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RYKADAN CAPITAL LIMITED

宏基資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2288)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

FINANCIAL HIGHLIGHTS

	For the year ended 31 March	
	2024	2023
RESULTS		
Loss for the year (HK\$'000)	(176,166)	(192,222)
	At	At
	31 March	31 March
	2024	2023

FINANCIAL INFORMATION PER SHARE

Net assets per share attributable to owners of the Company (HK\$)		
(Equity attributable to owners of the Company/number of issued ordinary shares of the Company)	2.29	2.76

BANK BALANCES AND CASH

At 31 March 2024, the Group had bank deposits and cash of approximately HK\$101 million (2023: HK\$167 million).

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2024.

The board of directors (the “Board”) of Rykadan Capital Limited 宏基資本有限公司 (the “Company”) hereby announces the consolidated annual results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2024 together with the comparative figures for the year ended 31 March 2023 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	3	104,388	87,695
Cost of sales and services		<u>(131,690)</u>	<u>(85,142)</u>
Gross (loss) / profit		(27,302)	2,553
Other revenue	4	6,718	7,565
Other net loss	5	(3,883)	(2,022)
Selling and marketing expenses		(4,138)	(4,814)
Administrative and other operating expenses		<u>(44,397)</u>	<u>(30,680)</u>
Loss from operations		(73,002)	(27,398)
Decrease in fair value of investment properties	11	<u>(4,316)</u>	<u>(5,916)</u>
		(77,318)	(33,314)
Finance costs	6	(15,713)	(12,744)
Share of results of associates		(35,216)	(136,780)
Share of results of joint ventures		(12,444)	(9,012)
Impairment losses on interests in joint ventures	13	<u>(33,200)</u>	<u>–</u>
Loss before taxation		(173,891)	(191,850)
Income tax expense	8	<u>(2,275)</u>	<u>(372)</u>
Loss for the year	7	<u>(176,166)</u>	<u>(192,222)</u>
Attributable to:			
– Owners of the Company		(173,886)	(189,329)
– Non-controlling interests		<u>(2,280)</u>	<u>(2,893)</u>
		<u>(176,166)</u>	<u>(192,222)</u>
		HK\$	HK\$
Loss per share	9		
Basic		(46.3) cents	(50.4) cents
Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year	<u>(176,166)</u>	<u>(192,222)</u>
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences arising on translation of foreign operations	875	(5,061)
– Share of translation reserve of joint ventures, net of related income tax	<u>(1,806)</u>	<u>(4,900)</u>
	(931)	(9,961)
Item that will not be reclassified to profit or loss:		
– Share of remeasurement of defined benefit liability of a joint venture, net of related income tax	<u>(54)</u>	448
Other comprehensive income for the year	<u>(985)</u>	<u>(9,513)</u>
Total comprehensive income for the year	<u><u>(177,151)</u></u>	<u><u>(201,735)</u></u>
Attributable to:		
– Owners of the Company	(174,504)	(198,044)
– Non-controlling interests	<u>(2,647)</u>	<u>(3,691)</u>
	<u><u>(177,151)</u></u>	<u><u>(201,735)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
NON-CURRENT ASSETS			
Investment properties	11	154,500	158,700
Other properties, plant and equipment		33,964	34,808
Right-of-use assets		3,442	–
Interests in associates	12	178,766	213,489
Interests in joint ventures	13	205,096	252,632
Financial assets measured at fair value through other comprehensive income		<u>–</u>	<u>–</u>
		575,768	659,629
CURRENT ASSETS			
Properties for sale		399,121	485,088
Inventories		797	2,545
Trade receivables	14	22,277	27,957
Other receivables, deposits and prepayments		8,742	8,218
Loan to an associate	12	40,000	7,169
Bank deposits and cash on hand		<u>100,897</u>	<u>167,485</u>
		571,834	698,462
CURRENT LIABILITIES			
Trade and other payables	15	13,604	13,903
Contract liabilities		615	280
Bank loans	16	257,571	216,877
Lease liabilities		527	–
Tax payable		<u>1,212</u>	<u>1,217</u>
		273,529	232,277
NET CURRENT ASSETS			
		<u>298,305</u>	<u>466,185</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>874,073</u>	<u>1,125,814</u>

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
NON-CURRENT LIABILITIES			
Bank loans	<i>16</i>	18,522	95,922
Lease liabilities		3,022	–
Deferred tax liabilities		1,058	–
		<u>22,602</u>	<u>95,922</u>
		<u>851,471</u>	<u>1,029,892</u>
CAPITAL AND RESERVES			
Share capital		3,754	3,754
Reserves		857,619	1,032,123
		<u>861,373</u>	<u>1,035,877</u>
Equity attributable to owners of the Company		(9,902)	(5,985)
Non-controlling interests		<u>851,471</u>	<u>1,029,892</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 21 August 2009. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Rooms 2701 & 2801, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong respectively.

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in the annual report.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs 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 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	<i>Insurance Contracts</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform-Pillar Two Model Rules</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>

Except the application of amendments to HKAS 1 and HKFRS Practice Statement 2, which has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies, the application of the new and amendments to HKFRSs 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.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are property development, property investment, asset, investment and fund management and distribution of construction and interior decorative materials.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024	2023
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
– Sales of completed properties	92,590	74,000
– Distribution of construction and interior decorative materials	6,019	–
– Asset, investment and fund management income	4,734	12,037
– Property management fee and utility income	132	128
	103,475	86,165
Revenue from other source		
– Rental income	913	1,530
	104,388	87,695

Disaggregation of revenue from contracts with customers by timing of revenue recognition and by geographical markets are disclosed in Note 3(b).

For the year ended 31 March 2024, the Group's customer base includes only one customer (2023: one customer) whose transaction has exceeded 10% of the Group's revenue.

For the year ended 31 March 2024, revenue from sales of completed properties to a customer in the United States of America (the "U.S.A.") was approximately HK\$92,590,000.

