The "Three Simultaneous" Supervision of Occupational Health in Construction Projects Interim Measures for Administration (《建設項目職業衛生「三同時」監督管理暫行辦法》).

5. EMPLOYEE-FOCUSED (continued)

5.3. Health and Safety (continued)

Besides, since the newly adopted port is a business premise principally engaged in the storage, loading and unloading of flammable and explosive hazardous petrochemicals, the entire storage area is exposed to potential danger. To effectively protect our employees from health and safety risks, the Group has established an Oil Tank Safety Management System to regulate the operation safety in the port. All employees are required to follow the operation procedures and utilize the facilities and equipment properly. A Production Safety Incidents Response Plan is in place to enhance our emergency response ability in order to minimize the severity of labour casualties and property loss of the Group. New staffers must attend a series of safety training and pass the examination before performing duty on the site, ensuring that they have sufficient knowledge to maintain the operation safety and identify potential health and safety risks. In addition, personal protective equipment is provided to employees in order to protect their health and safety.

There was no work-related fatalities in the past three years but a total of 0 work-related injuries were recorded during the Year. The number of lost days due to work injury was 0 during the Year. In case of any occurrence of work-related injuries or illness, or reports on unsafe and unhealthy work practices, the Group will make corresponding responses promptly by investigating the cases, planning for remedial measures and providing necessary assistance to the persons involved.

5.4. Welfare

As a way to deliver care to employees, and at the same time stimulate their working initiative, the Group offers all employees a wide range of welfare and benefits. We adopt a five-day work week arrangement so as to assure employees of sufficient rest time. All employees are entitled to a number of leaves according to laws such as public holidays, annual leave, and maternity leave. If the day-off falls on a statutory holiday, compensatory time off will be offered on the following day. The Group also offers benefits to employees including discretionary bonus and insurance beyond legal requirements. The share option scheme of the Company is established for the eligible participants (including employees).

Work-life balance is also emphasised by the Group. In Hong Kong, we have organized activities such as Christmas lunch and Chinese New Year lunch in the previous years in a bid to provide opportunities for employees to relax and interact. In the PRC, we offer drinks and ice creams for employees during hot summer, and provide festival allowance to motivate our employees.

Environmental, Social and Governance Report

6. BUSINESS OPTIMIZATION

The sustainable development of an enterprise highly hinges on the quality and efficiency of its business operations. The Group spares no effort in optimizing its operations and maintaining its reputation by properly managing its supply chain, strictly overseeing its products and services' quality, earnestly serving its customers and behaving ethically in the market.

6.1. Supply Chain Management

To thoroughly fulfill the environmental and social responsibility, management of our business operation including the supply chain cannot be neglected. To ensure that qualified products and service are provided at the request of the Group, we work closely with our supply chain partners in an effort to oversee our supply chain practices thoroughly. Supplier selection procedures have been set up and strictly followed. For instance, the Group always prefers suppliers with high credibility, and will take into consideration the environmental and social risks that suppliers may impose along the Group's supply chain, including anti-discrimination, employment of child or forced labour, bribery, corruption, irresponsible environmental behavior or any other unethical practices. The Group by no means tolerates or works with suppliers who are not in compliance with relevant laws and regulations, including in environmental and social aspects. We will terminate the cooperation with suppliers who are found to be incompliant with the Group's policy until the situation is improved. As set out in its Supply Chain Management Policy, the Group also aims to attain responsible purchasing and build up a competitive advantage through a green procurement process, by selecting environmentally-preferable materials and products that have reduced negative effects on the environment and human health. During the Year, all of the suppliers are engaged with the aforementioned selection procedures.

For the petrochemical storage business, we are fully aware that the risks induced from the petrochemical storage construction site in different aspects, including construction quality, environment, as well as health and safety. Therefore, all of the aforementioned potential risks are taken into account during the selection process for our construction contractor. We have selected a construction company which has obtained certifications in quality management (ISO 9001), environmental management (ISO 14001) and occupational health and safety management (OHSAS 18001), which shows the Group's devotion to attain sustainable development from top to bottom.

6. BUSINESS OPTIMIZATION (continued)

6.1. Supply Chain Management (continued)

In respect of the port and port-related services business, we attach great importance in the selection of contractors for the berth construction and maintenance. We review the qualification of potential contractors in terms of the performance and ability to undertake construction and installation, as well as their equipment during the prequalification stage. After the preliminary selection, the selected contractor is required to provide the construction plan indicating the well-defined construction progress, quality, safety and environmental protection measures to the Engineering Construction Department and the Safety Department of the Group for our verification usage. In addition to the work progress and quality, we conduct daily inspection and closely monitor the health and safety management of the contractor. For the hydraulic structure inspection and assessment project of our fourth berth, we have selected a construction solution provider who adheres to the code of quality management of engineering construction enterprises (GB/T 50430) and has obtained certifications in quality management (ISO 9001), which shows our emphasis on sustainability along the supply chain.

During the Year, the Group's major suppliers by geographical location are as below:

Supplier locations	**FY2025**	FY2024
Hong Kong	**10**	12
The PRC	**24**	31
United Kingdom	**–**	–
Mauritius	**11**	11

6. BUSINESS OPTIMIZATION (continued)

6.2. Products and Services Quality

In the pursuit of excellence in products and service quality, the Group makes every effort to strive for the complete provision of products and service in accordance with customers' needs and expectations. We have operated in compliance with product quality-related laws and regulations, including but not limited to the Securities and Futures Ordinance of Hong Kong, Product Quality Law of the PRC and the Financial Services Act 2007 of Mauritius.

We have put in place a system for quality management, aiming at ensuring that our products meet the relevant health and safety requirements and the service that we provide are of high quality. For the money lending business, the Group has obtained the Money Lender's License in conformity with the Money Lenders Ordinance of Hong Kong. For investment banking services, the Group adheres to the guiding principles and licensee's obligations as set out in the Code of Ethics of Business Conduct issued by the Financial Services Commission of Mauritius to ensure sound conduct of business and fair treatment of consumers of financial services and the general public. For metals trading, products are always inspected and tested with reference to relevant standards prior to selling. Metals traded by the Group are also in compliance with the standard specifications of high-quality metals as set out by the London Metal Exchange, which is a world centre for the trading of industrial metals.

During the Year, the Group was not subjected to any product recalls for safety and health reasons.

6.3. Customer Services

It is one of the Group's targets to provide the highest satisfaction to all our customers through the provision of customer services which are customer-focused, service-oriented and community-cared. We endeavor to address the needs of customers by providing responsive, caring, professional and customized service as a way to align our business operations with best practices.

Due to its business nature of direct contact with customers, the Group's insurance brokerage business puts special emphasis on handling complaints. Customer complaints are handled and independently investigated in a timely manner. The Compliance Manual has set out the procedures for handling complaints received, and has appointed a Complaint Handling Officer to investigate, advise, respond to and maintain records of any complaints. For any complaints received, we also report the cases to the Insurance Authority in Hong Kong. We regularly review and look to improve the Group's complaint handling mechanism, ensuring that the mechanism is appropriately and effectively implemented.

6. BUSINESS OPTIMIZATION (continued)

6.3. Customer Services (continued)

As a firm delivering high quality professional services which is committed to maintaining its responsiveness to the needs and concerns of our clients, the Group's investment banking business recognizes the clients' right to complain and thus have put in place appropriate Complaints Handling Procedures to handle any complaints we receive. The Money Laundering Reporting Officer ("**MLRO**") Office is responsible to report, advise and monitor the complaints after receipt, and ensure the complaints are recorded. Complaints will be analysed by the MLRO Office on a periodic basis for the identification of systemic or recurring problems, and the Heads of Department will then consider whether changes in systems, policies or procedures are necessary in view of the nature of the complaints.

During the Year, the Group did not receive any product and service related complaints.

6.4. Intellectual Property Rights

The Group respects the intellectual property rights and endeavors to prevent any related infringement. All software used by the Group are legitimate and comply with the license agreement. Employees are required to apply for software installation to avoid infringement of others' intellectual property rights.

6.5. Data Protection and Privacy

The Group believes that information and data security as well as privacy are of utmost importance, and that the Group plays a vital role in handling any private information from customers, employees and other stakeholders with the highest degree of carefulness. Faced with increasing concerns over privacy protection, the Group strictly complies with relevant laws in the places of business such as the Personal Data (Privacy) Ordinance of Hong Kong and the Mauritius Data Protection Act 2017, and has adopted several measures to protect privacy. We only collect personal data which are necessary for conducting business, and the data will not be used for any purposes without the consent of the related persons. Personal data is not allowed to be transferred or disclosed to entities which are not a member of the Group. All customer information is treated in a responsible and non-discriminatory manner by restricting the use of the customer information to purposes consistent with those identified in our contract. The confidentiality obligations of employees persist for a certain period even after the termination of the employment with the Group. Moreover, we further safeguard the personal information of our customer by securing our computer data bases.

6. BUSINESS OPTIMIZATION (continued)

6.5. Data Protection and Privacy (continued)

In respect of the insurance brokerage business, staff members are obligated to treat client information with strict confidentiality, while disclosure and usage of such private information are only permitted under the written consent of the client.

For investment banking business, clients' personal data is essential to enable the provision of investment dealer and investment adviser services. We are committed to collect and use personal data in a responsible and accountable manner. All client information are treated with strict confidentiality and are not disclosed or revealed to any person or party unless required by regulatory body or court of competent jurisdiction. Disclosure or transfer of personal data are only permitted with consent of the client. All the employees acknowledge the importance of data protection through the Code of Ethics which clearly outlines the standards of appropriate conduct expected from our employees.

6.6. Business Ethics

Ethics and professionalism are the Group's core values in conducting business, so we are dedicated to running the business with integrity and cultivating an ethical corporate culture.

By conforming to relevant laws and regulations, such as the Prevention of Bribery Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong, Anti-Money Laundering Law of the PRC, and Prevention of Corruption Act 2002 of Mauritius, we have established a Code of Conduct, which includes provisions for conflicts of interest, privacy and confidentiality of information, and an Anti-Corruption Policy which outlines the requirements in relation to the prevention, detection, reporting and investigation of any suspected bribery or corruption. The Group under no circumstances allows any bribery, corruption, extortion, money-laundering or other fraudulent activities. Subsequently, the Group has established an Anti-Money Laundering ("**AML**") Committee (the "**Committee**") to oversee the Group's efforts to achieve and maintain compliance with relevant regulations against anti-corruptive behavior. The terms of reference of the Committee have listed its core responsibilities, including making recommendations to the Board regarding AML policy and guidelines, as well as monitoring for the identification for suspicious corruptive behavior. If employee suspects that there is an instance of bribery or corruption activities in relation to the Group, he/she is required to report details of suspected bribery or any form of corruption through the established communication channel in accordance with the Group's Whistle-blowing Policy. All reports will be treated confidentially. Also, the reporting employee is assured of protection against unfair dismissal, victimization or unwarranted disciplinary action.

6. BUSINESS OPTIMIZATION (continued)

6.6. Business Ethics (continued)

Employees are required to possess high ethical standards and demonstrate professional conduct in all business dealings with our stakeholders. For the loan financing business and metal recycling business, employees are required to complete Anti-Money Laundering regularly. AML training is provided for employees both in director and staff level, so that employees' knowledge towards anti-corruptive behavior are regularly refreshed and updated.

During the Year, the Group was not aware of any breach of laws and regulations that have a significant impact on the Group in relation to bribery, corruption, extortion, fraud and money laundering.

7. COMMUNITY CONTRIBUTION

Support from society and community has long been an important element for the growth and development of the Group, we therefore recognize the importance of serving the community with love and care. We always encourage our employees to participate in charitable events and community activities, and we will continue to step up our community contribution by dedicating more efforts and resources in participating and organizing community and charitable activities in the future, so as to share our fruitful enterprise growth with the community.

Environmental, Social and Governance Report

APPENDIX: KPI REPORTING GUIDE

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A1.3	Total hazardous waste produced and, where appropriate, intensity.	Emissions	60
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A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions Green Operations	57,61-64
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A2 Use of Resources			
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A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Conservation	63
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Conservation	64
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KPI	Description	Chapters	Page no.
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A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations	61-62
A4 Climate Change			
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change	64-65
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B1 Employment			
B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment	65-66
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KPI	Description	Chapters	Page no.
B3 Development and Training			
B3.1	The percentage of employees trained by gender and employee category.	Promotion and Development	67
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B4 Labour Standards			
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B5 Supply Chain Management			
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B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	70-71
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	70-71
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	70-71

KPI	Description	Chapters	Page no.
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B7 Anti-corruption			
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B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics	74-75
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B8 Community Investment			
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Independent Auditor's Report

Deloitte. 德勤

TO THE SHAREHOLDERS OF
PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED
(incorporated in Bermuda with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of PT International Development Corporation Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 83 to 175, which comprise the consolidated statement of financial position as at 31st March, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

As set out in note 3.1 to the consolidated financial statements, the Group is subject to legal claims in relation to sale and leaseback arrangements and debt dispute and such claims amounted to approximately Renminbi ("**RMB**") 540,660,000 (equivalent to HK$579,722,000) in aggregate as at 31st March, 2025. Under certain legal proceedings in relation to sale and leaseback arrangements and debt dispute, the Group has received property preservation orders to restrict the disposition of certain assets and the withdrawal of bank deposits since August 2022.

