



ANXIAN YUAN CHINA HOLDINGS LIMITED 安賢園中國控股有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: 00922)

Annual Report **2025**

www.anxianyuanchina.com

* For identification purposes only

CONTENTS

	Page
CORPORATE INFORMATION	2
CHAIRMAN'S STATEMENT	3
MANAGEMENT DISCUSSION AND ANALYSIS	6
BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT	13
DIRECTORS' REPORT	17
FIVE YEAR SUMMARY	28
CORPORATE GOVERNANCE REPORT	29
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS	
INDEPENDENT AUDITOR'S REPORT	50
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	55
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	56
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	57
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	59
CONSOLIDATED STATEMENT OF CASH FLOWS	61
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	63
GLOSSARY	125

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Shi Hua (*Chairman*)

Mr. Shi Jun (*Chief Executive Officer*)

Mr. Law Fei Shing (*Deputy Chief Executive Officer*)

Independent Non-executive Directors

Mr. Chan Koon Yung

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

COMPANY SECRETARY

Ms. Chan Ka Man Karmen

AUDIT COMMITTEE

Mr. Chan Koon Yung (*Committee Chairman*)

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

REMUNERATION COMMITTEE

Mr. Chan Koon Yung (*Committee Chairman*)

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

NOMINATION COMMITTEE

Mr. Shi Hua (*Committee Chairman*)

Mr. Chan Koon Yung

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

AUTHORISED REPRESENTATIVES

Mr. Shi Hua

Mr. Law Fei Shing

AUDITOR

BDO Limited

Certified Public Accountants

25th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

PRINCIPAL BANKERS

Hong Kong

CMB Wing Lung Bank Limited

Bank of Communications (Hong Kong) Limited

PRC

Industrial and Commercial Bank of China Limited

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11, Bermuda

PRINCIPAL PLACE OF BUSINESS IN CHINA

Room 2001, Block A

COSCO International Centre

179 Daguan Road, Gongshu District

Hangzhou, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1215, Leighton Centre

77 Leighton Road

Causeway Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Appleby Global Corporate Services (Bermuda) Limited

Canon's Court, 22 Victoria Street

PO Box HM 1179, Hamilton HM EX

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road, Admiralty, Hong Kong

SHARE INFORMATION

Stock code: 00922

Board lot: 10,000 shares

WEBSITE

www.anxianyuanchina.com

CHAIRMAN'S STATEMENT

On behalf of the Company, I hereby present the results of the Group for the Year.

In 2024, global economic growth showed a trend of slowing down due to factors such as geopolitics, climate change, debt crises, and uncertainties in trade policies, yet it remained resilient. China, with the core of “stabilizing growth, adjusting structure, and preventing risks” (穩增長、調結構、防風險), promoted a mild economic recovery through increased fiscal efficiency and flexible targeted monetary support, and the economic operation was stable and positive. During the Year, under the leadership of the Board, the Group actively implemented the spirit of the documents issued by eight ministries and commissions, including the Ministry of Civil Affairs, stayed true to its original aspiration and mission, promoted funeral reform, and practiced the standardization of the funeral industry. With the joint efforts of all employees, each project of the Group made steady progress, and the annual business objectives were basically achieved. During the Year, the Group also paid two dividends to thank Shareholders and investors for their long-term support and recognition.

During the Year under review, the Group's business development underwent an extraordinary journey. Although the sustained high demand for funeral services did not materialize as expected with the end of the pandemic, the Group and its project companies, under the leadership of the Board, actively carried out their work adhering to the guiding principles of “keeping pace with the times, pursuing steady growth, and driving innovative actions” (與時俱進、行穩致遠、創新有為). It remained committed to its core mission, faced challenges head-on, took pragmatic actions, and actively addressed and strived to resolve various challenges under the new funeral industry landscape, ensuring the smooth completion of key tasks through solid and effective efforts. During the Year, the Group's annual sales amounted to approximately HK\$230 million, showing a slight decline from the previous year, but overall burial plots sales remained stable.

In 2024, Chinese government departments launched a concentrated rectification in the funeral sector. All units of the Group consciously took a political stance, and engaged proactively in accordance with higher authorities' deployments by adopting a mindset of “putting itself in the task” (把自己擺進去). Project companies conducted detailed record reviews across five dimensions, namely approval processes, construction, operations, services, and management. Through standards benchmarking and self-assessments, they promoted their standardized corporate operations. Meanwhile, the Group leveraged this momentum to significantly enhance the operational management and service of each project. Through regular weekly routine office meetings and timely special topic meetings on planning and design, land acquisition, and government coordination, the Group strengthened daily supervision, optimized internal management, standardized service processes, and thus effectively addressing various risks for laying a solid foundation for long-term growth.