For the year ended 31 March 2023, revenue from sales of completed properties to a customer in Hong Kong was approximately HK\$74,000,000.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

At 31 March 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is HK\$75,137,000 (2023: HK\$4,187,000). This amount mainly represents revenue expected to be recognised in the future from pre-completion contracts entered into by the customers with the Group for sales of completed properties and provision of services during the year. The Group will recognise the expected revenue in the future when the relevant services are provided or the properties are assigned to the customers, which are expected to occur within the next 26 months (31 March 2023: within next 12 months).

(iii) Total future minimum lease payment receivable by the Group

Total minimum lease payment under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2024	2023
	HK\$'000	HK\$'000
Within one year	750	336
After one year but within five years	735	–
	1,485	336

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). To be consistent with the way how information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four (2023: four) reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Property development – This segment derives its revenue from repositioning and value enhancement of properties with a focus on development projects in prime locations in Hong Kong and the U.S.A..
- Property investment – This segment derives its revenue from leasing of premises included in the Group's investment properties portfolio in Hong Kong.
- Asset, investment and fund management – This segment derives its revenue from investing in and managing a portfolio of real estates in Hong Kong.
- Distribution of construction and interior decorative materials – This segment derives its revenue from distribution of stone composite surfaces products in the Greater China region.

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment (loss) / profit represents (loss from) / profit earned by each segment, excluding income and expenses of the corporate function, such as certain other revenue, certain other net loss, certain administrative and other operating expenses, decrease in fair value of investment properties, finance costs, share of results of associates, share of results of joint ventures and impairment losses on interests in joint ventures.

All assets are allocated to operating segments other than certain other properties, plant and equipment, right-of-use assets, interests in associates, interests in joint ventures, financial assets measured at fair value through other comprehensive income, certain other receivables, deposits and prepayments, loan to an associate and bank deposits and cash on hand that are not managed directly by segments.

All liabilities are allocated to operating segments other than certain other payables, lease liabilities, certain bank loans and deferred tax liabilities that are not managed directly by segments.

In addition, management is provided with segment results and information concerning inter-segment sales, additions of/transfer to other properties, plant and equipment/investment properties at fair value, additions of right-of-use assets, depreciation of other properties, plant and equipment, amortisation of right-of-use assets, (loss) / gain on disposal of other properties, plant and equipment and impairment losses on interests in joint ventures. Inter-segment sales are priced with reference to prices charged to external parties for similar services.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2024 and 2023 is set out below.

Segment revenues and results

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

For the year ended 31 March 2024

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Asset, investment and fund management <i>HK\$'000</i>	Distribution of construction and interior decorative materials <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition						
Point in time	92,590	–	–	6,019	–	98,609
Over time	–	132	4,734	–	–	4,866
Revenue from other source	<u>–</u>	<u>913</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>913</u>
External revenue	92,590	1,045	4,734	6,019	–	104,388
Inter-segment revenue	<u>–</u>	<u>3,549</u>	<u>–</u>	<u>–</u>	<u>(3,549)</u>	<u>–</u>
Total	<u><u>92,590</u></u>	<u><u>4,594</u></u>	<u><u>4,734</u></u>	<u><u>6,019</u></u>	<u><u>(3,549)</u></u>	<u><u>104,388</u></u>
Segment (loss) / profit from operations	(26,806)	(2,043)	(19,724)	291	–	(48,282)
Corporate expenses						(30,823)
Corporate income						6,103
Decrease in fair value of investment properties						(4,316)
Finance costs						(15,713)
Share of results of associates						(35,216)
Share of results of joint ventures						(12,444)
Impairment losses on interests in joint ventures						<u>(33,200)</u>
Loss before taxation						<u><u>(173,891)</u></u>

For the year ended 31 March 2023

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Asset, investment and fund management <i>HK\$'000</i>	Distribution of construction and interior decorative materials <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition						
Point in time	74,000	–	–	–	–	74,000
Over time	–	128	12,037	–	–	12,165
Revenue from other source	<u>–</u>	<u>1,530</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,530</u>
External revenue	74,000	1,658	12,037	–	–	87,695
Inter-segment revenue	<u>–</u>	<u>3,549</u>	<u>–</u>	<u>–</u>	<u>(3,549)</u>	<u>–</u>
Total	<u><u>74,000</u></u>	<u><u>5,207</u></u>	<u><u>12,037</u></u>	<u><u>–</u></u>	<u><u>(3,549)</u></u>	<u><u>87,695</u></u>
Segment profit / (loss) from operations	2,923	(1,866)	(10,233)	2,924	–	(6,252)
Corporate expenses						(26,495)
Corporate income						5,349
Decrease in fair value of investment properties						(5,916)
Finance costs						(12,744)
Share of results of associates						(136,780)
Share of results of joint ventures						<u>(9,012)</u>
Loss before taxation						<u><u>(191,850)</u></u>

Segment assets and liabilities

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Segment assets		
Property development	399,189	485,222
Property investment	155,383	159,126
Asset, investment and fund management	14,536	27,359
Distribution of construction and interior decorative materials	9,291	7,514
	<hr/>	<hr/>
Total segment assets	578,399	679,221
Other properties, plant and equipment	33,914	34,744
Right-of-use assets	3,442	–
Interests in associates	178,766	213,489
Interests in joint ventures	205,096	252,632
Financial assets measured at fair value through other comprehensive income	–	–
Other receivables, deposits and prepayments	7,088	3,351
Loan to an associate	40,000	7,169
Bank deposits and cash on hand	100,897	167,485
	<hr/>	<hr/>
Total consolidated assets of the Group	<u>1,147,602</u>	<u>1,358,091</u>
Segment liabilities		
Property development	55,445	98,743
Property investment	38,384	44,728
Asset, investment and fund management	1,471	1,321
Distribution of construction and interior decorative materials	3,659	3,627
	<hr/>	<hr/>
Total segment liabilities	98,959	148,419
Other payables	7,565	7,280
Lease liabilities	3,549	–
Bank loans	185,000	172,500
Deferred tax liabilities	1,058	–
	<hr/>	<hr/>
Total consolidated liabilities of the Group	<u>296,131</u>	<u>328,199</u>