As at 31st March, 2025, the Group had an outstanding bank loan with a carrying amount of HK$111,354,000 and outstanding lease liabilities arising from sale and leaseback arrangements of oil storage tanks with a carrying amount of HK$258,389,000. Due to the property preservation orders received from the court, the Group has breached certain covenants of the bank loan and certain terms of the sale and leaseback contracts, thus the bank may request immediate repayment of the loan and the lessor may request immediate repayment of the remaining lease payments. Accordingly, the corresponding loan and lease liabilities have been classified as current liabilities as at 31st March, 2025.

BASIS FOR DISCLAIMER OF OPINION (continued)

Multiple uncertainties relating to going concern

The Group recorded net current liabilities of HK$351,476,000 as at 31st March, 2025. The Group also reported a loss of approximately HK$209,094,000 and had a net operating cash outflow of HK$14,040,000 for the year ended 31st March, 2025.

These conditions, together with other matters disclosed in note 3.1 to the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group has taken plans and measures to mitigate its liquidity pressure and improve its financial position, which are set out in note 3.1 to the consolidated financial statements. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including: (i) successful negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants as mentioned above; (ii) successful negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks; (iii) successfully defending the Group against civil complaints filed by the civil litigants; (iv) successfully obtaining additional loans of financing from banks or other financial institutions; and (v) successfully obtaining distribution of the proceeds from the disposal of the underlying assets of investment in an unlisted fund.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements.

Given the execution of the above plans and measures by the Group are in progress and no written contractual agreements are available to the Group as at the date of the approval for issuance of the consolidated financial statements with details as set out in note 3.1 to the consolidated financial statements, and in view of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements, we are unable to obtain sufficient appropriate audit evidence to provide a basis for an opinion as to whether the going concern basis of preparation of the consolidated financial statements of the Group is appropriate and we disclaim our opinion on the consolidated financial statements of the Group in respect of year ended 31st March, 2025.

Independent Auditor's Report

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 Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

The engagement partner on the audit resulting in the independent auditor's report is Tse Fung Chun (practising certificate number: P05156).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30th June, 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2025

	NOTES	2025 HK$'000	2024 HK$'000
Continuing operations			
Revenue	5	140,667	151,959
Cost of sales		(169,621)	(235,174)
Gross loss		(28,954)	(83,215)
Other income and expenses, other gains and losses	7	2,490	(5,544)
Net (loss) gain on financial instruments	8	(116,482)	124,522
Selling and distribution expenses		(205)	(151)
Administrative expenses		(64,904)	(75,189)
Finance costs	10	(15,979)	(16,928)
Share of results of a joint venture		(308)	–
Loss before taxation	11	(224,342)	(56,505)
Income tax expense	12	–	–
Loss for the year from continuing operations		(224,342)	(56,505)
Discontinued operation			
Profit (loss) for the year from discontinued operation	15	15,248	(32,745)
Loss for the year		(209,094)	(89,250)
Other comprehensive income (expense):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		2,699	(4,953)
Released on derecognition of a subsidiary		–	(2)
Exchange differences reclassified to profit or loss upon deconsolidation of a subsidiary		2,430	–
Other comprehensive income (expense) for the year		5,129	(4,955)
Total comprehensive expenses for the year		(203,965)	(94,205)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2025

	NOTE	2025 HK$'000	2024 HK$'000
(Loss) profit for the year attributable to owners of the Company			
– from continuing operations		**(191,312)**	8,129
– from discontinued operation		**15,344**	(29,470)
Loss for the year attributable to owners of the Company		**(175,968)**	(21,341)
Loss for the year attributable to non-controlling interests			
– from continuing operations		**(33,030)**	(64,634)
– from discontinued operation		**(96)**	(3,275)
Loss for the year attributable to non-controlling interests		**(33,126)**	(67,909)
		(209,094)	(89,250)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(170,927)**	(25,741)
Non-controlling interests		**(33,038)**	(68,464)
		(203,965)	(94,205)
		HK cents	*HK cents* (Restated)
(Loss) earnings per share:	*14*		
From continuing and discontinued operations			
– Basic		**(58.12)**	(7.39)
– Diluted		**N/A**	(7.39)
From continuing operations			
– Basic		**(63.19)**	2.82
– Diluted		**N/A**	2.82

Consolidated Statement of Financial Position

At 31st March, 2025

	NOTES	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	16	295,742	340,888
Right-of-use assets	17	136,579	166,828
Interest in an associate		1,522	1,532
Interest in a joint venture		193	–
Financial assets at fair value through profit or loss	18	–	230,705
		434,036	739,953
Current assets			
Trade and other receivables	19	69,550	71,948
Equity investments held for trading	20	47	1,178
Financial assets at fair value through profit or loss	18	114,251	–
Restricted bank balances	21	3,245	3,533
Cash and cash equivalents	21	33,586	81,999
		220,679	158,658
Assets classified as held for sale	27	–	12,647
		220,679	171,305
Current liabilities			
Trade and other payables	22	91,838	110,408
Contract liabilities	23	1,350	2,852
Borrowings	24	111,354	139,968
Lease liabilities – due within one year	25	367,613	271,090
		572,155	524,318
Net current liabilities		(351,476)	(353,013)
Total assets less current liabilities		82,560	386,940
Non-current liabilities			
Lease liabilities – due after one year	25	1,589	109,859
		1,589	109,859
Net assets		80,971	277,081

Consolidated Statement of Financial Position

At 31st March, 2025

	NOTE	2025 HK$'000	2024 HK$'000
Capital and reserves			
Share capital	*28*	**30,274**	30,274
Share premium and reserves		**142,934**	313,861
Equity attributable to the owners of the Company		**173,208**	344,135
Non-controlling interests		**(92,237)**	(67,054)
Total equity		**80,971**	277,081

The consolidated financial statements on pages 83 to 175 were approved and authorised for issue by the Board of Directors on 30th June, 2025 and are signed on its behalf by:

Ching Man Chun, Louis
Chairman and Managing Director

Yeung Kim Ting
Executive Director

Consolidated Statement of Changes In Equity

For the year ended 31st March, 2025

	Attributable to the owners of the Company							
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st April, 2023	20,183	959,550	908	(11,292)	(634,899)	334,450	(16,446)	318,004
Loss for the year	–	–	–	–	(21,341)	(21,341)	(67,909)	(89,250)
Exchange differences arising on translation of foreign operations	–	–	–	(4,398)	–	(4,398)	(555)	(4,953)
Released on derecognition of a subsidiary	–	–	–	(2)	–	(2)	–	(2)
Total comprehensive expenses for the year	–	–	–	(4,400)	(21,341)	(25,741)	(68,464)	(94,205)
Rights issue	10,091	26,238	–	–	–	36,329	–	36,329
Transaction cost attributable to rights issue	–	(903)	–	–	–	(903)	–	(903)
Capital injection of non-controlling interest	–	–	–	–	–	–	17,856	17,856
At 31st March, 2024	30,274	984,885	908	(15,692)	(656,240)	344,135	(67,054)	277,081
Loss for the year	–	–	–	–	(175,968)	(175,968)	(33,126)	(209,094)
Exchange differences arising on translation of foreign operations	–	–	–	2,611	–	2,611	88	2,699
Exchange differences reclassified to profit or loss upon deconsolidation of a subsidiary	–	–	–	2,430	–	2,430	–	2,430
Total comprehensive income (expenses) for the year	–	–	–	5,041	(175,968)	(170,927)	(33,038)	(203,965)
Deconsolidation of a subsidiary *(Note 15)*	–	–	–	–	–	–	7,855	7,855
At 31st March, 2025	30,274	984,885	908	(10,651)	(832,208)	173,208	(92,237)	80,971

Consolidated Statement of Cash Flows

For the year ended 31st March, 2025

	2025 *HK$'000*	2024 *HK$'000*
OPERATING ACTIVITIES		
Loss before taxation – continuing operations	(224,342)	(56,505)
Profit (loss) before taxation – discontinued operation	15,248	(32,745)
Adjustments for:		
Impairment losses on property, plant and equipment	35,997	75,576
Impairment losses on right-of-use assets	17,946	31,594
Loss (gain) on lease modification	308	(2,024)
Write down of inventories	–	1,438
Expected credit loss on trade and other receivables	294	2,140
Depreciation of property, plant and equipment	17,758	25,828
Depreciation of right-of-use assets	11,990	14,100
Gain on disposal of property, plant and equipment	(2)	(73)
Net gain on deconsolidation of a subsidiary	(16,204)	–
Loss on dissolution of subsidiary	–	247
Interest income	(1,673)	(326)
Finance costs	15,979	20,827
Net loss (gain) on financial instruments	116,482	(124,522)
Share of results of a joint venture	308	–
Operating cash flows before movements in working capital	(9,911)	(44,445)
Decrease in trade and other payables	(5,972)	(19,839)
(Decrease) increase in contract liabilities	(1,495)	1,417
Increase (decrease) in trade and other receivables	2,322	(13,276)
Decrease in inventories	–	10,057
Decrease (increase) in equity investments held for trading	1,016	(3,651)
NET CASH USED IN OPERATING ACTIVITIES	(14,040)	(69,737)
INVESTING ACTIVITIES		
Withdrawal of restricted deposits	233	–
Placement of restricted deposits	–	(534)
Interest received	1,455	326
Capital distribution from financial asset at fair value through profit of loss	–	66,032
Investment in an associate	–	(1,532)
Investment in a joint venture	(500)	–
Proceeds from disposal of property, plant and equipment	821	83
Acquisition of property, plant and equipment	(10,610)	(7,450)
Cash outflow from deconsolidation of a subsidiary	(98)	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(8,699)	56,925

Consolidated Statement of Cash Flows

For the year ended 31st March, 2025

	2025 *HK$'000*	2024 *HK$'000*
FINANCING ACTIVITIES		
Proceeds from rights issue	–	35,426
Capital injection from a non-controlling shareholder of a subsidiary	–	17,856
Repayment of borrowings	(1,072)	(1,287)
Interest paid	(19,582)	(20,827)
Repayment of lease liabilities	(1,876)	(4,475)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(22,530)	26,693
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(45,269)	13,881
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	81,999	69,552
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(3,144)	(1,434)
TOTAL CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash	33,586	81,999

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2025

1. GENERAL

PT International Development Corporation Limited (the "**Company**") is an exempted company incorporated in Bermuda with limited liability. Its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). The addresses of the registered office and the principal place of business of the Company are disclosed in the "Corporate Information" section of this annual report.

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries (the Company together with the Company's subsidiaries are collectively referred to as the "**Group**") are set out in note 38.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1st 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

Except as described below, 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.

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

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

(a) Impacts on application of Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback

The Group has applied the amendments for the first time in the current year. The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 Revenue from Contracts with Customers ("**HKFRS 15**") to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

According to the transitional provisions, the Group has applied the new accounting policy retrospectively to the sale and leaseback transactions entered into by the Group as the seller-lessee after the initial application of HKFRS 16. The application of the amendments has no material impact on the Group's financial position and performance.

(b) Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

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

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

(b) Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments") (continued)

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the 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 1st April, 2025.
3 Effective for annual periods beginning on or after 1st April, 2026.
4 Effective for annual periods beginning on or after 1st April, 2027.

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

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

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

(a) HKFRS 18 Presentation and Disclosure in Financial Statements

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1st April, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

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

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

Going concern basis

The following conditions indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

3.1 Basis of preparation of consolidated financial statements (continued)

Going concern basis (continued)

The Group is subject to legal claims in relation to sale and leaseback arrangements and debt dispute (details set out in note 41) and such claims amounted to approximately Renminbi ("**RMB**") 540,660,000 (equivalent to HK$579,722,000 (2024: RMB487,179,000 (equivalent to HK$525,471,000)) in aggregate as at 31st March, 2025. Under certain legal proceedings in relation to sale and leaseback arrangements and debt dispute, the Group has received property preservation orders to restrict the disposition of certain assets and the withdrawal of bank deposits (details set out in note 34) since August 2022.

- As at 31st March, 2025, the Group had an outstanding bank loan with a carrying amount of HK$111,354,000 (2024: HK$113,106,000). Due to the property preservation orders received from the court, the Group has breached certain covenants of the bank loan thus the bank may request immediate repayment of the loan. On discovery of the breach, the directors of the Company commenced negotiations of the terms of the loan with the relevant bank. Since those negotiations had not been concluded, the loan has been classified as a current liability as at 31st March, 2025.

- As at 31st March, 2025, due to the property preservation orders received from the court, the Group has breached certain terms of the sale and leaseback contracts of oil storage tanks thus the lessor may request immediate repayment of the remaining lease payments. Accordingly, the relevant outstanding lease liabilities arising from sale and leaseback arrangements of oil storage tanks with a carrying amount of HK$258,389,000 (2024: HK$261,161,000) have been classified as current liabilities as at 31st March, 2025.

- The Group recorded net current liabilities of HK$351,476,000 (2024: HK$353,013,000) as at 31st March, 2025. The Group also reported a loss of approximately HK$209,094,000 (2024: HK$89,250,000) and had a net operating cash outflow of HK$14,040,000 (2024: HK$69,737,000) for the year ended 31st March, 2025.

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

3.1 Basis of preparation of consolidated financial statements (continued)

Going concern basis (continued)

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and the financial position of the Group and the Group's available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Group has taken plans and measures to mitigate its liquidity pressure and improve its financial position, including:

(i) The Group has been in negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants as mentioned above;

(ii) The Group has been in negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks;

(iii) The Group will continue to work with the People's Republic of China (the "**PRC**") legal advisers of the Group to gather evidence to defend itself against civil complaints filed by the civil litigants;

(iv) The Group will continue to seek additional loans of financing from banks or other financial institutions; and

(v) The Group will continue to liaise with the general partner of the unlisted fund on the possibility of disposal of the underlying assets of the investment in an unlisted fund and distribution of the proceeds from the disposal.