CHAIRMAN'S STATEMENT

The deep integration of technology and humanity serves as the core engine driving the Group to lead industry transformation. During the Year under review, taking the “Innovative Development and Green Funeral” (創新發展·綠色殯葬) as the core, each project company of the Group actively explored new forms of cemeteries to establish a comprehensive green funeral ecosystem. This initiative aims to create a favorable memorial environment for the public while enhancing enterprises' core competitiveness. Zhejiang Anxian Yuan pioneered the “Digital-Life Memorial Space” (數智生命體驗空間), incorporating AI butler services, 270-degree holographic technology and interactive visualization systems to redefine personalized memorial services. By integrating technology into the industry, it has deepened emotional connections, earning high praise and recognition from all sectors of society. Yin Chuan Fu Shou Yuan upgraded its high-end tomb designs and developed a green cultural cemetery based on local conditions, with its “Jiangnan Garden” project planned across functional zoning, traffic line, and landscape construction to harmonize ecological, aesthetic, and cultural elements and focusing on the ecological, landscape, and cultural construction. It created an environment that not only serves burial functions but also provides clients with a comfortable and unique Jiangnan atmosphere. During the Year, the Zunyi Dachengshan project, a funeral and burial integration project, upgraded its infrastructure by renovating and upgrading buildings, surveillance systems, sewage treatment facilities, body freezers, and other facilities. These improvements enhanced land utilization rate and reinforced the extended functions of the cemetery. It developed and built a public welfare cemetery, launched the “Century Peace” affordable service and Taoist funeral ritual ceremony, achieving dual social and economic benefits. Each project company of the Group by focusing on land-saving ecology, rigorously promote the forms and methods of land-saving ecological burials such as tree, lawn, wall, garden, and landscape burials, with small and micro tombs as the starting point. Meanwhile, it actively promoted green tomb sweeping, advocating new concepts of ecological, land-saving, environmentally friendly, and low-carbon funeral forms and methods during the peak periods such as the Qingming Festival and Winter Solstice. Yin Chuan Fu Shou Yuan introduced a new environmentally friendly sacrifice method of using “water-soluble paper,” offering sacrifices with water-soluble paper to meet the public's expectations for memorializing deceased relatives. This has caused a great response in all sectors of society, enhancing the Group's reputation while promoting the development of smoke-free cemeteries and demonstrating the new philosophy of “green-ecological funeral”.

The Group has consistently adhered to its philosophy of “people-oriented development with an unwavering original aspiration”, (以人文本·不忘初心) and actively fulfils its corporate, social, industrial, historical and public responsibilities. Each project company has fully leveraged the cultural resources of its respective parks, identifying highlights, creating distinctive features, and organizing a number of high-profile public welfare campaigns with broad participation and significant influence. In 2024, Zhejiang Anxian Yuan, together with various sectors of society, launched a series of public awareness campaigns themed around patriotic education, life education and humanistic care. These initiatives attracted wide public attention and received strong social response. As a result, Zhejiang Anxian Yuan was successfully selected as one of Hangzhou's Top 100 Patriotic Education Bases and designated as one of the first New Era Civilization Practice Sites in Hangzhou. Yin Chuan Fu Shou Yuan, recognized as a national defense education base in Jinfeng District, has focused on enhancing its brand reputation through patriotic education and cemetery culture. During the Year, it established a dedicated memorial square in honor of the martyrs of the Sino-Vietnamese War, further demonstrating respect and remembrance for those who sacrificed their lives to defend the country and enriching the patriotic education elements of the site. In the “Honoring the Martyr, Inheriting the Legacy” hiking event and Yin Chuan Fu Shou Yuan memorial ceremony organized with local schools, the initiative was dubbed by media as a “mobile ideological and political education class”. Zunyi Dashenshan remains steadfast in its social responsibility, proactively engaging in charitable and public welfare endeavors. By partnering with local governments and non-profit organizations to conduct elderly care and poverty-alleviation programs, the brand has strengthened public recognition and trust in Anxian Yuan. These efforts exemplify corporate compassion, allowing humanistic warmth and reverence for life to resonate across communities.