Other segment information

For the year ended 31 March 2024

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Asset, investment and fund management <i>HK\$'000</i>	Distribution of construction and interior decorative materials <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment results or segment assets:							
Additions of/transfer to other properties, plant and equipment/investment properties at fair value	-	116	-	3	119	833	952
Additions of right-of-use assets	-	-	-	-	-	3,955	3,955
Depreciation of other properties, plant and equipment	-	-	(15)	(1)	(16)	(1,650)	(1,666)
Amortisation of right-of-use assets	-	-	-	-	-	(513)	(513)
(Loss) / gain on disposal of other properties, plant and equipment	-	-	-	(1)	(1)	1	-
Impairment losses on interests in joint ventures	-	-	-	-	-	(33,200)	(33,200)
	<u>-</u>	<u>116</u>	<u>-</u>	<u>3</u>	<u>119</u>	<u>833</u>	<u>952</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,955</u>	<u>3,955</u>
	<u>-</u>	<u>-</u>	<u>(15)</u>	<u>(1)</u>	<u>(16)</u>	<u>(1,650)</u>	<u>(1,666)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(513)</u>	<u>(513)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>1</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,200)</u>	<u>(33,200)</u>

For the year ended 31 March 2023

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Asset, investment and fund management <i>HK\$'000</i>	Distribution of construction and interior decorative materials <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment results or segment assets:							
Additions of/transfer to other properties, plant and equipment/investment properties at fair value	-	200	15	-	215	17	232
Depreciation of other properties, plant and equipment	-	-	(36)	(59)	(95)	(1,546)	(1,641)
Loss on disposal of other properties, plant and equipment	-	-	-	(4)	(4)	(20)	(24)
	<u>-</u>	<u>200</u>	<u>15</u>	<u>-</u>	<u>215</u>	<u>17</u>	<u>232</u>
	<u>-</u>	<u>-</u>	<u>(36)</u>	<u>(59)</u>	<u>(95)</u>	<u>(1,546)</u>	<u>(1,641)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>(4)</u>	<u>(20)</u>	<u>(24)</u>

Geographical segment information

The Group's revenue from external customers attributed to the geographical areas based on the location at which the services were provided or the goods were delivered is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	5,779	87,695
The People's Republic of China (the "PRC")	6,019	–
The U.S.A.	92,590	–
	<u>104,388</u>	<u>87,695</u>

The analysis above includes rental income from external customers in Hong Kong of HK\$913,000 (2023: HK\$1,530,000).

The Group's information about its non-current assets by location of the assets or by location of the related operations are detailed below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	547,726	637,783
The PRC	36	35
The U.S.A.	13,550	9,512
Others	14,456	12,299
	<u>575,768</u>	<u>659,629</u>

4. OTHER REVENUE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income on loan to a joint venture	518	518
Interest income on loan to an associate	3,762	32
Interest income on bank deposits	1,134	1,072
Income from loans and other receivables	269	2,742
Income from forfeiture of property sales deposits	–	1,751
Others	1,035	1,450
	<u>6,718</u>	<u>7,565</u>

5. OTHER NET LOSS

	2024	2023
	HK\$'000	HK\$'000
Net foreign exchange loss	(3,923)	(3,608)
Loss on disposal of other properties, plant and equipment	–	(24)
Loss on disposal of interest in subsidiaries	–	(102)
Government grants (<i>Note</i>)	–	564
Others	40	1,148
	<u>(3,883)</u>	<u>(2,022)</u>

Note: For the year ended 31 March 2024, no subsidies from Employment Support Scheme (2023: HK\$564,000) were granted from the Government of the Hong Kong Special Administrative Region related to the employment in Hong Kong. There were no unfulfilled conditions or other contingencies attaching to these grants.

6. FINANCE COSTS

	2024	2023
	HK\$'000	HK\$'000
Interest expenses on bank loans	16,528	12,985
Interest expenses on lease liabilities	122	–
Less: interest expenses capitalised into properties under development for sale (<i>Note</i>)	(937)	(241)
	<u>15,713</u>	<u>12,744</u>

Note: Borrowing costs capitalised during the year are calculated by applying capitalisation rates of approximately 4% (2023: 4%) per annum to expenditures on qualifying assets.

7. LOSS FOR THE YEAR

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration – audit services	1,000	1,338
Cost of construction and interior decorative materials	5,210	–
Cost of properties for recognised sales	105,600	62,353
Direct cost for management services provided (<i>Note</i>)	11,692	18,096
Depreciation of other properties, plant and equipment	1,666	1,641
Amortisation of right-of-use assets	513	–
Employee benefit expenses	32,712	32,809
Operating lease payments in respect of leased properties	1,291	184
Direct outgoings of rental, property management fee and utilities	162	251
Reversal of impairment losses of other receivables, deposits and prepayments	–	(419)
Impairment losses of trade receivables, net of reversal	5,041	(4,313)
Write-down on properties for sale (included in cost of sales and services)	9,026	4,442
	<u>2,275</u>	<u>372</u>

Note: Direct cost for management services provided includes HK\$10,250,000 (2023: HK\$15,401,000) relating to staff costs which are also included in the respective total amount disclosed separately above.

8. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Income tax recognised in profit or loss:		
Current tax		
– Withholding tax on dividend distributions	1,217	–
– Other jurisdictions	–	338
	<u>1,217</u>	<u>338</u>
(Over) / under provision in previous year		
– Hong Kong Profits Tax	–	(8)
– Other jurisdictions	–	42
	<u>–</u>	<u>34</u>
Deferred tax		
– Charged to profit or loss	1,058	–
	<u>2,275</u>	<u>372</u>

No provision for Hong Kong Profits Tax has been made in these consolidated financial statements as the Group did not have any assessable profits for both years.