The directors of the Company have prepared the Group's cash flow projections which cover a period of not less than twelve months from 31st March, 2025. The directors of the Company are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

3.1 Basis of preparation of consolidated financial statements (continued)

Going concern basis (continued)

Notwithstanding the above, since the execution of the above plans and measures by the Group are in progress and no written contractual agreements are available to the Group as at the date of the approval for issuance of the consolidated financial statements, material uncertainties exist as to whether the management of the Group will be able to achieve its plans and measures as mentioned above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to mitigate its liquidity pressure and improve the financial position of the Group through the followings:

(i) Successful negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants;

(ii) Successful negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks;

(iii) Successfully defending the Group against civil complaints filed by the civil litigants;

(iv) Successfully obtaining additional loans of financing from banks or other financial institutions; and

(v) Successfully obtaining distribution of the proceeds from the disposal of the underlying assets of investment in an unlisted fund.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved 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 to affect its returns.

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

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the 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 in 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.

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

3.2 Material accounting policy information (continued)

Non-current assets held for sale

Non-current assets (and disposal groups) 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 (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) 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.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell except for financial assets within the scope of HKFRS 9 Financial Instruments ("**HKFRS 9**") which continue to be measured in accordance with the accounting policies as set out in respective sections.

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

3.2 Material accounting policy information (continued)

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 or 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 or 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 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.

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

3.2 Material accounting policy information (continued)

Revenue from contracts with customers (continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date (for example, a service contract in which the Group bills a fixed amount for each month of service provided), the Group recognises revenue in the amount to which the Group has the right to invoice.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

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

3.2 Material accounting policy information (continued)

Leases

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

The Group as a lessee

Short-term leases

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

Right-of-use assets

The cost of right-of-use assets includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

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 is 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.

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

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities

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

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

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

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

Sales and leaseback transactions

Except for contracts entered into before the date of initial application of HKFRS 16, the Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

Taxation

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

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

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

3.2 Material accounting policy information (continued)

Taxation (continued)

Deferred tax 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 for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. 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 investments in subsidiaries and interest in a joint venture, 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 interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax 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 purpose of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

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

3.2 Material accounting policy information (continued)

Taxation (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities and provision for decommissioning and restoration in which the tax deductions are attributable to ultimate costs incurred, the Group applies HKAS 12 "Income Taxes" 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. When current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the amounting for the business combination.

Impairment on property, plant and equipment and right-of-use assets other than goodwill

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

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

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

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

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

3.2 Material accounting policy information (continued)

Impairment on property, plant and equipment and right-of-use assets other than goodwill (continued)

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

Provisions

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 that 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).

Restoration provisions

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

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

3.2 Material accounting policy information (continued)

Financial instruments

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL.

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 includes any dividend or interest earned on the financial asset and is included in the "net (loss) gain on financial instruments" line item.

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

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

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

The Group always recognises lifetime ECL for trade receivables. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless 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.

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(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.

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.

(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 that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

(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.

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (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 and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the nature of financial instruments and past-due status.

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

Derecognition/modification of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities (representing trade and other payables and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2025

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgments, 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying accounting policies

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

Principal versus agent consideration (principal)

The Group engages in trading of chemicals and energy. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration that the Group is primarily responsible for fulfilling the promise to provide the goods. The Group is also subject to inventory risk and has discretion in establishing the price of the goods. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31st March, 2025, the Group recognised revenue relating to trading of chemicals and energy amounting to HK$70,285,000 (2024: HK$98,459,000).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

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

Estimated impairment of property, plant and equipment and right-of-use assets

For the purposes of impairment testing, property, plant and equipment and right-of-use assets that generate cash flows are included in the cash-generating unit for the provision of port and port-related services in the petrochemical segment. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. The impairment assessment requires an estimation of the recoverable amount of the cash-generating unit, which is the higher of the value in use and fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss may arise.

As at 31st March, 2025, the carrying amounts of property, plant and equipment and right-of-use assets were HK$295,742,000 and HK$136,579,000 (2024: HK$340,888,000 and HK$166,828,000) respectively, of which the impairment of property, plant and equipment of HK$35,997,000 (2024: HK$60,251,000), impairment of right-of-use assets of HK$17,946,000 (2024: HK$31,594,000) were recognised for the year then ended. Details of the recoverable amount calculation are disclosed in note 9.

5. REVENUE AND SEGMENT INFORMATION

Revenue

An analysis of the Group's revenue from continuing operations for the year is as follows:

	2025 HK$'000	2024 HK$'000
Revenue from contracts with customers		
– Trading income	70,285	98,459
– Port and port-related services income	51,494	50,539
– Equity and insurance brokerage income	18,888	2,961
	140,667	151,959

Disaggregation of revenue from contracts with customers

	2025 HK$'000	2024 HK$'000
Types of goods or services		
Trading income		
– Chemicals and energy	70,285	98,459
Port and port-related services income	51,494	50,539
Equity and insurance brokerage income	18,888	2,961
	140,667	151,959
Timing of revenue recognition		
A point in time	89,173	101,420
Over time	51,494	50,539
	140,667	151,959
Geographical location (based on the locations of transactions conducted)		
Hong Kong	56	79
The PRC excluding Hong Kong	121,779	148,998
Mauritius	18,832	2,882
	140,667	151,959

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Trading income

Revenue from trading of chemicals and energy is recognised at a point in time when the control of the goods is transferred to the customers upon delivery of the goods. Customers are required to prepay in advance in full. Contracts with customers in relation to the trading of chemicals and energy are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Port and port-related services income

The Group's port and port-related services mainly consist of (i) unloading petrochemicals owned by the Group's customers from incoming vessels at the berth of the Group's port to the Group's oil tanks and related facilities; (ii) storage of petrochemicals owned by the Group's customers at the Group's oil tanks and related facilities; and (iii) loading petrochemicals of the Group's customers onto outgoing vessels, trains and oil trucks from the Group's oil tanks and facilities. The Group provides a bundle of service including the unloading, storage and loading services, and are thus one single performance obligation as identified within the contract. Customers are allowed an average credit period of 5 days upon issuance of invoice.

Revenue from port and port-related services is recognised over time using the output method. The Group applied the practical expedient to recognise the revenue in an amount to which the Group has the right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Equity and insurance brokerage income

Revenue from provision of equity brokerage services is recognised at a point in time when the broker satisfies the performance obligation by executing the trade to buy or sell the equity, which is usually the trade date. The amount recognised is based on the transaction price agreed upon between the broker and the customers, typically representing the commission or fee for facilitating the transaction. Contracts with the customers in relation to the provision of equity and insurance brokerage services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Revenue from provision of insurance brokerage services is recognised at a point in time when (i) the terms of the insurance policy have been contractually agreed by the insurer and policyholder; and (ii) the insurer has received or has a present right to payment from the policyholder.

Metal recycling income

Revenue from metal recycling is recognised at a point in time when control of the goods is transferred to the customers upon delivery of the goods. Customers are required to prepay in advance in full. Contracts with customers in relation to the trading of recycled metals are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Metal recycling business was discontinued during the year ended 31st March, 2024 (see details in note 15).

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Continuing operations

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

For the year ended 31st March, 2025

	Trading HK$'000	Long-term investment HK$'000	Petrochemical HK$'000	Financial institute business HK$'000	Finance HK$'000	Other investment HK$'000	Total HK$'000
Trading income	70,285	–	–	–	–	–	70,285
Port and port-related services income	–	–	51,494	–	–	–	51,494
Equity and insurance brokerage income	–	–	–	18,888	–	–	18,888
Revenue from contracts with customers	70,285	–	51,494	18,888	–	–	140,667
Total revenue from continuing operations	70,285	–	51,494	18,888	–	–	140,667

For the year ended 31st March, 2024

	Trading HK$'000	Long-term investment HK$'000	Petrochemical HK$'000	Financial institute business HK$'000	Finance HK$'000	Other investment HK$'000	Total HK$'000
Trading income	98,459	–	–	–	–	–	98,459
Port and port-related services income	–	–	50,539	–	–	–	50,539
Equity and insurance brokerage income	–	–	–	2,961	–	–	2,961
Revenue from contracts with customers	98,459	–	50,539	2,961	–	–	151,959
Total revenue from continuing operations	98,459	–	50,539	2,961	–	–	151,959

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information

The Group's operating segments, based on information reported to the chief operating decision maker ("**CODM**"), being the executive directors of the Company, for the purposes of resources allocation and performance assessment are as follows:

Trading	–	trading of chemicals and energy
Long-term investment	–	investments including long-term debt instruments and equity investments
Petrochemical	–	storage, unloading and loading services for petrochemical products
Financial institute business	–	provision of asset management, equity and insurance brokerage and related services
Finance	–	loan financing services
Other investment	–	investment in trading of securities
Metal recycling	–	recycling and trading of metals

An operating segment engaging in the metal recycling was discontinued during the year ended 31st March, 2024. Segment information reported below does not include any amounts for this discontinued operation. Details of which are set out in note 15.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Continuing operations

Segment revenue and results

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

For the year ended 31st March, 2025

	Trading	Long-term investment	Petrochemical	Financial institute business	Finance	Other investment	Adjustments and eliminations	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
SEGMENT REVENUE								
External sales	70,285	–	51,494	18,888	–	–	–	140,667
RESULTS								
Segment results	(2,625)	(125,794)	(65,545)	3,736	515	(115)	–	(189,828)
Central administration costs								(34,516)
Other income and expenses, other gains and losses								384
Finance costs								(74)
Share of results of a joint venture								(308)
Loss before taxation from continuing operations								(224,342)

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Continuing operations (continued)

Segment revenue and results (continued)

For the year ended 31st March, 2024

	Trading	Long-term investment	Petrochemical	Financial institute business	Finance	Other investment	Adjustments and eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT REVENUE								
External sales	98,459	–	50,539	2,961	–	–	–	151,959
RESULTS								
Segment results	(883)	130,084	(129,300)	(5,086)	(627)	(11,270)	(911)	(17,993)
Central administration costs								(38,252)
Other income and expenses, other gains and losses								(91)
Finance costs								(169)
Loss before taxation from continuing operations								(56,505)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.2. Segment result represents the result of each segment without allocation of central administration costs, including directors' salaries, certain other income and expenses, other gains and losses, certain finance costs and share of results of a joint venture. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment assets and liabilities

As at 31st March, 2025

	Trading	Long-term investment	Petrochemical	Financial institute business	Finance	Other investment	Segment total	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT ASSETS									
Segment assets	11,370	114,287	477,433	21,683	2,277	47	627,097	–	627,097
Unallocated corporate assets	–	–	–	–	–	–	–	27,618	27,618
Total assets	11,370	114,287	477,433	21,683	2,277	47	627,097	27,618	654,715
SEGMENT LIABILITIES									
Segment liabilities	3,944	70	557,571	9,635	–	–	571,220	–	571,220
Unallocated corporate liabilities	–	–	–	–	–	–	–	2,524	2,524
	3,944	70	557,571	9,635	–	–	571,220	2,524	573,744

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment assets and liabilities (continued)

As at 31st March, 2024

	Trading	Long-term investment	Petrochemical	Financial institute business	Finance	Other investment	Segment total	Assets and liabilities relating to discontinued operation	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT ASSETS										
Segment assets	19,223	230,938	546,782	22,478	97	1,178	820,696	15,454	–	836,150
Unallocated corporate assets	–	–	–	–	–	–	–	–	75,108	75,108
Total assets	19,223	230,938	546,782	22,478	97	1,178	820,696	15,454	75,108	911,258
SEGMENT LIABILITIES										
Segment liabilities	5,614	374	567,988	11,592	–	–	585,568	43,943	–	629,511
Unallocated corporate liabilities	–	–	–	–	–	–	–	–	4,666	4,666
	5,614	374	567,988	11,592	–	–	585,568	43,943	4,666	634,177

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

- all assets are allocated to operating segment other than certain property, plant and equipment, certain right-of-use assets, certain other receivables, interest in an associate and a joint venture, certain cash and cash equivalents.