CHAIRMAN'S STATEMENT

Amid a complex and changing market environment and intensifying industry competition, the Group remains steadfast in its “people-oriented, service-first” (以人為本、服務至上) business philosophy. We actively explore innovation and forge ahead with determination. Through close collaboration with funeral institutions, we have established effective synergies between the Group and the innovative research and development of funeral services, ritual products and related facilities, providing comprehensive funeral, burial, and memorial services for the deceased. During the Year, the Group proactively organised internal staff to participate in mutual visits and learning exchanges within the funeral industry, and conducted specialised training and drills in areas such as floral arrangements and ceremonial hosting, to enhance professional competence and service capabilities.

The Group regards talent as its core asset. We adopted a dual-track approach of “internal cultivation and external recruitment” (內育外引) and provided various types of on-the-job training and continuing education, to improve the overall quality of our staff. While attracting capable professionals from outside, the Group also intensified its internal training education efforts, formulating reasonable training plans aligned with its development needs. These efforts aim to cultivate a strong sense of the overall situation, responsibility and compliance among employees, and to enhance their professionalism across the board. Through the implementation of standardised operation procedures, service standards and images, the Group has gradually formed a set of unified and flexible “Anxian Member” service system and working philosophy, thus building a young, knowledgeable and professional management team of the Group. By promoting the spirit of craftsmanship and business competence among our “Anxian Member” team, we are able to reserve talents for the Group's future long-term development, which has laid a more solid and stable foundation for the long-term management and operation of the Group.

2025 is a pivotal year for the transformation and development of the funeral industry, as well as a critical year for the Group to forge ahead and achieve its development plans. In the new fiscal year, the Group will collaborate with all employees to continue adhering to the people-oriented business philosophy. Guided by the corporate spirit of “anticipate change while being prepared, and learn from the virtuous (居安思變，見賢思齊)”, we will strive forward, pursue progress while maintaining stability, strengthen our foundation, and sustain our efforts to deeply cultivate and expand the core funeral sector, and improve land intensive utilization. With “solidifying, optimizing, and strengthening the real enterprise” as our primary task, we will uphold the philosophy of “planning thoroughly before action and gaining foresight before advancement (謀定而後動，先知而後進)”, embrace the rectification spirit of “breaking the old to establish the new and clearing the obstruction to enable free flow (不破不立、不塞不流)”, and adhere to the requirement of “innovation-driven development”. Through innovative empowerment, we will accelerate the integration of AI, digital technology, and service scenarios to create a “smart funeral ecosystem”. We will strictly adhere to compliance standards, effectively address various risks, jointly overcome challenges encountered in our development, and enhance the Group's competitive advantages and value. The Group is determined to become a practitioner of the “century-long life memorial project”. With humanity, ecology, and technology as our fulcrums, we aim to lead and promote progress and transformation in China's funeral sector, so as to make new contributions to the Chinese funeral cause. Our goal is to create a life spiritual home where humanistic commemoration, life education, historical culture, ecological art and funeral services may complement each other. On behalf of the Board of the Group, I would like to express my heartfelt gratitude to our Shareholders and business partners for their long-standing support and trust. Looking ahead, the Group will continue to strive for excellence, repay society and customers with industry-leading services and reward our partners and investors with outstanding performance.

Shi Hua
Chairman

Hong Kong, 20 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

China's funeral sector is deeply rooted in millennia-old ritual traditions. As recorded in the Book of Rites (《禮記》), “mourning rituals exist to temper sorrow (喪禮者，以哀節之)”. This reverence for the dignity of life and its cultural transmission endows modern funeral services with profound cultural significance and endogenous momentum for sustainable development. According to authoritative statistics, the market size of China's funeral service industry reached RMB257.7 billion in 2020. Professional institutions estimate that China's funeral service market will grow steadily in the future, and the market size will reach RMB411.4 billion by 2026, with an estimated compound annual growth rate of 8.1%¹. This positions the sector as one of the fastest-growing life service domains globally.