Overseas tax is calculated at the rates prevailing in the relevant jurisdictions.

Under the PRC Enterprise Income Tax Law (the “EIT Law”) and the Implementation Regulation of the EIT Law, withholding tax of 5% or 10% is payable in respect of dividends by PRC entities from 1 January 2008 onwards. During the year ended 31 March 2024, a withholding tax of HK\$1,159,000 (2023: HK\$Nil) has been recognised upon distribution of dividends from a PRC subsidiary of the Group. The remaining withholding tax of HK\$58,000 (2023: HK\$Nil) has been recognised upon distribution of dividends from a subsidiary in Canada of the Group.

9. LOSS PER SHARE

The calculation of loss per share is based on the loss for the year attributable to owners of the Company of HK\$173,886,000 (2023: HK\$189,329,000) and 375,447,000 (2023: 375,447,000) ordinary shares in issue during the year.

No diluted loss per share for both years was presented as there were no potential ordinary shares outstanding during both years.

10. DIVIDENDS

No dividends had been paid or declared during the year. The Board does not recommend the payment of a dividend for the year ended 31 March 2024 (2023: HK\$Nil).

11. INVESTMENT PROPERTIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At valuation:		
At the beginning of the year	158,700	362,500
Disposal of interest in subsidiaries	–	(198,000)
Transfer (<i>Note</i>)	116	116
Decrease in fair value of investment properties	<u>(4,316)</u>	<u>(5,916)</u>
At the end of the year	<u><u>154,500</u></u>	<u><u>158,700</u></u>

Note: During the year ended 31 March 2024, completed properties held for sale at cost of approximately HK\$116,000 (2023: HK\$116,000) were transferred from “properties for sale” to “investment properties” as a result of change in use. The properties were measured at fair value at the time of transfer amounting to HK\$200,000 (2023: HK\$200,000) and revaluation surplus of approximately HK\$84,000 (2023: HK\$84,000) have been dealt with in the consolidated income statement.

At 31 March 2024, investment properties of HK\$152,200,000 (2023: HK\$156,400,000) were pledged as securities for bank loans (*Note 16*).

The investment properties in Hong Kong were revalued at 31 March 2024 by Asset Appraisal Limited (2023: Asset Appraisal Limited), an independent firm of surveyors who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the locations and categories of the properties being valued.

12. INTERESTS IN ASSOCIATES AND LOAN TO AN ASSOCIATE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Share of net assets	11,596	15,576
Amounts due from associates (<i>Note (a)</i>)	323,954	323,461
Share of net liabilities	(156,784)	(125,548)
	<u>167,170</u>	<u>197,913</u>
	<u>178,766</u>	<u>213,489</u>
Loan to an associate (<i>Note (b)</i>)	<u>40,000</u>	<u>7,169</u>

Notes:

- (a) At 31 March 2024 and 31 March 2023, the amounts due from associates are interest-free, unsecured and have no fixed terms of repayment.
- (b) At 31 March 2024 and 31 March 2023, the loan to an associate of HK\$40,000,000 (2023: HK\$7,169,000) is interest bearing at 15% per annum, unsecured and repayable within one year.

13. INTERESTS IN JOINT VENTURES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Share of net assets	14,472	12,337
Amounts due from joint ventures (<i>Note (a)</i>)	292,534	292,566
Share of net liabilities	(68,710)	(52,271)
Less: impairment losses (<i>Note (b)</i>)	(33,200)	–
	<u>190,624</u>	<u>240,295</u>
	<u>205,096</u>	<u>252,632</u>

Notes:

- (a) At 31 March 2024, the amount due from a joint venture of US\$1,200,000 (equivalent to HK\$9,418,000) (2023: US\$1,200,000 (equivalent to HK\$9,450,000)), is interest bearing at 5.5% (2023: 5.5%) per annum, unsecured and has no fixed terms of repayments. The remaining balance of HK\$283,116,000 (2023: HK\$283,116,000) is interest-free, unsecured and has no fixed terms of repayment.
- (b) At 31 March 2024, due to the unsatisfactory financial performance of Quarella Holdings Limited and its subsidiaries (the “Quarella Group”) in the second half of the financial year of 2024, management concluded there was an indication for impairment and conducted impairment assessment on recoverable amounts of the Quarella Group.

The recoverable amounts of the Quarella Group have been determined based on its value in use. The Group estimates the value in use of the Quarella Group using a discount rate of 12.00% and perpetual growth rate of 3%. The Quarella Group is impaired to its recoverable amounts of HK\$181,206,000, which is its carrying values (including the amount due from Quarella Group) at year end and the impairment of HK\$33,200,000 has been recognised in profit or loss during the year.

14. TRADE RECEIVABLES

At 31 March 2024, the ageing analysis of trade receivables based on invoice date, net of loss allowances, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1-30 days	2,082	74
31-60 days	361	–
61-90 days	361	–
Over 90 days	19,473	27,883
	<u>22,277</u>	<u>27,957</u>

The Group negotiates with customers on individual basis in accordance with contract terms, i.e. an average credit period of 90 days (2023: 90 days) after the issuance of the invoices, except for sales of properties the proceeds from which are receivable pursuant to the terms of agreements, rental income which are receivable in the month the tenants use the premises and property management fee and utility income and asset, investment and fund management income which are receivable in the month the Group provides the services.