- all liabilities are allocated to operating segments, other than certain other payables and accrued expenses, certain borrowings and certain lease liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2025

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Other information

For the year ended 31st March, 2025

Continuing operations

	Trading *HK$'000*	Long-term investment *HK$'000*	Petrochemical *HK$'000*	Financial institute business *HK$'000*	Finance *HK$'000*	Other investment *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measurement of segment results or segment assets:									
Additions to property, plant and equipment	–	–	10,582	10	–	–	10,592	18	10,610
Additions to right-of-use assets	–	–	–	850	–	–	850	–	850
Depreciation of property, plant and equipment	84	–	13,420	30	–	–	13,534	4,224	17,758
Depreciation of right-of-use assets	243	–	9,393	300	–	–	9,936	2,054	11,990
Impairment losses on property, plant and equipment	–	–	35,997	–	–	–	35,997	–	35,997
Impairment losses on right-of-use assets	–	–	17,946	–	–	–	17,946	–	17,946
Interest income	336	557	242	–	218	–	1,353	320	1,673
Net loss on financial instruments	–	116,454	–	–	–	28	116,482	–	116,482
Finance costs	212	–	15,658	35	–	–	15,905	74	15,979

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Other information (continued)

For the year ended 31st March, 2024

Continuing operations

	Trading *HK$'000*	Long-term investment *HK$'000*	Petrochemical *HK$'000*	Financial institute business *HK$'000*	Finance *HK$'000*	Other investment *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measurement of segment results or segment assets:									
Additions to property, plant and equipment	29	–	8,847	1	–	–	8,877	31	8,908
Additions to right-of-use assets	655	–	518	–	–	–	1,173	–	1,173
Depreciation of property, plant and equipment	78	–	21,018	21	–	–	21,117	4,711	25,828
Depreciation of right-of-use assets	82	–	11,511	453	–	–	12,046	2,054	14,100
Impairment losses on property, plant and equipment	–	–	60,251	–	–	–	60,251	–	60,251
Impairment losses on right-of-use assets	–	–	31,594	–	–	–	31,594	–	31,594
Interest income	–	208	11	–	–	–	219	107	326
Net gain on financial instruments	–	135,792	–	–	–	(11,270)	124,522	–	124,522
Finance costs	–	–	16,744	15	–	–	16,759	169	16,928

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Geographical information

The Group's continuing operations are located in Hong Kong, the PRC and Mauritius (2024: Hong Kong, the PRC and Mauritius).

Information about the Group's revenue from external customers or counterparties is presented based on the locations of transactions conducted. Information about the Group's non-current assets is presented based on the physical locations of the assets.

	Revenue		Carrying amount of non-current assets *(Note)*	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**56**	79	**19,091**	25,362
The PRC, excluding Hong Kong	**121,779**	148,998	**412,520**	483,625
Mauritius	**18,832**	2,882	**710**	261
	140,667	151,959	**432,321**	509,248

Note: Non-current assets excluded those relating to discontinued operation and excluded financial assets.

Information about major customers

Revenue from continuing operations from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

Customer	Segment	2025	2024
		HK$'000	*HK$'000*
Customer A	Trading	**16,552**	48,696
Customer B	Trading	**N/A**[1]	21,644
Customer C	Trading	**N/A**[1]	20,243

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Revenue by products, services and investments

The Group's major revenue from continuing operations by services and investments was disclosed above.

6. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

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

(a) Directors' emoluments

	Fees *HK$'000*	Salaries and other benefits *HK$'000*	Retirement benefit scheme contributions *HK$'000*	Discretionary bonus *HK$'000*	Total *HK$'000*
2025					
Executive directors:					
Ching Man Chun, Louis *(chief executive)*	10	5,928	18	380	6,336
Heinrich Grabner *(resigned on 18th April, 2024)*	1	110	2	54	167
Yeung Kim Ting	10	1,800	18	75	1,903
Wong Man Ming, Melinda *(re-designated on 26th February, 2025)*	219	72	2	–	293
Wong Kung Ho, Alexander *(appointed on 18th April, 2024)*	10	1,715	17	75	1,817
Independent non-executive directors:					
Wong Yee Shuen, Wilson	200	–	–	–	200
Yam Kwong Chun	200	–	–	–	200
Lam Yik Tung	200	–	–	–	200
Total	850	9,625	57	584	11,116

6. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' emoluments (continued)

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2024					
Executive directors:					
Ching Man Chun, Louis *(chief executive)*	10	5,928	18	380	6,336
Heinrich Grabner *(resigned on 18th April, 2024)*	10	2,196	18	183	2,407
Yeung Kim Ting	10	1,800	18	150	1,978
Non-executive director:					
Wong Man Ming, Melinda *(appointed on 13th October, 2023)*	112	–	–	–	112
Independent non-executive directors:					
Wong Yee Shuen, Wilson	175	–	–	–	175
Yam Kwong Chun	175	–	–	–	175
Lam Yik Tung	175	–	–	–	175
Total	667	9,924	54	713	11,358

Ching Man Chun, Louis is the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive of the Company.

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

6. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(b) Five highest paid employees

The five highest paid employees of the Group during the year included three (2024: three) directors of the Company, details of whose emoluments are set out in note (a) above. Amounts disclosed below represent the remuneration of the remaining two (2024: two) highest paid employees who are neither directors nor chief executive of the Company.

	2025	2024
	HK$'000	*HK$'000*
Salaries and other benefits	**3,646**	3,363
Discretionary bonus	**98**	50
Retirement benefit scheme contributions	**36**	36
	3,780	3,449

Their emoluments were within the following bands:

	Number of individuals	
	2025	2024
HK$1,000,001 to HK$1,500,000	**1**	1
HK$2,000,001 to HK$2,500,000	**1**	1

During the year, no emoluments were paid by the Group to these individuals and directors of the Company, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, neither the chief executive nor any of the directors has waived any emoluments during the year.

The discretionary bonus is based on the directors' and employees' skills, knowledge and involvement in the Group's affairs and determined by reference to the Group's performance, as well as remuneration benchmark in the industry and the prevailing market conditions.

7. OTHER INCOME AND EXPENSES, OTHER GAINS AND LOSSES

	2025 HK$'000	2024 HK$'000
Continuing operations		
Late repayment charge on construction payables *(note i)*	–	(5,530)
Gain (loss) on disposal of property, plant and equipment	2	(76)
Net foreign exchange losses	(1,575)	(718)
Bank interest income	1,145	161
Interest income on loan to third parties	528	165
Government grants	32	–
Reimbursement of legal costs *(note ii)*	1,978	–
Others	380	454
	2,490	(5,544)

Notes:

(i) The amount represented charge on late repayment of outstanding payment in relation to the fee for construction of port infrastructure from a construction company in the PRC. Details are disclosed in note 22.

(ii) During the year ended 31st March, 2025, the Group resolved certain legal proceedings and as a result, there were reimbursement of legal costs incurred in prior years and the amount was recognised as other income.

8. NET (LOSS) GAIN ON FINANCIAL INSTRUMENTS

	2025 HK$'000	2024 HK$'000
Continuing operations		
(Decrease) increase in fair values of financial assets at FVTPL	(116,454)	135,792
Decrease in fair value of equity investments held for trading	(28)	(11,270)
	(116,482)	124,522

9. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

The management of the Group concluded there was indication for impairment of the cash-generating unit for the provision of port and port-related services in the petrochemical segment, which is represented by Thousand Vantage Investment Limited and its subsidiaries (the "**Thousand Vantage Group**"). As at 31st March, 2025, the carrying amounts of property, plant and equipment and right-of-use assets of the cash-generating unit for the provision of port and port-related services in the petrochemical segment were HK$258,747,000 and HK$120,820,000 (2024: HK$293,888,000 and HK$154,109,000) respectively.

The recoverable amount of the cash-generating unit has been determined based on a value-in-use calculations. These calculations use cash flow projections based on financial budgets of the cash-generating unit approved by management covering a 5-year period, and pre-tax discount rate of 10.80% (2024: 9.45%). Cash flows beyond the 5-year period are extrapolated using a steady growth rate of 2.0% (2024: 2.0%) which is based on the long-term average growth rate in the PRC. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted revenue and related costs based on past performance and management's expectation for business and market developments.

Based on the result of the assessment, management of the Group determined that the recoverable amount of the cash-generating unit is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment and right-of-use assets such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal, its value-in-use and zero. Based on the value-in-use calculation and allocation, impairment losses of property, plant and equipment of HK$35,997,000 (2024: HK$60,251,000) and impairment losses of right-of-use assets of HK$17,946,000 (2024: HK$31,594,000) were recognised for the year ended 31st March 2025. Details of the impairment losses of property, plant and equipment and right-of-use assets are disclosed in notes 16 and 17 respectively.

As at 31st March, 2025, if the discount rate was increased by 1% (2024: 1%), while other parameters remain constant, the recoverable amount would be reduced to HK$344,389,000 (2024: HK$357,758,000) and a further impairment of HK$33,060,000 (2024: HK$36,861,000) would be recognised. If the budgeted revenue covering 5-year period were reduced by 5% (2024: 5%), while other parameters remain constant, the recoverable amount would be reduced to HK$359,321,000 (2024: HK$363,870,000) and a further impairment of HK$18,040,000 (2024: HK$21,757,000) would be recognised.

10. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Continuing operations		
Interest on lease liabilities	**13,243**	11,942
Interest on borrowings	**7,037**	7,611
Total	**20,280**	19,553
Amounts capitalised in the cost of qualifying assets	**(4,301)**	(2,625)
	15,979	16,928

Borrowing costs capitalised during the year ended 31st March, 2025 that arose on the general borrowing pool are calculated by applying a capitalisation rate of 5.81% (2024: 6.16%) per annum to expenditures on qualifying assets.

11. LOSS BEFORE TAXATION

	2025	2024
	HK$'000	*HK$'000*
Continuing operations		
Loss before taxation has been arrived at after charging:		
Staff costs, including directors' emoluments:		
Salaries and other benefits	**30,779**	33,788
Retirement benefit scheme contributions	**1,375**	1,454
Total staff costs	**32,154**	35,242
Impairment losses on property, plant and equipment included in cost of sales	**35,997**	60,251
Impairment losses on right-of-use assets included in cost of sales	**17,946**	31,594
Expected credit loss on trade and other receivables	**294**	–
Depreciation of property, plant and equipment	**17,758**	25,828
Depreciation of right-of-use assets	**11,990**	14,100
Total depreciation	**29,748**	39,928
Auditor's remuneration – audit services	**2,000**	2,000

12. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made for the years ended 31st March, 2025 and 2024 as the Group has no assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, PRC Enterprise Income Tax ("**EIT**") is calculated at 25% of the assessable profits for the subsidiaries in the PRC. No provision for EIT has been made as the relevant subsidiaries had no assessable profits arising in the PRC for the years ended 31st March, 2025 and 2024.

Income tax is calculated at 15% of the assessable profit for the subsidiary in Mauritius. No provision has been made for the year ended 31st March, 2025 as the relevant subsidiary's assessable profit for the year ended 31st March, 2025 was absorbed by tax losses carried forward (2024: no assessable profit arising in Mauritius).

The taxation for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Continuing operations		
Loss before taxation	**(224,342)**	(56,505)
Tax credit at the Hong Kong Profit Tax rate of 16.5% (2024: 16.5%)	**(37,017)**	(9,323)
Tax effect of expenses not deductible for tax purposes	**19,970**	4,103
Tax effect of income not taxable for tax purposes	**(239)**	(21,062)
Tax effect of tax losses not recognised	**13,096**	14,826
Utilisation of tax losses previously not recognised	**(954)**	(51)
Tax effect of deductible temporary differences not recognised	**8,873**	15,154
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	**(3,729)**	(3,647)
Income tax expense for the year	**–**	–

13. DISTRIBUTIONS

The directors of the Company have resolved not to recommend the payment of a final dividend for the year ended 31st March, 2025 (2024: Nil).

14. (LOSS) EARNINGS PER SHARE

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

	2025	2024
	HK$'000	*HK$'000*
		(Restated)
(Loss) profit for the purpose of calculating the basic and diluted (loss) earnings per share		
– from continuing operations	**(191,312)**	8,129
– from discontinued operation	**15,344**	(29,470)
Loss for the year	**(175,968)**	(21,341)
Numbers of shares		
Weighted average number of ordinary share in issue *(note a and b)*	**302,742,424**	288,692,268
(Loss) earnings per share from continuing and discontinued operations attributable to equity shareholders of the Company for the year		
Basic (HK cents)		
– from continuing operations	**(63.19)**	2.82
– from discontinued operation	**5.07**	(10.21)
Loss per share for the year	**(58.12)**	(7.39)
Diluted (HK cents) *(note c)*		
– from continuing operations	**N/A**	2.82
– from discontinued operation	**N/A**	(10.21)
Loss per share for the year	**N/A**	(7.39)

14. (LOSS) EARNINGS PER SHARE (continued)

(a) The number of shares for the purpose of calculated the basic and diluted loss (earnings) per share for the years ended 31st March, 2025 and 2024 have been adjusted to reflect the share consolidation as defined and set out in note 28.

(b) The weighted average number of ordinary shares for the purpose of calculation of basic and diluted loss per share for the year ended 31st March, 2024 have been adjusted for the Company's rights issue completed in June 2023.

(c) For the year ended 31st March, 2025, no diluted loss per share is presented as the Company has no potential ordinary shares in issue.

For the year ended 31st March, 2024, the computation of diluted loss per share does not assume the exercise of the call options granted to the non-controlling shareholders of Cupral Group Ltd. ("**Cupral**") since their assumed exercise would result in a decrease in loss per share.

15. DISCONTINUED OPERATION

In March 2024, the Group has commenced the process to appoint administrators in Cupral, a subsidiary engaged in recycling and trading of metals, in the United Kingdom pursuant to the Insolvency Act 1986 of the United Kingdom. The appointment of the administrators has brought into effect a statutory moratorium which prevents any legal action by the creditors of Cupral so that the administrators can effect the realisation of its assets. The appointment of administrators was completed on 9th April, 2024.

Upon the appointment, the legal control of the business of Cupral was transferred from the directors of Cupral to the administrators acting as agent of the affairs of Cupral. As the management of the Company has terminated the trading of recycled metals with the intention to dispose the assets of Cupral before 31st March, 2024, the relevant assets which represents property, plant and equipment of Cupral was presented under assets held for sales as at 31st March, 2024 as disclosed in note 27. Cupral was deconsolidated from the Group on 9th April, 2024 and net gain of HK$16,204,000 (2024: nil) was recognised during the year ended 31st March, 2025.