Amid evolving consumption patterns, funeral demand in China is transitioning from basic services towards emotional value-added offerings, marked by surging demand for premium customized offerings such as personalized cemetery designs, digital memorial ceremonies, and cultural commemorations that are significantly elevating sector-wide value-added margins. On the policy front, the “14th Five-Year Plan for Civil Affairs” explicitly outlined the goal to “build a people-benefiting, green, and smart funeral system” in 2024. Through measures such as prioritized land allocation and subsidies for eco-friendly technologies, the policy creates favorable conditions for innovative models such as ecological burials and virtual memorial services. Simultaneously, AI and blockchain technologies are accelerating their penetration into the industry. Digital scenarios like online obituaries and virtual memorials are reshaping service experiences. After the pandemic, most enterprises engaged in the funeral industry have initiated their “Internet + life services” transformation, driving comprehensive improvements in both industry efficiency and transparency.

With China's socioeconomic development and accelerated urbanization, China's average per capita disposable income has been increasing year by year. People gradually shift their pursuit from meeting the basic life requirements to satisfying spiritual needs, along with the constant enrichment of the material and cultural life. Amid such a consumption upgrading trend, the demand for customized and personalized funeral services has gradually emerged. At present, the funeral industry is evolving from traditional rituals to an integrated life service model covering spiritual care, era commemoration, and ecological public welfare. This transformation is driven by the synergistic combination of “cultural heritage + consumption changes + technological empowerment + policy incentive”. As a result, the funeral industry not only exhibits anti-cyclical characteristics but also delivers social value, demonstrating an extensive market prospect.

BUSINESS REVIEW AND OUTLOOK

As one of the leading enterprises in the funeral and burial industry in the PRC, the Group remains true to its original aspiration, respects life and serves life, and is always committed to providing quality funeral services so that the deceased can rest in peace, the living can send their condolences and every customer can feel the dignity of life.

During the Year under review, amid the sophisticated and changing market environment and increasingly intense competition in the industry, the Group, led by the Board, has always adhered to the business philosophy of “people-oriented, service-first” (以人為本、服務至上), stayed true to its original aspiration, pioneered innovation, and forged ahead with determination. The Group actively responded to and made every effort to resolve various challenges under the current new funeral situation, while taking practical actions to promote the smooth completion of various key tasks in a solid and effective manner. It has also achieved remarkable results in safety and compliance, business expansion, service improvement, charity and public welfare, which have laid a solid foundation for the Company's continuous healthy development. Although the total sales amount and profit after tax declined slightly this Year, the overall performance remained stable.

¹ Source: <https://www.joneslanglasalle.com.cn/zh/trends-and-insights/investor/jlls-report-assessment-and-measurement-in-the-life-services-industry>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's commitment to safe operation and compliance management is always a top priority. On the one hand, the Group has continuously improved the risk management and internal risk control alert mechanism, stringently safeguarded the bottom line of compliance, and strengthened supervision throughout the whole process. On the other hand, the Group conducted safety inspection in different ways throughout the Year, and attached great importance to the peak periods of tomb sweeping such as the Qingming Festival, the Winter Solstice, the Ghost Festival and the Spring Festival by drawing up emergency response plans, thereby achieving the goal of "zero major accidents" for the Year and gaining trust from the government and society. With the changes in the social environment and funeral concepts, the Group has taken the lead in embracing the digital wave through reshaping the funeral service ecosystem with technology, and actively leading the trend of digital reform and "artificial intelligence+" empowerment in the funeral and burial industry. Its flagship project, Zhejiang Anxian Yuan, creates a comprehensive digital life experience space, integrating cutting-edge technologies such as AI interaction, cloud-based remembrance, and immersive farewell ceremonies, pioneering a new service model of "technology + humanity". Meanwhile, the Group has actively upgraded its personalized online memorial platform and customized sacrifice services to pursue business innovation and meet diverse emotional needs. The Group has always upheld the philosophy of staying true to our roots and not forgetting our original aspirations. We are committed to undertaking corporate, social, industrial, historical and public responsibilities by continually taking practical action, and promoting life education and services in the community on the basis of humanistic commemoration and public welfare development. In addition to actively participating in social charity events, the Group has also taken it as its own mission to promote the spirit of the times, press ahead with funeral reform and promote cultural education and environmental protection. We organized humanities memorial activities with the theme of patriotism and green funeral campaigns, which have received great support from the government and have been well acclaimed by all sectors.