15. TRADE AND OTHER PAYABLES

At 31 March 2024, included in trade and other payables are trade payables of HK\$983,000 (2023: HK\$882,000) and the ageing analysis of trade payables, based on invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1-30 days	949	847
31-60 days	–	–
61-90 days	–	–
Over 90 days	34	35
	<u>983</u>	<u>882</u>

16. BANK LOANS

The analysis of the carrying amount of bank loans is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current liabilities		
Bank loans contain a repayable on demand clause or due within one year <i>(Note (f))</i>	227,460	60,108
Bank loans due after one year which contain a repayment on demand clause	<u>30,111</u>	<u>156,769</u>
	<u>257,571</u>	<u>216,877</u>
Non-current liabilities		
Bank loans	<u>18,522</u>	<u>95,922</u>

At 31 March 2024, the bank loans are due for repayment as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Portion of bank loans repayable on demand or due for repayment within one year	227,460	60,108
Bank loans due for repayment after one year <i>(Notes (g) and (h))</i> :		
After one year but within two years	7,855	142,141
After two years but within five years	40,778	104,210
After five years	<u>–</u>	<u>6,340</u>
	<u>48,633</u>	<u>252,691</u>
	<u>276,093</u>	<u>312,799</u>

At 31 March 2024, the secured bank loans and unsecured bank loan are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Secured bank loans	156,093	192,799
Unsecured bank loan	<u>120,000</u>	<u>120,000</u>
	<u>276,093</u>	<u>312,799</u>

Notes:

- (a) At 31 March 2024, bank loans drawn in Hong Kong bear interest at the rates ranging from 1.8% to 2.3% (2023: 1.7% to 2.3%) per annum over Hong Kong Interbank Offered Rate. The interests are repriced monthly (2023: monthly).
- (b) At 31 March 2024, bank loan drawn in Macau bears interest at 1.25% (2023: 1.25%) per annum below the prime rate determined by the lending bank.
- (c) At 31 March 2024, bank loans drawn in the U.S.A. bear interest at the rates ranging from 3.8% to 4.0% (2023: 3.8% to 4.0%) per annum.
- (d) At 31 March, certain of the banking facilities of the Group were secured by mortgages over:

	2024	2023
	HK\$'000	HK\$'000
Investment properties	152,200	156,400
Buildings	33,213	34,640
Properties for sale	101,859	192,436
	287,272	383,476

Such banking facilities amounted to HK\$157,199,000 (2023: HK\$279,097,000) were utilised to the extent of HK\$156,093,000 at 31 March 2024 (2023: HK\$192,799,000).

- (e) Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios. If the Group was to breach the covenants, the utilised facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants.

During the year, in respect of bank loans of HK\$185,000,000 utilised out of the relevant bank facilities of HK\$237,500,000 granted from relevant bankers at 31 March 2024, the Group has failed to satisfy one of the financial covenants which is the net worth requirement stipulated in relevant banking facility agreements. The directors of the Company are in discussion with the relevant bankers for the necessary waivers and renegotiating with them on the terms of the relevant bank loans. At 31 March 2024, those negotiations had not been concluded and the relevant bank loans which are originally due within one year, could be immediately due and payable.

Up to the date of approval for issuance of the consolidated financial statements, the negotiations are still in progress and the Group is yet to obtain the relevant waivers from the relevant bankers, who have not made any demand for immediate repayment of the relevant bank loans. Based on the communication and prior negotiation experiences with the relevant bankers, the directors of the Company are confident that the necessary waivers will be obtained or the relevant bankers and the Group will be able to reach mutually acceptable revised terms regarding the relevant bank loans. In any event, should the relevant bankers call for immediate repayment of the bank loans, there are adequate alternative sources of finance available to ensure that there is no threat to the continuing operations of the Group.

- (f) For the bank loans with amount of HK\$227,460,000 (2023: HK\$60,108,000) which are repayable within one year, HK\$192,855,000 (2023: HK\$60,108,000) of which contain repayable on demand clauses.

- (g) The amounts due are based on the scheduled repayment dates set out in bank loan agreements and ignore the effect of any repayment on demand clause.
- (h) Certain of the Group's bank loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has met the scheduled repayment obligations.

The Group does not consider it probable that banks will exercise their discretion to demand immediate repayment so long as the Group continues to meet the scheduled repayment obligations.

BUSINESS AND FINANCIAL REVIEW

Overview

During the year, the Group continued to navigate macro headwinds and operational challenges arising from escalating interest rates and weakened market sentiment. Nonetheless, the Group has steadily progressed and monetised several property redevelopment projects in Hong Kong and the United States of America (the “U.S.A.”).

The Group remains committed to its long-term strategy by acquiring and adding promising projects to its portfolio, efficiently growing its asset value and monetising it within a three-to-five-year horizon. Upholding our investment principles is crucial in maintaining sustainable return for its shareholders while mitigating near-term market fluctuations.

Following the completion of the Wong Chuk Hang and the Jaffe Road Projects in Hong Kong, the Group began to hand over pre-sold units while undergoing additional marketing launches for the remaining units. Our projects incorporate new aesthetic design and sustainable building principles; in particular, the Wong Chuk Hang Project has won three prestigious industry awards. These appeal to buyers despite challenging market conditions.

The monetisation of the Group’s diversified property redevelopment projects in the U.S.A. and the Graphite Square Project in the United Kingdom (the “U.K.”) where it has a minority stake, have also progressed as planned.

The Group continued to enhance its recurring revenue by prudently building and managing its asset, investment and fund management business. By leveraging its asset, investment and fund management business, the Group plans to tap a broader base of development capital while generating stable fee income. Following the Group’s earlier divestments, it is now well positioned to seek promising real estate development and co-investment opportunities in Hong Kong and overseas.

For the year ended 31 March 2024, the Group’s investments included commercial and residential property redevelopments in Hong Kong, the U.S.A. and the U.K.. It also invested in a leading international producer and distributor of construction and interior decorative materials, as well as hospitality operations.

As of 31 March 2024, the Group's total assets were valued at HK\$1,148 million (2023: HK\$1,358 million), of which HK\$572 million (2023: HK\$698 million) were current assets, approximately 2.09 times (2023: 3.01 times) of its current liabilities. Equity attributable to owners of the Company was HK\$861 million (2023: HK\$1,036 million).