	2025
	HK$'000
Net liabilities deconsolidated:	
Property, plant and equipment	**12,702**
Trade and other receivables	**2,218**
Cash and cash equivalents	**98**
Trade and other payables	**(12,215)**
Borrowings	**(26,862)**
Amounts due to the Group	**(51,711)**
Net liabilities deconsolidated	**(75,770)**
Net gain on deconsolidation of Cupral:	
Consideration	**–**
Less: net liabilities deconsolidated	**75,770**
Less: amount due from Cupral	**(51,711)**
Less: non-controlling interest	**(7,855)**
	16,204

15. DISCONTINUED OPERATION (continued)

Profit (loss) for the year of the discontinued operation is as follows:

	2025 HK$'000	2024 HK$'000
Revenue	579	42,758
Cost of sales	(1,051)	(55,755)
Gross loss	(472)	(12,997)
Other income and expenses, other gains and losses	–	11,372
Expected credit loss on trade and other receivables	–	(2,140)
Administrative expenses	(484)	(25,081)
Finance costs	–	(3,899)
Net gain on deconsolidation	16,204	–
Profit (loss) of discontinued operation for the year	15,248	(32,745)

Profit (loss) for the year from discontinued operation included the followings:

	2025 HK$'000	2024 HK$'000
Depreciation of property, plant and equipment	–	(3,708)
Depreciation of right-of-use assets	–	(3,546)
Staff cost	(10)	(5,090)
Impairment losses on property, plant and equipment *(note)*	–	(15,325)
Gain from lease modification	–	1,017
Write-down of inventories	–	(1,438)

Net cash flows for the year of the discontinued operation is as follows:

	2025	2024
Net cash used in operating activities	(959)	(16,709)
Net cash from financing activities	333	16,950
Net cash (outflow) inflow	(626)	241

Note: The recoverable amount of the property, plant and equipment of Cupral has been determined based on their fair value less costs of disposal. The Group used direct comparison to estimate the fair value less costs of disposal of the assets which was based on the recent transaction price. The property, plant and equipment were impaired to their recoverable amount of HK$12,647,000, which is their carrying values at 31st March, 2024 and the impairment of HK$15,325,000 has been recognised on property, plant and equipment in Cupral's profit or loss within the relevant functions to which these assess relate during the year ended 31st March, 2024.

16. PROPERTY, PLANT AND EQUIPMENT

	Owned properties	Port infrastructure	Oil tanks and related facilities	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles and yacht	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST									
At 1st April, 2023	5,172	239,965	225,647	16,285	66,671	5,199	34,230	114,344	707,513
Additions	–	–	–	600	566	61	4	8,843	10,074
Disposals/write-off	–	–	–	–	–	–	(98)	–	(98)
Transfer	–	–	–	408	778	–	–	(1,186)	–
Transfer to assets held for sale *(note 27)*	–	–	–	(9,343)	(26,885)	(362)	–	–	(36,590)
Exchange realignment	(292)	(13,510)	(12,704)	(170)	(1,891)	(77)	(81)	(6,734)	(35,459)
At 31st March, 2024	4,880	226,455	212,943	7,780	39,239	4,821	34,055	115,267	645,440
Additions	–	–	209	–	209	28	–	10,164	10,610
Disposals/write-off	–	–	–	–	(781)	(73)	(31)	–	(885)
Transfer	–	–	169	–	5,610	–	–	(5,779)	–
Exchange realignment	(129)	(1,233)	(1,246)	(32)	(262)	(18)	(7)	(730)	(3,657)
At 31st March, 2025	4,751	225,222	212,075	7,748	44,015	4,758	34,017	118,922	651,508
DEPRECIATION AND IMPAIRMENT									
At 1st April, 2023	2,044	86,547	81,903	5,106	22,374	2,949	8,327	27,443	236,693
Provided for the year	417	7,857	8,208	3,677	5,020	675	3,682	–	29,536
Eliminated on disposals/ write-off	–	–	–	–	–	–	(88)	–	(88)
Impairment loss *(notes 9 and 15)*	421	23,369	21,767	4,163	14,405	161	53	11,237	75,576
Transfer to assets held for sale *(note 27)*	–	–	–	(6,066)	(17,575)	(302)	–	–	(23,943)
Exchange realignment	(54)	(5,297)	(5,112)	(37)	(1,034)	(37)	(41)	(1,610)	(13,222)
At 31st March, 2024	2,828	112,476	106,766	6,843	23,190	3,446	11,933	37,070	304,552
Provided for the year	417	5,540	5,177	741	2,311	316	3,256	-	17,758
Eliminated on disposals/ write-off	–	–	–	–	–	(35)	(31)	–	(66)
Impairment loss *(note 9)*	204	13,021	13,317	16	2,270	7	29	7,133	35,997
Exchange realignment	(75)	(992)	(898)	(27)	(241)	(12)	(4)	(226)	(2,475)
At 31st March, 2025	3,374	130,045	124,362	7,573	27,530	3,722	15,183	43,977	355,766
CARRYING VALUES									
At 31st March, 2025	**1,377**	**95,177**	**87,713**	**175**	**16,485**	**1,036**	**18,834**	**74,945**	**295,742**
At 31st March, 2024	2,052	113,979	106,177	937	16,049	1,375	22,122	78,197	340,888

16. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than construction in progress, less their residual values, are depreciated over their estimated useful lives on a straight-line basis as follows:

Owned properties	12 years
Port infrastructure	20 years
Oil tanks and related facilities	20 years
Leasehold improvements	Over the terms of the relevant leases
Plant and machinery	5 – 10 years
Furniture, fixtures and office equipment	3 – 5 years
Motor vehicles and yacht	4 – 5 years

At 31st March, 2024, the Group had pledged plant and machinery with carrying amount of HK$12,647,000 (2025: nil) to secure a loan from a third party as disclosed in note 24.

17. RIGHT-OF-USE ASSETS

	Land and sea areas use rights HK$'000	Leased properties HK$'000	Oil tanks and related facilities HK$'000	Plant and machinery HK$'000	Total HK$'000
As at 31st March, 2025					
Carrying amount	22,585	834	113,055	105	136,579
As at 31st March, 2024					
Carrying amount	25,679	3,329	137,571	249	166,828
For the year ended 31st March, 2025					
Depreciation charge	1,319	2,915	7,618	138	11,990
For the year ended 31st March, 2024					
Depreciation charge	1,849	5,158	9,523	1,116	17,646
Capitalised in inventories	–	(2,504)	–	(1,042)	(3,546)
	1,849	2,654	9,523	74	14,100

17. RIGHT-OF-USE ASSETS (continued)

	2025 HK$'000	2024 HK$'000
Expenses relating to short-term leases	66	1,574
Total cash outflow for leases	15,185	19,258
Additions to right-of-use assets	850	1,173

Land and sea areas use rights are granted by the relevant PRC government authorities to use certain land and sea areas located in the PRC, and are depreciated over the relevant lease terms ranging from 42 years to 50 years. As at 31st March, 2025, land and sea use rights of HK$13,161,000 (2024: HK$15,915,000) have been pledged to secure bank borrowings raised by the Group as disclosed in note 24.

The Group leases office premises for its operations and recognises leased properties as right-of-use assets. The lease contracts are entered into for fixed terms of two to ten years (2024: two to ten years). Lease terms are negotiated on an individual basis and contain different terms and conditions. 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. Leased properties are depreciated over the relevant lease terms.

To better manage the Group's capital structure and financing needs, the Group enters into sale and leaseback arrangements in relation to oil tanks and related facilities and plant and machinery. Upon initial application of HKFRS 16, the remaining amounts under the sale and leaseback transactions entered into before the date of initial application were not reassessed to determine whether the transfer of the underlying asset satisfied the requirements in HKFRS 15 to be accounted for as a sale. The Group did not enter into new sale and leaseback transactions during the years ended 31st March, 2025 and 2024. As at 31st March, 2025, right-of-use assets amounting to HK$113,055,000 (2024: HK$137,821,000) have been pledged to secure sale and leaseback arrangements raised by the Group.

In addition, lease liabilities of HK$369,202,000 (2024: HK$380,949,000) are recognised with related right-of-use assets of HK$113,994,000 (2024: HK$141,149,000) as at 31st March, 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The Group regularly entered into short-term leases for office premises and machinery. As at 31st March, 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Details of the lease maturity analysis of lease liabilities are set out in note 25.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVTPL represent the Group's investment in an unlisted fund.

On 21st June, 2018, the Group entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares of a private equity fund established in Korea (the "**Fund**"), as a limited partner, for an aggregate consideration of United States Dollar ("**US$**") 20,000,000 (equivalent to HK$156,000,000) in cash. The Fund principally invests in shares of companies listed on the Korea Exchange. The Fund is managed by a fund manager, while limited partners of the Fund do not have rights to engage in the management of the Fund. The Group, as a limited partner in the Fund, does not have the power to participate in the financial and operating policy decisions of the Fund. As such, the Group does not have significant influence over the Fund and the Fund is not accounted for as an associate. The shares of the Fund held by the Group represent approximately 29.71% (2024: 29.71%) of the issued share capital of the Fund as at 31st March, 2025.

The Fund is accounted for as a financial asset at FVTPL. As at 31st March, 2025, the fair value of the Fund is HK$114,251,000 (2024: HK$230,705,000). During the year ended 31st March, 2025, fair value loss of HK$116,454,000 (2024: fair value gain of HK$135,792,000) was recognised in profit or loss. Details of the fair value measurements of the Fund are disclosed in note 31.

During the year ended 31st March, 2024, a capital distribution of Korean Won 11,203,217,000 (equivalent to HK$66,032,000) was received from the Fund.

According to the subscription agreement, unless all partners agree to extend the maturity date, the maturity date of the Fund will be within 12 months after the year ended 31st March, 2025. The directors of the Company expects to realise the investment in the Fund and not to extend the maturity date of the Fund and therefore the financial asset at FVTPL has been classified as current asset as at 31st March, 2025.

19. TRADE AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables from contracts with customers	**7,236**	5,974
VAT and other taxes recoverable	**2,832**	4,659
Amount due from a non-controlling shareholder of a subsidiary *(note i)*	**6,597**	6,597
Loans to third parties *(note ii)*	**5,558**	2,338
Prepayments	**26,377**	29,926
Rental, utility and other deposits	**991**	859
Other receivables *(note iii)*	**19,959**	21,595
	62,314	65,974
	69,550	71,948

Notes:

(i) As at 31st March, 2025 and 2024, the amount due from a non-controlling shareholder of a subsidiary is unsecured, interest-free, non-trade related and repayable on demand.

(ii) One of the loans is secured, interest-bearing at 12% per annum and has a maturity date in 2025. It is secured by a pledge of certain properties in the PRC. (2024: no such loan).

The remaining loan to third party is unsecured and interest-bearing at 10% per annum. During the year ended 31st March, 2025, an extension agreement has been entered and the maturity date of the loan has been extended from November 2024 to July 2025.

(iii) As at 31st March, 2025, the other receivables include commission receivables amounting to HK$2,486,000 and money received from clients as disclosed in note 22 (ii).

19. TRADE AND OTHER RECEIVABLES (continued)

As at 1st April, 2023, trade receivables arising from contracts with customers amounted to HK$7,127,000.

The following is an aged analysis of trade receivables presented based on the date of revenue recognition at the end of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Trade receivables		
0 – 30 days	**4,721**	4,000
31 – 60 days	**866**	129
61 – 90 days	**67**	1
Over 90 days	**1,582**	1,844
	7,236	5,974

As at 31st March, 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$2,515,000 (2024: HK$2,060,000) which are past due as at the reporting date.

As at 31st March, 2025, there were certain investment with fair value of approximately HK$6,279,000 received from and held on behalf of the clients of the Group were safekeeping in segregated client accounts. Based on the respective rights and obligations of the Group and its client under the contractual terms and conditions, the investments held on behalf of the clients of the Group are not recognised as the Group's assets and hence there are no corresponding liabilities under these arrangements.

Details of impairment assessment of trade and other receivables are set out in note 31.

20. EQUITY INVESTMENTS HELD FOR TRADING

	2025	2024
	HK$'000	*HK$'000*
Financial asset carried at FVTPL:		
Listed equity securities in Hong Kong	**47**	1,178

The fair value measurement of listed equity securities is categorised as Level 1 as the fair value of the investment was determined by quoted bid prices in an active market.

21. RESTRICTED BANK BALANCES/CASH AND CASH EQUIVALENTS

Restricted bank balances carried interests ranging from 0.01% to 0.35% (2024: 0.01% to 0.35%) per annum. Details of the restriction are set out in note 34.

Bank balances carried interests ranging from 0.02% to 5.81% (2024: 0.01% to 4.6%) per annum.

Details of impairment assessment of restricted bank balances and bank balances are set out in note 31.