The Group believes that the funeral is not merely a farewell, but also the distillation of life. Looking forward, the Group will continue to consolidate the development of existing projects by pursuing growth while maintaining stability, and strive to expand its funeral services scope by exploring new business models so as to gradually build an overall operating landscape integrating funeral, burial and memorial services. Moreover, the Group will further unearth the brand value and enhance its corporate image, and become stronger and revitalize the capital market by further improving its operation mechanism. By fulfilling its mission in this new era as a funeral and burial service provider, the Group strives to facilitate the progression of modernized, ecological and humanistic reformation of funerals and burials to the green burial with technological empowerment as the driving force, so that the departed can rest in peace and the living can send their condolences. We are committed to becoming a global benchmark in the funeral and burial industry, ensuring every life laid to rest finds eternal peace, and every memory cherished endures timelessly.

CEMETERY BUSINESS

The revenue growth rate and gross profit ratio are the key measurements used for the assessment of business performance. Set out below is the table summarizing the key performance indicators for the Group's business.

Key performance indicators	Definition	2025	2024
Revenue growth rate	Total revenue in current year vs last year	-16.9%	-16.5%
Gross profit ratio	Gross profit over total revenue	73.2%	73.0%

During the Year, the Group remain focused on its cemetery business in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the Year, the Group recorded net profit of approximately HK\$52.3 million (2024: approximately HK\$58.4 million) and revenue of approximately HK\$236.4 million (2024: approximately HK\$284.4 million). The Group's earnings before interest and tax was approximately HK\$77.0 million (2024: approximately HK\$88.4 million). The Group's profit after tax decreased by approximately HK\$6.1 million year-on-year.

Revenue

Total revenue and gross profit for the Year decreased to approximately HK\$236.4 million (2024: approximately HK\$284.4 million) and approximately HK\$173.0 million (2024: approximately HK\$207.7 million) compared with the previous year, respectively. The decrease in revenue and gross profit was mainly due to the total number of tombs sold having decreased by 17% and the depreciation of RMB against HK\$ by 0.8%.

Of the total revenue of approximately HK\$236.4 million (2024: approximately HK\$284.4 million), sales of tombs and niches amounted to approximately HK\$206.2 million (2024: approximately HK\$254.5 million).

Other income and gains, net

The Group recorded a decrease in other income by approximately HK\$2.6 million. Such decrease was mainly due to the drop of bank interest received amounting to approximately HK\$4.9 million for the Year (2024: approximately HK\$7.5 million).

Selling and distribution expenses

Selling and distribution expenses decreased from approximately HK\$37.8 million to approximately HK\$22.4 million compared with last year. It was mainly due to the decrease in promotion expenses for developing the cemetery market.

Administrative expenses

Administrative expenses decreased from approximately HK\$90.3 million to approximately HK\$79.6 million compared with last year. Such decrease was mainly due to the decrease in wages, repair and maintenance expenses of cemetery and tomb assets.

Finance costs

The Group recorded an increase in finance costs by approximately HK\$0.4 million year-on-year. Such increase was primarily due to the new short-term bank borrowings of approximately HK\$43.9 million for the Year.

Profit for the year attributable to the owners of the Company

As a result of the reasons mentioned above, profit attributable to the owners of the Company for the Year was approximately HK\$51.1 million (2024: approximately HK\$57.8 million).

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group's business operations were funded by its internal resources and bank borrowings. A summary of the consolidated statement of cash flows was as follows:

	2025 HK\$'000	2024 HK\$'000
Net cash flows generated from operating activities	72,455	91,639
Net cash flows (used in)/generated from investing activities	(129,852)	57,775
Net cash flows used in financing activities	(12,694)	(79,742)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(70,091)	69,672

During the Year, the net cash outflow was approximately HK\$70.1 million (2024: net cash inflow of approximately HK\$69.7 million). As at 31 March 2025, the cash and cash equivalents, fixed time deposits and financial assets at FVTPL of the Group which were denominated in HK\$, US\$ and RMB was approximately HK\$340.5 million (2024: approximately HK\$339.4 million). The Group had short-term bank borrowings which were denominated in RMB of approximately HK\$43.9 million (2024: approximately HK\$17.3 million) and no long-term bank borrowings as at 31 March 2025 (2024: Nil). During the Year, the Group had spent approximately HK\$17.3 million for repayment of bank borrowings and raised new bank borrowings of approximately HK\$43.9 million in order to improve the Group's financial position.

The current ratio (current assets/current liabilities) of the Group was approximately 3.42 as at 31 March 2025 (31 March 2024: approximately 3.96). The decrease in current ratio as at 31 March 2025 as compared to 31 March 2024 was mainly due to the increase in current liabilities of the Group.