Overall Performance

During the year ended 31 March 2024, the Group's consolidated revenue amounted to HK\$104 million (2023: HK\$88 million). The consolidated revenue was mainly attributable to the ongoing monetisation of property redevelopment projects in the Group's portfolio and recurring income generated from the Group's asset, investment and fund management business. The Group recorded a gross loss and gross loss margin of HK\$27 million (2023: gross profit of HK\$3 million) and 26.2% (2023: gross profit margin of 2.9%), respectively. The decline was mostly attributable to gross loss recognised from the disposal of a property redevelopment project under soft market condition, writing down of a property redevelopment project during the year and the decrease in revenue for asset, investment and fund management which was unable to cover fixed operating costs.

The Group recorded a loss of HK\$176 million during the year (2023: HK\$192 million), while the loss attributable to owners of the Company was HK\$174 million (2023: HK\$189 million).

Further to the aforementioned gross loss, the loss was mainly attributable to the absorption of losses incurred by associates and joint ventures during the year as a result of the challenging macro environment, the recognition of impairment losses net of reversal on trade receivables and the recognition of impairment losses on interests in joint ventures.

Basic loss per share for the year ended 31 March 2024 was HK46.3 cents (2023: HK50.4 cents).

No diluted loss per share for both years was presented as there were no potential ordinary shares outstanding during both years.

The Board of Directors (the "Board") does not recommend the payment of the final dividend for the year ended 31 March 2024 (2023: HK\$Nil per share).

Material Acquisition and Disposal

There was no material acquisition and disposal during the year.

Investment Portfolio

As at 31 March 2024, the Group's bank deposits and cash was HK101 million (2023: HK\$167 million), representing 8.8% (2022: 12.3%) of the Group's total assets.

The following table shows the Group's investments as at 31 March 2024.

Real estate investments

Investment	Location	Type	Group's interest	Status as of 31/3/2024	Area	Attributable area
Winston Project	1135 Winston Avenue, San Marino, CA 91108, the U.S.A.	Residential property	100%	Completed and being marketed to buyers	4,021 square feet (gross floor)	4,021 square feet (gross floor)
Monterey Park Towne Centre Project	100, 120, 150, 200 South Garfield and 114 East Garvey and City Parking Lot, Monterey Park, CA 91755, the U.S.A.	Residential and retail property	100%	Under planning	237,644 square feet (gross floor)	237,644 square feet (gross floor)
Anoakia Project	701 Anoakia Lane, Arcadia, CA 91006, the U.S.A.	Residential property	100%	Completed. Expected to be handed over in May 2024	11,335 square feet (gross floor)	11,335 square feet (gross floor)
Broadway Project	216 – 220 East Broadway, San Gabriel, CA 91776, the U.S.A.	Residential property	50%	Under planning	20,003 square feet (gross floor)	10,002 square feet (gross floor)
Graphite Square Project	Graphite Square, Vauxhall, London SE11, the U.K.	Residential and commercial property	21.25%	Under construction. Expected to be completed in January 2025	27,523 square metres (gross floor)	5,849 square metres (gross floor)
Jaffe Road Project	216, 216A, 218, 220 and 222A Jaffe Road, Wanchai, Hong Kong	Commercial and retail property	3.55%	Completed and being marketed to buyers	10,792 square feet (saleable)	383 square feet (saleable)
Wong Chuk Hang Project	23 Wong Chuk Hang Road, Hong Kong	Commercial and retail property	24.21%	Completed and being marketed to buyers	37,353 square feet (saleable)	9,043 square feet (saleable)

Investment	Location	Type	Group's interest	Status as of 31/3/2024	Area	Attributable area
2702, 2802, 2803, 2804 and various car parking spaces of Rykadan Capital Tower	135 Hoi Bun Road, Kwun Tong, Kowloon	Commercial property	100%	Completed (classified as investment properties)	13,467 square feet (gross floor)	13,467 square feet (gross floor)
Various car parking spaces of Rykadan Capital Tower	135 Hoi Bun Road, Kwun Tong, Kowloon	Commercial property	100%	Completed (classified as properties for sale)	N/A	N/A
Shouson Hill Project	House 11 (including two car parking spaces), No. 1 Shouson Hill Road East, Shouson Hill, Hong Kong	Residential property	20%	Investment properties	2,657 square feet (saleable)	531 square feet (saleable)

Note: The above gross floor area is calculated based on the Group's development plans, which may be subject to change.

Other investments

Investment	Business/type	Group's interest
Q-Stone Building Materials Limited	Distribution of construction and interior decorative materials	87%
Quarella Holdings Limited	A joint venture, producer of quartz and marble-based engineered stone composite surfaces products	43.5%
RS Hospitality Private Limited ("RS Hospitality")	A joint venture for operating a 24-suite boutique resort in Bhutan	50%

Summary and Review of Investments

Property development/Asset, investment and fund management

During the year under review, the Group continued to capitalise on border reopenings and relaxation of property-cooling measures to accelerate sales launches for completed projects in Hong Kong. As of 31 March 2024, over 79% of the available-for-sale units of the Jaffe Road Project and over 58% of the available-for-sale units and car parking spaces of the Wong Chuk Hang Project were sold and handed over to buyers. The remaining units of these projects are being marketed to buyers.

In the U.S.A., the Group proactively accelerated the pace of asset monetisation. As of 31 March 2024, the Virginia Project was sold, while part of the Broadway Project – an approved multi-family project, was divested, with the remaining stakes to be sold and expected to be closed during the first half of the next fiscal year. In the meantime, the presale negotiation of the Anoakia Project has commenced, while the Winston Project is completed and being marketed to buyers. All these properties are located in California, the U.S.A.

Due to the new zoning policy and shifts in market conditions, the Group's Monterey Park Towne Centre Project remains in the planning phase. The Group has been discussing with city planners to explore ways to enable higher-density redevelopment to align with the local government's policy to promote affordable housing. The Group anticipates approvals of a revised plan to be obtained by late 2024.