22. TRADE AND OTHER PAYABLES

	2025 *HK$'000*	2024 *HK$'000*
Trade payables	**1,518**	–
Payables for acquisition of property, plant and equipment *(note i)*	**45,850**	45,306
Other payables *(note ii)*	**27,506**	31,029
Accrued expenses	**16,964**	34,073
	91,838	110,408

Notes:

(i) As at 31st March, 2025, the Group has payables for acquisition of property, plant and equipment amounting to HK$45,850,000, among which HK$30,997,000 is related to a legal action involving the outstanding construction payable, while the corresponding accrued interests of HK$10,080,000 are included in accrued expenses. In May 2021, Guangxi Guangming Warehouse Storage Limited* (廣西廣明碼頭倉儲有限公司) ("**Guangming**") became a defendant in a legal action involving the outstanding payment in relation to the fee for construction of port infrastructure from a construction company in the PRC. The case was settled under a civil mediation in May 2022 and Guangming is liable to pay construction fees of RMB90,504,000, where RMB30,675,000 has been settled during the year ended 31st March, 2023. In August 2022, the court has issued an enforcement order to Guangming on settling the remaining amount of the construction fee. In March 2023, the Group has entered a settlement agreement with the construction company, pursuant to which the enforcement order previously issued by the court was set aside as agreed upon by both parties to the proceedings. Under the settlement agreement, repayments of RMB30,000,000 were due on or before 30th June, 2023 (the "**First Tranche**") and the remaining balance of RMB29,829,000 (equivalent to HK$31,984,000) together with the corresponding interest will be due on or before 31st December, 2023. The First Tranche has been settled in December 2023.

In December 2024, the Group received a notice from the construction company for extending the settlement of the remaining balance to 30th June, 2025. During the year ended 31st March, 2025, the Group has repaid RMB921,000. The remaining balance has not been settled up to the date of approval for issuance of the consolidated financial statements.

(ii) As at 31st March, 2025, the Group has money received from clients for purchase of investments, amounting to HK$7,316,000.

* For identification purposes only

22. TRADE AND OTHER PAYABLES (continued)

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Trade payables		
0 – 30 days	**1,340**	–
31 – 60 days	**54**	–
61 – 90 days	**7**	–
Over 90 days	**117**	–
	1,518	–

23. CONTRACT LIABILITIES

	2025	2024
	HK$'000	*HK$'000*
Amounts received in advance in respect of:		
– sales of goods	**195**	1,569
– provision of port and port-related services	**1,155**	1,283
	1,350	2,852

As at 1st April, 2023, contract liabilities amounted to HK$1,520,000.

Amount represents consideration received from customers in advance of delivery of goods in respect of the trading segment and in advance of the provision of port and port-related services in respect of the petrochemical segment.

Contract liabilities, that are expected to be settled within the Group's normal operating cycle, are classified as current based on the Group's earliest obligation to transfer goods or services to the customers.

Contract liabilities amounting to HK$2,852,000 (2024: HK$1,520,000) at the beginning of the year has been recognised as revenue during the year ended 31st March, 2025.

24. BORROWINGS

	2025 HK$'000	2024 HK$'000
Bank borrowings – secured	111,354	113,106
Loan from third parties – secured	–	26,862
	111,354	139,968

The carrying amounts of the above borrowings are repayable:

	2025 HK$'000	2024 HK$'000
Within one year	64,890	69,859
Within a period of more than one year but not exceeding two years	23,232	23,370
Within a period of more than two years but not exceeding five years	23,232	46,739
	111,354	139,968
Less: Amount due for settlement within 12 months (shown under current liabilities)	–	(26,862)
Less: Amount that is repayable on demand due to breach of loan covenants *(Note)*	(111,354)	(113,106)
Amount due for settlement after 12 months (shown under non-current liabilities)	–	–

The Group's borrowings that are denominated in a currency other than the functional currency of the relevant group entities are set out below:

	2025 HK$'000	2024 HK$'000
US$	–	26,862

24. BORROWINGS (continued)

Bank borrowings

As at 31st March, 2025, the bank borrowings are secured by right-of-use assets amounting to HK$13,161,000 (2024: HK$15,915,000) as disclosed in note 17 and are guaranteed by a non-controlling shareholder of a subsidiary. The Group's bank borrowings carry interests at effective variable rates of 5.81% (2024: 6.16%) per annum as at 31st March, 2025 with reference to the Benchmark Interest Rates for Deposits and Loans of Financial Institutions quoted by the People's Bank of China.

Loan from a third party

During the year ended 31st March, 2022, the Group obtained a loan from a third party for the purpose of purchasing plant and equipment for the business operations of Cupral. The loan carried interest at fixed rate of 10% per annum. As at 31st March, 2024, the loan was secured by plant and machinery amounting to HK$12,647,000. During the year ended 31st March, 2025, the loan was derecognised as a result of deconsolidation of Cupral as disclosed in note 15.

Note: As at 31st March, 2025, the Group has an outstanding bank loan with a carrying amount of HK$111,354,000 (2024: HK$113,106,000). Due to the property preservation orders received from the court, the Group has breached certain covenants of the bank loan thus the bank may request immediate repayment of the loan. Please refer to note 41 for more details of the litigation cases.

25. LEASE LIABILITIES

	2025 HK$'000	2024 HK$'000
Lease liabilities payable:		
Within one year	**111,223**	12,788
Within a period of more than one year but not more than two years	**30,173**	109,138
Within a period of more than two years but not exceeding five years	**226,906**	258,106
Within a period of more than five years	**900**	917
	369,202	380,949
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(109,224)**	(9,929)
Less: Amount that is repayable on demand due to breach of lease contracts terms	**(258,389)**	(261,161)
Amount due for settlement after 12 months	**1,589**	109,859

The borrowing rates applied to lease liabilities range from 2.61% to 7.10% (2024: 2.61% to 7.10%) per annum.

25. LEASE LIABILITIES (continued)

As at 31st March, 2025, the Group has outstanding lease liabilities arising from sale and leaseback arrangements with carrying amounts of HK$364,573,000 (2024: HK$376,519,000), including HK$106,184,000 (2024: HK$10,009,000) repayable within 12 months and HK$258,389,000 (2024: HK$366,510,000) repayable after 12 months according to the repayment schedules. During the year ended 31st March, 2025, due to the property preservation orders received from the court, the Group has breached certain terms of the sale and leaseback contracts thus the lessor may request immediate repayment of the certain remaining lease payments. Accordingly, the lease liabilities arising from sale and leaseback arrangements with breach of terms of HK$258,389,000 (2024: HK$261,161,000) have been classified as current liabilities as at 31st March, 2025.

In February 2022, Guangming received a civil complaint filed by Lianwei (Shanghai) Finance Lease Limited* (聯蔚(上海)融資租賃有限公司) ("**Lianwei**") in respect of a dispute over the sale and leaseback arrangements of two oil storage tanks. During the year ended 31st March, 2024, Guangming has entered into a settlement agreement with Lianwei for this civil complaint. Under the settlement agreement, remaining rent for the remaining lease period will be paid from May 2024 to December 2025. During the year ended 31st March, 2025, lease liabilities of HK$12,982,000 has been settled and the remaining lease liabilities of HK$106,184,000 have been classified as current liabilities as at 31st March, 2025.

Lease liabilities arising from sale and leaseback arrangements are pledged by the relevant right-of-use assets as disclosed in note 17.

26. DEFERRED TAXATION

As at 31st March, 2025, the Group had unused tax losses of approximately HK$179,739,000 (2024: HK$143,501,000) available to offset against future profits. No deferred tax asset has been recognised of such losses as at 31st March, 2025 and 2024 due to the unpredictability of future profit streams. Tax losses amounting to HK$148,235,000 (2024: HK$116,994,000) will expire within 5 years and the remaining tax losses amounting to HK$30,362,000 (2024: HK$26,507,000) may be carried forward indefinitely.

As at 31st March, 2025, the Group has deductible temporary differences of HK$409,517,000 (2024: HK$355,741,000). No deferred tax asset has been recognised in relation to the deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

As at 31st March 2025, the Group recognised a deferred tax asset of HK$30,205,000 (2024: HK$38,527,000) 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 of HK$30,205,000 (2024: HK$38,527,000) for all taxable temporary difference associated with right-of-use-assets and lease liabilities.

* For identification purposes only

27. ASSETS CLASSIFIED AS HELD FOR SALE

Save as disclosed in note 15, the assets classified as held for sale as at 31st March, 2024 are as follows:

	HK$'000
Property, plant and equipment	12,647

28. SHARE CAPITAL

	Number of shares	**Value** *HK$'000*
Authorised:		
At 1st April, 2023 and 31st March, 2024	102,800,000,000	1,028,000
Share consolidation *(Note a)*	(92,520,000,000)	–
At 31st March, 2025	10,280,000,000	1,028,000
Issued and fully paid:		
At 1st April, 2023	2,018,282,827	20,183
Issue of rights shares *(Note b)*	1,009,141,413	10,091
At 31st March, 2024	3,027,424,240	30,274
Share consolidation *(Note a)*	(2,724,681,816)	–
At 31st March, 2025	302,742,424	30,274

Notes:

(a) The Company completed the share consolidation ("**Share Consolidation**") on 11th December, 2024. It was approved by the shareholders at the special general meeting held on 9th December, 2024. The Company's shares of every ten issued and unissued existing shares of par value HK$0.01 each will be consolidated into one consolidated share of par value HK$0.10 each.

(b) In June 2023, the Company issued 1,009,141,413 rights shares by way of rights issue, on the basis of one rights share for every two existing shares of the Company on the record date at the subscription price of HK$0.036 per rights share to raise net proceeds of approximately HK$35,426,000.

29. SHARE OPTIONS

The Share Option Scheme

On 20th August, 2021, the Company has adopted a new share option scheme ("**Share Option Scheme**") which replaced the previous share option scheme, which had expired on 18th August, 2021. The following is a summary of the principal terms of the Share Option Scheme:

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to 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 or any entity in which any member of the Group holds equity interest (the "**Invested Entity**").

(b) Who may join

The board of directors (the "**Board**") of the Company shall have the discretionary to make an offer to any person belonging to the following classes:

(i) any employee (whether full time or part time, including directors) of the Company or any subsidiary or any Invested Entity;

(ii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iii) any customer of any member of the Group or any Invested Entity;

(iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

(v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(vi) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of the directors has contributed or will contribute to the growth and development of the Group; and

(vii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The eligibility of any of the eligible participants to an offer under the Share Option Scheme shall be determined by the directors from time to time on the basis of the directors' opinion as to such eligible participant's contribution to the development and growth of the Group.

29. SHARE OPTIONS (continued)

The Share Option Scheme (continued)

(c) Maximum number of shares

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group shall not exceed 30% of the share capital of the Company in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes adopted by the Group if the grant of such options will result in the limit referred herein being exceeded.

Pursuant to the Share Option Scheme, the total number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Group) to be granted under the Share Option Scheme and any other share option schemes of the Group shall not in aggregate exceed 10% of the share capital of the Company in issue as at the date on which resolution for approving and adopting the Share Option Scheme is passed by the shareholders of the Company at the annual general meeting . As at the date of this report, the total number of shares available for issue under the Share Option Scheme is 20,182,828 shares (the number of shares subject to share option scheme were adjusted for the share consolidation of the Company and became effective as 11th December 2024).

(d) Maximum entitlement of each eligible participant

Subject to (e) below, the total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Group (including both exercised or outstanding options) to each eligible participant who accepts the offer for the grant of an option under the Share Option Scheme (a "**grantee**") in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options under the Share Option Scheme to a grantee would result in the shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the share capital of the Company in issue, such further grant shall be separately approved by the shareholders in general meeting with such grantee and his close associates (or his associates if the participant is a connected person) abstaining from voting.

Granting of an offer under the Share Option Scheme to any director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be approved by the independent non-executive directors (excluding any independent non-executive director who is the proposed grantee of an option under the Share Option Scheme).

29. SHARE OPTIONS (continued)

The Share Option Scheme (continued)

(d) Maximum entitlement of each eligible participant (continued)

Where any grant of options under the Share Option Scheme to a substantial shareholder or an independent non-executive director or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options under the Share Option Scheme already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the share capital of the Company in issue;

(ii) having an aggregate value, based on the closing price of the shares at the offer date of each offer, in excess of HK$5 million; and

(iii) such further grant of options shall be approved by the shareholders in general meeting. The proposed grantee, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting.

For the purpose of seeking the approval of the shareholders of the Company above, the Company shall send a circular to the shareholders containing the information required under the Listing Rules and where the Listing Rules shall so require, the vote at the shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting.

(e) Time of acceptance and exercise of an option

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned (and by no other person) for a period of up to 21 days from the date, which shall be a business day, on which the offer is made to the eligible participant.

Unless a minimum period is determined by the Board for which an option must be held before it can be exercised, an option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the directors to the grantee thereof, and in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of (i) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (ii) the date falling 10 years from the offer date of that option.

An offer shall have been accepted by an eligible participant in respect of all shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

29. SHARE OPTIONS (continued)

The Share Option Scheme (continued)

(f) *Basis of determination of the exercise price of an option*

The exercise price in respect of any option shall be at the discretion of the directors, provided that it shall not be less than the highest of:

(i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the shares on the offer date;

(ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and

(iii) the nominal value of a share.

(g) *Remaining life of the Share Option Scheme*

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted, which will expire on 19th August, 2031.

As at 31st March, 2025 and 31st March, 2024, no options have been granted under the Share Option Scheme.

30. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which include borrowings and lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital less accumulated losses and other reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt.