In the U.K., the Group's minority stake in the Graphite Square Project has received strong interest from offshore buyers in Asia. As a result, a significant portion of the available-for-sale units has been pre-sold to buyers. The Graphite Square Project is currently under construction and scheduled to be completed by the beginning of 2025. A new phase for promoting the remaining units to affluent buyers in China and Southeast Asia will commence at the start of summer 2024.

The Group strives to enhance shareholders' returns by furthering its asset, investment and fund management business while broadening its capital base by forming collaborations with quality partners. The better-than-expected sales launches for the Hong Kong projects highlighted the Group's ability to mitigate the challenges posed by soft market conditions and uneven recovery in the property sector amidst a tightening credit environment. It also demonstrated that the Group's resilience, operational agility and diversified asset model enable it to weather potential downturns in the real estate market.

As asset value stabilises at different paces across the regions, the net proceeds from earlier asset sales could be redeployed into high-potential redevelopment projects in the future. The Group will diligently identify new opportunities to build a better-diversified and more balanced asset portfolio amidst an extended period of higher interest rates.

Property investment

The Group also holds several properties as investments in Hong Kong and Bhutan.

In Hong Kong, the Group retains two floors and various car parking spaces at Rykadan Capital Tower and a minority stake of the Shouson Hill property for its own use and/or for earning stable rental income or potential capital appreciation.

In Bhutan, the Group holds an investment in a 24-suite boutique resort located in Punakha Valley, operated by RS Hospitality. With the resurgence of international travellers and the government reducing its daily tourist fees to promote tourism, the turnover of the boutique resort has significantly bounced back.

Distribution of construction and interior decorative materials

Quarella, controlled by Quarella Holdings Limited, a joint-venture of the Group, is a world leader in the design and manufacturing of quartz and marble-based engineered stone composite surfaces products. Supported by advanced factories and research and development centres in Italy, its products are used in a number of prominent hotels, airports, train stations, commercial buildings and shopping malls in markets around the world.

During the year, the macroeconomic recovery has been uneven and challenging due to the slowdown of large-scale projects and global credit tightening. Nonetheless, Quarella is addressing such market challenges by developing a new and innovative line of competitive products targeting growing middle-class consumers and interior design communities. Quarella aims to expand its market exposure in Southeast Asia, in addition to Greater China and other developed markets, to meet the evolving needs of its customers.

Outlook

Despite ongoing macroeconomic headwinds and heightened geopolitical tension, markets show signs of resilience, and the Group is cautiously optimistic about its near-term prospects.

The Group has identified promising indicators in residential market transactions and a positive reception of the Hong Kong Government's revamped Capital Investment Entrant Scheme (CIES). These trends are expected to be advantageous to the domestic commercial real estate markets. Similarly, in the U.S.A., the relatively low unemployment rate, resilient consumer activities and low housing inventory, particularly in Los Angeles County, bring substantial opportunities for the Group.

The Group will focus on monetising and obtaining construction permits for existing projects while pursuing new opportunities as they arise.

The theme of border reopening and recovery is set to revive economic activities and support the recovery in the Group's hospitality and distribution of building materials business.

While uneven economic conditions are expected to persist, the Group will leverage its experienced investment teams and diversified platforms to identify high-return projects and generate returns for its shareholders.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and Financial Resources

The Group adheres to the principle of prudent financial management to minimise financial and operational risks across its various business units in Hong Kong and overseas. In order to implement this principle, the control of the Group's financial, capital management and external financing functions are centralised at its headquarters in Hong Kong.

The Group mainly relies upon internally generated funds and bank borrowings to finance its operations and expansion.

As of 31 March 2024, the Group's total debts (representing total interest-bearing bank borrowings) to total assets ratio was 24.1% (2023: 23.0%). The net gearing ratio (net debts, as defined by total debts less unrestricted bank balances and cash, to equity attributable to owners of the Company) was 20.3% (2023: 14.0%) as the Group has net debts of HK\$175 million as at 31 March 2024 (2023: HK\$145 million).

As of 31 March 2024, the total bank borrowings of the Group amounted to HK\$276 million (2023: HK\$313 million). The bank borrowings of the Group were mainly used to finance the retaining of two floors of Rykadan Capital Tower, the property redevelopment projects, its investment in Quarella, and the Shouson Hill Project. Certain of the bank borrowings were secured by investment properties, properties for sale and buildings. Further costs for developing the property redevelopment projects and the Quarella business will be financed by unutilised banking facilities or internally generated funds.

As of 31 March 2024, the Group's current assets and current liabilities were HK\$572 million (2023: HK\$698 million) and HK\$274 million (2023: HK\$232 million) respectively. The Group's current ratio decreased to 2.09 (2023: 3.01). The internally generated funds, together with unutilised banking facilities enable the Group to meet its business development needs.

The Group will cautiously seek new investment and development opportunities in order to balance risks and opportunities and maximise shareholders' value.

Failure to Satisfy Financial Covenants

During the year, in respect of bank loans of HK\$185,000,000 utilised out of the relevant bank facilities of HK\$237,500,000 granted from relevant bankers at 31 March 2024, the Group has failed to satisfy one of the financial covenants which is the net worth requirement stipulated in relevant banking facility agreements. The directors of the Company are in discussion with the relevant bankers for the necessary waivers and renegotiating with them on the terms of the relevant bank loans. At 31 March 2024, those negotiations had not been concluded and the relevant bank loans which are originally due within one year, could be immediately due and payable.

Up to the date of approval for issuance of the consolidated financial statements, the negotiations are still in progress and the Group is yet to obtain the relevant waivers from the relevant bankers, who have not made any demand for immediate repayment of the relevant bank loans. Based on the communication and prior negotiation experiences with the relevant bankers, the directors of the Company are confident that the necessary waivers will be obtained or the relevant bankers and the Group will be able to reach mutually acceptable revised terms regarding the relevant bank loans. In any event, should the relevant bankers call for immediate repayment of the bank loans, there are adequate alternative sources of finance available to ensure that there is no threat to the continuing operations of the Group. Notwithstanding the failure to satisfy such financial covenant, the Group has not experienced any difficulties in obtaining financing with its banks for its working capital. The Company will continue to monitor the progress of the negotiations with the relevant bankers.

Contingent Liabilities and Financial Guarantees

At the end of the reporting period, the Company has issued guarantees to banks in respect of banking facilities granted to certain indirect subsidiaries and an associate of HK\$154,233,000 (2023: HK\$217,219,000) and HK\$12,600,000 (2023: HK\$12,600,000) respectively. Such banking facilities were utilised by the subsidiaries and the associate to the extent of HK\$91,093,000 (2023: HK\$140,300,000) and HK\$11,592,000 (2023: HK\$12,096,000) respectively.

The directors do not consider it probable that a claim will be made against the Company under any of the guarantees and have not recognised any deferred income in respect of these guarantees and no transaction price was incurred.

Exposure to Fluctuations in Exchange Rates and Interest Rates and Corresponding Hedging Arrangement

The Group operates in various regions with different foreign currencies mainly including United States Dollars, British Pounds, Canadian Dollars and Renminbi.

Certain of the Group's bank borrowings have been made at floating rates.

The Group has not implemented any foreign currencies and interest rates hedging policy. However, management of the Group will monitor foreign currencies and interest rates exposures of each business segment and consider appropriate hedging policies in the future when necessary.

Credit Exposure

The Group continues to prudently monitor and review from time to time the credit policies to deal with credit exposure under the recent macroeconomic environment, in order to minimise the Group's credit risk exposure. For trade receivable, the Group's management regularly assesses the recoverability and the financial position of its customers, majority of whom are institutional organisations and reputable property developers, such that the Group is not exposed to significant credit risk. For loans and other receivables, the Group performs credit assessments before approving loans to applicants and regularly reviews the recoverability of each individual receivable.

Employees and Remuneration Policies

As at 31 March 2024, the total number of employees of the Group is 22 (2023: 26). The Group is committed to the concept of fair and responsible remuneration for its executive members and prescribed officers in line with the Company's and individual performance, market trends and in the context of overall employee remuneration. Total remuneration for employees (including the directors' remuneration) was HK\$33 million for the year (2023: HK\$33 million).

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 26 June 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PROPOSED FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2024.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The 2024 annual general meeting (the "AGM") of the Company is scheduled to be held on 11 September 2024. For determining the qualification as shareholders to attend and vote at the AGM, the register of members of the Company will be closed from 6 September 2024 to 11 September 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, investors are urged to lodge all transfers of shares accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 5 September 2024.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year.

CORPORATE GOVERNANCE

During the year, the Company had followed the principles and complied with all applicable code provisions and certain recommended best practices set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules except the following deviations:

Code provision C.5.1 of the CG Code stipulates that regular Board meetings should be held at least four times a year at approximately quarterly intervals. There were two Board meetings held during the year ended 31 March 2024, which were regular meetings held for (i) approving the final results for the year ended 31 March 2023, and (ii) approving the interim results for the period ended 30 September 2023. The Board considers that two regular meetings were sufficient to deal with matters of the Company. In addition, apart from the regular Board meetings, the Board also took sufficient measures to ensure there is efficient communication among directors that the Board shall also meet on other occasions or seek consent of directors by circulating written resolutions when a Board-level decision on a particular matter is required.

Mr. Chan William (“Mr. Chan”) has been appointed as Chief Executive Officer of the Company on 1 July 2012 and is now both the Chairman and the Chief Executive Officer of the Company, and that the functions of the Chairman and the Chief Executive Officer in the Company’s strategic planning and development process overlap. These constitute a deviation from code provision C.2.1 of the CG Code which stipulates that the roles of the Chairman and the Chief Executive should be separate and should not be performed by the same individual. However, in view of the present composition of the Board, the in-depth knowledge of Mr. Chan of the operations of the Group and of the property development and real estate/asset management business, his extensive business network and the scope of operations of the Group, the Board believes it is in the best interests of the Company for Mr. Chan to assume the roles of Chairman and Chief Executive Officer at this time and that such arrangement be subject to review by the Board from time to time.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions of the directors, senior management and relevant employees (who, because of their office or employment, is likely to possess inside information in relation to the Company or its securities) of the Group (the “Securities Code”) with terms no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules.

Having made specific enquiries, all of the directors and relevant employees of the Group confirmed that they have complied with the Securities Code and the Model Code throughout the year ended 31 March 2024.

AUDIT COMMITTEE REVIEW

The Audit Committee comprises three independent non-executive directors, namely Mr. Ho Kwok Wah, George (Chairman of the Audit Committee), Mr. To King Yan, Adam and Ms. Khan Sabrina, with the chairman possessing the appropriate professional qualifications and accounting expertise. The Company's annual results for the year ended 31 March 2024 have been reviewed by the Audit Committee.

PUBLICATION OF RESULTS ANNOUNCEMENT

This results announcement is available for viewing on the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.rykadan.com>) and the annual report for the year ended 31 March 2024 of the Company containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

For and on behalf of the Board

Rykadan Capital Limited

宏基資本有限公司

CHAN William

Chairman and Chief Executive Officer

Hong Kong, 26 June 2024

As at the date of this announcement, the Board comprises Mr. CHAN William (Chairman and Chief Executive Officer) and Mr. LO Hoi Wah, Heywood (Chief Financial Officer) as executive directors, Mr. NG Tak Kwan as a non-executive director and Mr. HO Kwok Wah, George, Mr. TO King Yan, Adam and Ms. KHAN Sabrina as independent non-executive directors.