31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 HK$'000	2024 HK$'000
Financial assets		
Mandatorily measured at FVTPL		
Held for trading	47	1,178
Others	114,251	230,705
Amortised cost	77,172	122,895
Financial liabilities		
Amortised cost	186,228	216,303

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, equity investments held for trading, trade and other receivables, restricted bank balances, cash and cash equivalents, trade and other payables, borrowings and lease liabilities. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risks

(i) Currency risk

The management of the Group has closely monitored foreign exchange exposure to mitigate the foreign currency risk. At the end of the reporting period, the carrying amounts of the Group's significant monetary assets and monetary liabilities denominated in currencies other than the respective functional currency of the relevant group entities are as follows:

	2025 HK$'000	2024 HK$'000
Assets		
Korean Won ("**KRW**")	29	38,741
US$	532	166
GBP	362	1,215
HK$	10,638	1,229
Liabilities		
US$	–	26,859

31. FINANCIAL INSTRUMENTS (continued)

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

Market risks (continued)

(i) Currency risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase/decrease in foreign currencies against the respective functional currency of the relevant group entities. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates a decrease in loss for the year where the foreign currencies strengthen 5% against the respective functional currency of the relevant group entities. For a 5% weakening of the foreign currencies against the respective functional currency of the relevant group entities, there would be an equal and opposite impact and the amounts below would be negative.

	2025	2024
	HK$'000	*HK$'000*
Impact to loss for the year		
KRW	**1**	1,617
US$	**22**	(1,114)
GBP	**15**	51
HK$	**444**	51

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

31. FINANCIAL INSTRUMENTS (continued)

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

Market risks (continued)

(ii) *Interest rate risk*

As at 31st March, 2025, the Group is exposed to fair value interest rate risk in relation to loans to third parties and lease liabilities (2024: loans to third parties, loan from a third party and lease liabilities).

As at 31st March, 2025, the Group is exposed to cash flow interest rate risk in relation to restricted bank balances, bank balances and bank borrowings (2024: restricted bank balances, bank balances and bank borrowing) which are mainly arranged at floating rates. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong prime rates quoted by relevant banks in Hong Kong for the Group's bank balances in Hong Kong and RMB Benchmark Interest Rates for Deposits and Loans of Financial Institutions quoted by the People's Bank of China for the Group's bank balances and bank borrowings in the PRC.

The management of the Group has employed a treasury team to closely monitor interest rate movement and manage the potential risk. The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

Interest income from financial assets measured at amortised cost amounted to HK$1,673,000 (2024: HK$326,000).

Interest expense on borrowings (before amounts capitalised in the cost of qualifying assets) amounted to HK$7,037,000 for the year ended 31st March, 2025 (2024: HK$7,611,000).

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the variable-rate interest-bearing financial assets and financial liabilities outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease in variable-rate bank balances and bank borrowings are used and represents management's assessment of the reasonably possible change in interest rates. If interest rates on variable-rate interest-bearing bank balances and bank borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 31st March, 2025 would increase/decrease by HK$453,000 (2024: increase/decrease by HK$454,000).

31. FINANCIAL INSTRUMENTS (continued)

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

Market risks (continued)

(iii) Other price risk

The Group is exposed to other price risk through its investments in unlisted investments and equity investments held for trading. The management of the Group manages this exposure by maintaining a portfolio of investments with different risks. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risks at the end of the reporting period.

If prices of the underlying listed investment of the unlisted fund had been 5% higher/lower, loss for the year would decrease/increase by HK$5,713,000 (2024: decrease/increase by HK$11,535,000) as a result of changes in fair values of the underlying listed investment of the unlisted fund.

If prices of the equity investments held for trading had been 5% higher/lower, loss for the year would decrease/increase by HK$2,000 (2024: decrease/increase by HK$59,000) as a result of changes in fair values of equity investments held for trading measured at FVTPL.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables arising from contracts with customers, loans to third parties, other receivables, deposits and amount due from a non-controlling shareholder of a subsidiary, restricted bank balances and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its other financial assets.

The Group performs impairment assessment for financial assets. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, is summarised below.

31. FINANCIAL INSTRUMENTS (continued)

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

Credit risk and impairment assessment (continued)

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the credit quality of each potential customer and defines a credit rating and limit for each customer which are reviewed regularly by management. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Trade receivables are assessed for ECL collectively based on internal credit rating grouped by shared credit risk characteristics by reference to repayment histories and past due exposure. Impairment loss of HK$294,000 (2024: HK$2,140,000) is recognised during the year ended 31st March, 2025. The gross amount of trade receivable as at 31st March, 2025 was HK$1,582,000 (2024: HK$2,140,000). Details of the quantitative disclosures are set out below in this note.

As at 31st March, 2025, the Group has concentration of credit risks on trade receivables arising from contracts with customers as 26% of the balance is due from 3 customers (2024: 56% of the balance is due from 3 customers).

Loans to third parties, other receivables, deposits and amount due from a non-controlling shareholder of a subsidiary

The Group performs impairment assessment under ECL model on loans to third parties, other receivables and deposits and amount due from a non-controlling shareholder of a subsidiary individually. The management of the Group makes periodic individual assessment on the recoverability of loans to third parties, other receivables, deposits and amount due from a non-controlling shareholder of a subsidiary based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management of the Group considers that the credit risk of the balances has not increased significantly since initial recognition as there is no significant change in credit profile of the counterparties. As such, the Group assesses the balances for impairment based on 12m ECL. No impairment loss is recognised during the year ended 31st March, 2025 (2024: Nil) as the ECL is assessed to be insignificant considering the financial background and historical and subsequent settlement of the counterparties.

Restricted bank balances/bank balances

Credit risk on restricted bank balances and bank balances is limited because the counterparties are banks with good reputation and credit profile. The management of the Group considers that the credit risk of the amount has not increased significantly since initial recognition considering external credit ratings of the banks. As such, the Group assesses the balances for impairment based on 12m ECL. No impairment loss is recognised during the year ended 31st March, 2025 (2024: Nil) as the ECL is assessed to be insignificant.

31. FINANCIAL INSTRUMENTS (continued)

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

Credit risk and impairment assessment (continued)

Restricted bank balances/bank balances (continued)

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

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settles after due date	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

31. FINANCIAL INSTRUMENTS (continued)

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

Credit risk and impairment assessment (continued)

Restricted bank balances/bank balances (continued)

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

Financial assets at amortised cost	External credit rating	Internal credit rating	Lifetime ECL or 12m ECL	Gross carrying amount	
				2025	2024
				HK$'000	HK$'000
Trade receivables arising from contracts with customers	N/A	Low risk	Lifetime ECL (collective assessment)	5,948	5,974
	N/A	Doubtful	Lifetime ECL	1,582	–
	N/A	Loss	Lifetime ECL – credit-impaired	–	2,140
Loans to third parties, other receivables, deposits and amount due from a non-controlling shareholder of a subsidiary	N/A	Low risk	12m ECL	33,105	31,389
Restricted bank balances	Aa3	N/A	12m ECL	3,231	3,533
Bank balances	Aa3	N/A	12m ECL	33,533	81,940

31. FINANCIAL INSTRUMENTS (continued)

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

Credit risk and impairment assessment (continued)

Restricted bank balances/bank balances (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables.

	Lifetime ECL (credit-impaired) HK$'000	Lifetime ECL (not credit-impaired) HK$'000
At 1st April, 2023	–	–
Impairment losses recognised	2,140	–
At 31st March, 2024	2,140	–
Impairment losses recognised	–	294
Deconsolidation of a subsidiary	(2,140)	–
At 31st March, 2025	–	294

Liquidity risk

In the management of the liquidity risk, the Group relies on borrowings and lease liabilities as significant sources of liquidity. The management of the Group also monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay.

31. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2025							
Non-derivative financial liabilities							
Trade and other payables	–	74,874	–	–	–	74,874	74,874
Borrowings	5.81	117,928	–	–	–	117,928	111,354
Lease liabilities	4.09	279,371	112,893	674	2,494	395,432	369,202
		472,173	112,893	674	2,494	588,234	555,430

	Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2024							
Non-derivative financial liabilities							
Trade and other payables	–	76,335	–	–	–	76,335	76,335
Borrowings	6.51	60,319	15,340	76,315	–	151,974	139,968
Lease liabilities	2.80	302,960	2,001	113,220	2,661	420,842	380,949
		439,614	17,341	189,535	2,661	649,151	597,252

31. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

Borrowings and lease liabilities with a repayable on demand clause are included in the "on demand or less than 3 months" time band in the above maturity analysis. As at 31st March, 2025, the aggregate carrying amounts of these borrowings and lease liabilities amounted to HK$111,354,000 and HK$258,389,000 (2024: HK$113,106,000 and HK$261,161,000) respectively. As disclosed in note 3.1, the Group has been in negotiation with the bank and lessor for not demanding immediate repayment of existing bank loan and extending the remaining sale and leaseback contracts of oil storage tanks. The management believes that such borrowings and lease liabilities will be repaid after the end of the reporting period in accordance with the scheduled repayments dates set out in the loan agreement and sale and leaseback contracts, details of which are set out in the table below.

	Weighted average interest rate %	On demand or less than 3 months HK$'000	3 months to 1 year HK$'000	1 year to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
2025							
Borrowings	5.81	53,274	11,616	23,232	23,232	111,354	111,354
Lease liabilities	4.09	10,025	112,893	270,020	2,494	395,432	258,389
		63,299	124,509	293,252	25,726	506,786	369,743

	Weighted average interest rate %	On demand or less than 3 months HK$'000	3 months to 1 year HK$'000	1 year to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
2024							
Borrowings	6.51	42,997	23,370	46,739	–	113,106	113,106
Lease liabilities	2.80	11,692	15,146	391,343	2,661	420,842	261,161
		54,689	38,516	438,082	2,661	533,948	374,267

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

31. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	2025	2024		
	HK$'000	*HK$'000*		
Equity investments – Listed equity securities	**47**	1,178	Level 1	Quoted bid prices in an active market
Financial assets at FVTPL – Unlisted fund	**114,251**	230,705	Level 2	Based on the net asset values of the fund determined with reference to observable quoted prices in an active market of the underlying investment portfolio, mainly listed shares.

There were no transfers between Levels 1, 2 and 3 during the current and prior years.

For financial instruments that are recorded at amortised cost, fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

Notes to the Consolidated Financial Statements

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32. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contributions are available to reduce the contributions payable in future years.

The employees of subsidiaries in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to these retirement benefit schemes is to make the specified contributions.

33. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	2025 *HK$'000*	2024 *HK$'000*
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	73,138	79,286

34. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

The Group's borrowings and sale and leaseback arrangement had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	2025 *HK$'000*	2024 *HK$'000*
Property, plant and equipment	–	12,647
Right-of-use assets	126,216	153,736
	126,216	166,383

Restrictions on assets

During the year ended 31st March, 2023, the Group received property preservation orders from the court in the PRC as a result of litigations of Guangming together with three of its subsidiaries in the PRC (the "**Guangming Subsidiaries**"). Details of the litigation are disclosed in note 41. As at 31st March, 2025, the Group's right-of-use assets of HK$13,161,000 (2024: HK$15,915,000), bank balances of HK$3,245,000 (2024: HK$3,533,000) and property, plant and equipment of HK$nil (2024: HK$152,000), are restricted as a result of the property preservation orders.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2025

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Borrowings	Lease liabilities	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1st April, 2023	146,281	427,904	574,185
Financing cash flows	(8,905)	(17,684)	(26,589)
Non-cash changes			
Interest expenses	10,243	13,209	23,452
New lease entered	–	1,173	1,173
Lease modification	(553)	(21,647)	(22,200)
Exchange realignment	(7,098)	(22,006)	(29,104)
At 31st March, 2024	139,968	380,949	520,917
Financing cash flows	(7,411)	(15,119)	(22,530)
Non-cash changes			
Interest expenses	2,736	13,243	15,979
Interest capitalised in qualifying assets	4,301	–	4,301
New lease entered	–	850	850
Deconsolidation of a subsidiary	(26,862)	–	(26,862)
Lease modification	–	(314)	(314)
Exchange realignment	(1,378)	(10,407)	(11,785)
At 31st March, 2025	**111,354**	**369,202**	**480,556**

36. RELATED PARTY DISCLOSURES

Compensation of key management personnel

Only the directors and chief executive are considered to be the key management personnel of the Group. The remuneration of directors and the chief executive is disclosed in note 6. The remuneration of directors is determined by the board of directors of the Company and its remuneration committee having regard to the performance of individuals and market trends.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2025

37. FINANCIAL INFORMATION OF THE COMPANY

	2025 *HK$'000*	2024 *HK$'000*
Non-current asset		
Investments in subsidiaries	235,465	259,772
Current assets		
Other receivables	–	278
Amounts due from subsidiaries	36,824	79,934
Cash and cash equivalents	3,216	827
	40,040	81,039
Current liabilities		
Other payables	1,705	1,704
Amounts due to subsidiaries	45,716	77,623
	47,421	79,327
Net current (liabilities) assets	(7,381)	1,712
	228,084	261,484
Capital and reserves		
Share capital	30,274	30,274
Share premium and reserves *(Note)*	197,810	231,210
Total equity	228,084	261,484

37. FINANCIAL INFORMATION OF THE COMPANY (continued)

Note: Details of movements in the Company's share premium and reserves are as follows:

	Share premium *HK$'000*	Capital redemption reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1st April, 2023	959,550	908	(790,001)	170,457
Rights issue *(note 28)*	26,238	–	–	26,238
Profit and total comprehensive income for the year	–	–	35,418	35,418
Transaction cost attributable to rights issue	(903)	–	–	(903)
At 31st March, 2024	984,885	908	(754,583)	231,210
Loss and total comprehensive expenses for the year	–	–	(33,400)	(33,400)
At 31st March, 2025	**984,885**	**908**	**(787,983)**	**197,810**

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March, 2025 and 2024 are as follows:

Name of subsidiaries	Place of incorporation/ establishment/ registration	Place of operations	Issued and fully paid share capital	Percentage of issued share capital held by the Company		Percentage of issued share capital attributable to the Group		Principal activities
				2025 %	2024 %	**2025** %	2024 %	
Directly owned								
PT Global Investment Holdings Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
PT OBOR Financial Holdings Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiaries	Place of incorporation/ establishment/ registration	Place of operations	Issued and fully paid share capital	Percentage of issued share capital held by the Company 2025 %	2024 %	attributable to the Group 2025 %	2024 %	Principal activities
Indirectly owned								
PT Finance Limited	Hong Kong	Hong Kong	HK$1 ordinary share	100	100	100	100	Provision of finance
PT Investment Corporation Limited	Hong Kong	Hong Kong	HK$1 ordinary share	100	100	100	100	Investment holding and securities trading
PT Insurance Brokers Company Limited	Hong Kong	Hong Kong	HK$1,200,000 ordinary shares	100	100	100	100	Provision of insurance brokerage services
Ko Bon Metal Power Limited	Hong Kong	Hong Kong	HK$78,000,000 ordinary shares	100	100	100	100	Commodities trading
廣西中化振威石油有限公司	The PRC	The PRC	RMB2,000,000 ordinary shares	100	100	100	100	Commodities trading
Thousand Vantage	Hong Kong	Hong Kong	HK$205,961,000 ordinary shares	65 *(Note)*	65	65	65	Investment holding
Guangming	The PRC	The PRC	RMB 600,000,000 share capital	48.75 *(Note)*	48.75	48.75	48.75	Provision of port and port-related services
江蘇宏貿倉儲有限公司	The PRC	The PRC	RMB 37,273,550 share capital	90	90	90	90	Provision of chemical storage services
Cupral Group Ltd. *(note 15)*	The UK	The UK	GBP2,500,000 ordinary shares	N/A	90	N/A	90	Material recycling
Mahabura Capital Limited	Mauritius	Mauritius	US$2,697,480 ordinary shares	100	100	100	100	Equity and insurance brokerage services
廣西中油能投石化有限公司	The PRC	The PRC	RMB 9,830,000 Ordinary shares	100	100	100	100	Commodities trading

Note: The Group holds 65% equity interests in Thousand Vantage while Thousand Vantage holds 75% equity interests in Guangming, which result in an effective shareholding of 48.75% of the Group in Guangming.

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

None of the subsidiaries had issued any debt securities at the end of the year.

All of the above subsidiaries are limited companies.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the Group for the year or formed a substantial portion of the assets of the Group at the end of the year. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

39. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

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

Name of subsidiaries	Place of incorporation/ establishment and principal place of business	Proportion of ownership interests/ voting rights held by non-controlling interests		Loss attributable to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	**2025**	2024	**2025**	2024
				HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Thousand Vantage*	Hong Kong	**35%**	35%	**(17,181)**	(34,295)	**(17,558)**	(426)
Non-wholly owned subsidiaries of Thousand Vantage:							
– Guangming	The PRC	**25%**	25%	**(15,762)**	(30,239)	**(74,592)**	(60,552)
Individually immaterial subsidiaries with non-controlling interests				**(183)**	(3,375)	**(87)**	(6,076)
				(33,126)	(67,909)	**(92,237)**	(67,054)

* excluding non-controlling interests of Thousand Vantage's subsidiaries

Summarised financial information in respect of the Thousand Vantage Group which are subsidiaries of the Company with material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

39. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (continued)

Thousand Vantage Group

	2025 *HK$'000*	2024 *HK$'000*
Non-current assets	378,945	449,315
Current assets	62,311	64,040
Current liabilities	(565,730)	(571,215)
Non-current liabilities	(2,372)	(2,670)
	(126,846)	(60,530)
Equity attributable to:		
Owners of the Company	(34,696)	448
Non-controlling interests of Thousand Vantage	(17,558)	(426)
Non-controlling interests of Thousand Vantage's subsidiaries	(74,592)	(60,552)
	(126,846)	(60,530)

39. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (continued)

Thousand Vantage Group (continued)

	2025 *HK$'000*	2024 *HK$'000*
Revenue	51,494	50,539
Other income and expenses, other gains and losses	1,759	(5,157)
Expenses	(119,623)	(173,607)
Loss for the year	(66,370)	(128,225)
Other comprehensive income (expenses) for the year	54	(1,050)
Total comprehensive expenses for the year	(66,316)	(129,275)
Loss for the year attributable to:		
Owners of the Company	(33,427)	(63,691)
Non-controlling interests of Thousand Vantage	(17,181)	(34,295)
Non-controlling interests of Thousand Vantage's subsidiaries	(15,762)	(30,239)
Loss for the year	(66,370)	(128,225)
Other comprehensive (expense) income for the year attributable to:		
Owners of the Company	(94)	(571)
Non-controlling interests of Thousand Vantage	(50)	(307)
Non-controlling interests of Thousand Vantage's subsidiaries	198	(172)
Other comprehensive income (expenses) for the year	54	(1,050)
Total comprehensive expenses for the year attributable to:		
Owners of the Company	(33,521)	(64,262)
Non-controlling interests of Thousand Vantage	(17,231)	(34,602)
Non-controlling interests of Thousand Vantage's subsidiaries	(15,564)	(30,411)
Total comprehensive expenses for the year	(66,316)	(129,275)
Net cash inflow from operating activities	32,667	34,194
Net cash outflow from investing activities	(4,914)	(52,493)
Net cash (outflow) inflow from financing activities	(28,553)	32,205
Net cash (outflow) inflow	(800)	13,906

40. MAJOR NON-CASH TRANSACTIONS

During the year ended 31st March, 2025, the Group entered into new lease agreements for the use of leased properties and plant and machinery. On the lease commencement dates, the Group recognised right-of-use assets of HK$850,000 (2024: HK$1,173,000) and lease liabilities of HK$850,000 (2024: HK$1,173,000).

41. LITIGATIONS AND CONTINGENT LIABILITIES

As at 31st March, 2025, the material litigations that the Group has been involved are listed below.

Litigations in relation to sale and leaseback arrangements

The Group received civil complaints filed by Lianwei in respect of disputes over the sale and leaseback arrangements entered into with Lianwei.

(i) In June 2022, Guangming received a civil complaint filed by Lianwei in respect of a dispute over the sale and leaseback arrangement of one oil storage tank. Under the civil complaint, Lianwei requested the court to order Guangming to pay the due and unpaid rent of RMB35,500,000 (equivalent to HK$38,065,000), default payments thereon of RMB22,759,000 (equivalent to HK$24,403,000) and other related litigation costs of RMB544,000 (equivalent to HK$583,000). Details are disclosed in the Company's announcement dated 28th June, 2022.

(ii) In October 2022, Guangming received a civil complaint filed by Lianwei in respect of a dispute over the sale and leaseback arrangement of one oil storage tank. Under the civil complaint, Lianwei requested the court to order Guangming to pay the full amount of remaining rent for the remaining lease period of RMB52,800,000 (equivalent to HK$56,615,000), default payments thereon of RMB29,181,000 (equivalent to HK$31,289,000) and other related litigation costs of RMB1,059,000 (equivalent to HK$1,136,000). Details are disclosed in the Company's announcement dated 28th October, 2022.

(iii) In May 2023, Guangming received three civil complaints filed by Lianwei in respect of disputes over the sale and leaseback arrangements of three oil storage tanks. Under the civil complaints, Lianwei requested the court to order Guangming to pay the full amount of remaining rent for the remaining lease period of RMB158,750,000 (equivalent to HK$170,220,000), default payments thereon of RMB93,030,000 (equivalent to HK$99,751,000) and other related litigation costs of RMB2,907,000 (equivalent to HK$3,117,000). Details are disclosed in the Company's announcement dated 5th May, 2023.

As disclosed in note 25, in view of the civil complaints, the relevant lease liabilities are classified as current liabilities as at 31st March, 2025. However, based on the advice from the PRC legal adviser, the directors of the Company consider that the Group is not probable to be legally liable to immediately pay the remaining lease payments of HK$264,900,000 (31st March, 2024: HK$266,468,000) as a result of the enforcement order and property preservation orders issued by the court.

As at the date of the approval for issuance of the consolidated financial statements, the above litigations in relation to sale and leaseback arrangements are still ongoing.

41. LITIGATIONS AND CONTINGENT LIABILITIES (continued)

Litigation in relation to a debt dispute

In July 2022, Guangming and Guangming Subsidiaries, and an individual (the "**Individual**"), received a civil complaint filed by a civil litigant (the "**Civil Litigant**") in respect of the dispute over loans provided to the Individual. Under the civil complaint, the Civil Litigant has requested the court to order Guangming and the Individual jointly to pay to the Civil Litigant the principal debt amount of RMB110,658,000 (equivalent to HK$118,653,000), default payment thereon of RMB33,472,000 (equivalent to HK$35,890,000) and other related litigation costs. Details are disclosed in the Company's announcement dated 28th October, 2022.

The directors of the Company consider that the Civil Litigant had only entered into loan agreements with the Individual and had only provided loans to the Individual and not to Guangming. The Individual is not a director nor the legal representative of Guangming or the Guangming Subsidiaries, and no evidence has been provided by the Civil Litigant to show that such loan amounts were used in the production operations of Guangming. Based on the advice from the PRC legal adviser, the directors of the Company consider that it is not probable that the Group will be legally liable to aforesaid loans principal, late default payment and the other related litigation costs.

As at the date of the approval for issuance of the consolidated financial statements, the above litigation in relation to a debt dispute is still ongoing.

Arbitration

In April 2024, Jiangsu Hong Mao Storage Company Limited* (江蘇宏貿倉儲有限公司) ("**Jiangsu Hong Mao**"), an indirectly non-wholly owned subsidiary of the Company, received an arbitration notice in respect of an application for arbitration filed by China Construction Third Engineering Bureau Third Construction Engineering Company Limited* (中建三局第三建設工程有限責任公司) ("**CCTE**") against Jaingsu Hong Mao in respect of the dispute over a construction contract for a liquid chemicals storage and logistics project which was suspended in 2017. Under the application of arbitration, Jiangsu Hong Mao shall pay the construction fee of RMB15,901,000 (equivalent to HK$17,050,000) to CCTE and pay to CCTE the progress payment interest of RMB241,000 (equivalent to HK$258,000) and settlement payment interest accrued on the outstanding settlement payment at the loan prime rate announced by the National Interbank Funding Center from the date of commencement of the application for the arbitration to the actual repayment date. To the extent of the amount of the outstanding construction fee, CCTE shall have the priority right to be repaid from the appraised or auction price of the project and Jiangsu Hong Mao shall pay the legal costs and other miscellaneous costs relating to the arbitration to CCTE. Details are disclosed in the Company's announcement dated 23rd April, 2024.

Based on the advice from the PRC legal adviser, the directors of the Company consider that it is not probable that the Group will be legally liable to aforesaid construction fee, progress payment interest and settlement payment interest and the other related litigation costs.

As at the date of the approval for issuance of the consolidated financial statements, the above arbitration is still ongoing.

* *For identification purposes only*

41. LITIGATIONS AND CONTINGENT LIABILITIES (continued)

Petition against subsidiary of the Company

Mr. Zhu, a shareholder of the Company, presented a winding-up petition on 15th December, 2023 against Thousand Vantage, PT OBOR Financial Holdings Limited ("**PT OBOR**") and HK United Investment Holdings Limited ("**HK United**") on the basis of unfair prejudice.

Mr. Zhu sought, inter alia:

(i) an order that Thousand Vantage be wound up under section 177(1)(f) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong); and

(ii) alternatively, an order that Mr. Zhu do purchase PT OBOR's and HK United's shares in Thousand Vantage at a price to be determined by the court in such manner as it shall think fit.

As at the date of the approval for issuance of the consolidated financial statements, the winding-up proceedings are still ongoing and the trial hearing will be held in November 2025. Details of the winding-up proceedings are set out in the announcement of the Company dated 18th December, 2023.

Five-year Financial Summary

	Year ended 31st March,				
	2021	2022	2023	2024	**2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
RESULTS *(note)*					
Revenue	1,468,217	884,491	452,530	151,959	**140,667**
Profit (loss) before taxation	166,458	(170,603)	(360,403)	(56,505)	**(224,342)**
Taxation	(5)	–	(2)	–	**–**
Profit (loss) for the year	166,453	(170,603)	(360,405)	(56,505)	**(224,342)**
Attributable to:					
Owners of the Company	167,056	(158,417)	(201,962)	8,129	**(191,312)**
Non-controlling interests	(603)	(12,186)	(158,443)	(64,634)	**(33,030)**
	166,453	(170,603)	(360,405)	(56,505)	**(224,342)**

	As at 31st March,				
	2021	2022	2023	2024	**2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
ASSETS AND LIABILITIES					
Total assets	789,037	1,600,250	1,029,144	911,258	**654,715**
Total liabilities	(73,889)	(884,012)	(711,140)	(634,177)	**(573,744)**
	715,148	716,238	318,004	277,081	**80,971**
EQUITY					
Equity attributable to:					
Owners of the Company	709,546	558,807	334,450	344,135	**173,208**
Non-controlling interests	5,602	157,431	(16,446)	(67,054)	**(92,237)**
	715,148	716,238	318,004	277,081	**80,971**

Note: The financial result of metal recycling, a discontinued operation, was not accounted for in 2024 and 2025.