The gearing ratio (total liabilities/total assets) at the end of the Year was approximately 0.24 (2024: approximately 0.23).

As at 31 March 2025, the Group recorded net current assets of approximately HK\$396.2 million (31 March 2024: approximately HK\$436.0 million). It indicated the Group has sufficient working capital to meet its financial obligations.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

As at 31 March 2025, the issued share capital of the Company was 2,221,363,150 Shares. During the Year, there was no movement of the issued share capital of the Company.

Total assets and net assets of the Group as at 31 March 2025 were approximately HK\$1,283.4 million (2024: approximately HK\$1,275.1 million) and approximately HK\$973.5 million (2024: approximately HK\$978.7 million), respectively. The net assets per Share was approximately HK\$0.44 (31 March 2024: approximately HK\$0.44). The slight decrease in net assets was mainly due to net profit attributable to owners of the Company having decreased to approximately HK\$51.1 million less dividend paid out of approximately HK\$40.0 million and unrealized exchange loss on translation of financial statements of foreign operations of approximately HK\$16.4 million due to the depreciation of RMB against HK\$ as at 31 March 2025.

PLEDGE OF ASSETS

As at 31 March 2025, Anxian Yuan (Zhejiang) pledged certain properties with net carrying value amount of HK\$7,729,000 for interest-bearing bank borrowings (31 March 2024: Nil).

As at 31 March 2024, 98.38% of the equity interests in Zhejiang Anxian Yuan was pledged to secure the bank borrowings granted to this subsidiary.

LITIGATION

No significant litigation as at 31 March 2024 and 2025 was noted.

FINANCIAL GUARANTEE

No outstanding financial guarantee of the Group as at 31 March 2025 was noted (2024: Nil).

SIGNIFICANT INVESTMENTS

The Group did not have significant investment during the Year and had no specific plans for material future investments or acquisitions of capital assets (2024: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year (2024: Nil).

CONTINGENT LIABILITIES

As at 31 March 2024 and 2025, the Group had no significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

During the Year, the Group's business including revenue and cost of sales were mainly denominated in RMB and the loans were denominated in HK\$ and RMB. The PRC subsidiaries of the Group operated in the PRC. All transactions, assets and liabilities of the PRC subsidiaries were denominated in RMB and were translated into HK\$ at year end date as foreign operations. The Group currently does have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group also monitors its foreign currency exposure closely and considers hedging significant foreign currency exposure should the need arise. The Group did not have significant exposure to foreign currency risk at 31 March 2025. No material foreign currency hedge was made during the Year.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 March 2025, the Group had 11 employees (including Directors) (2024: 12 employees) and 199 employees (2024: 268 employees) (including part-time and full-time employees) in Hong Kong and the PRC, respectively. The Group regularly reviews remuneration and benefits of employees according to the relevant market practice and individual performance of the employees. The Group also provides provident fund schemes (as the case may be) to its employees depending on the location of such employees. In addition to basic salary and mandatory provident fund, employees are entitled to other benefits such as share option scheme, of which the Directors may, at their discretion, grant options to employees of the Group. The remuneration policies of the Group's employees are subject to review regularly.

The Group has share option schemes available for directors and employees of the Company or any of its subsidiaries.

Total staff costs (including Directors) for the Year amounted to approximately HK\$38.4 million (2024: approximately HK\$44.3 million), of which contributions to the mandatory provident fund were approximately HK\$111,000 (2024: approximately HK\$116,000). No share options were granted during the Year (2024: Nil). Details of the share options scheme are set out in note 32 to the consolidated financial statements.

RIGHTS ISSUE AND USE OF THE NET PROCEEDS

On 25 March 2020, the Company announced that the Board proposed to implement the rights issue on the basis of three rights shares for every two Shares in issue at the subscription price of HK\$0.1 per rights share, to raise up to approximately HK\$133.3 million before expenses by way of issuing up to 1,332,817,890 rights shares ("Rights Issue").

On 30 July 2020, the Company completed the Rights Issue and issued 1,332,817,890 rights shares. The net proceeds from the Rights Issue was approximately HK\$131.5 million.

Further details of the Rights Issue were set out in the Company's announcements dated 25 March 2020, 28 May 2020, 29 July 2020, 30 July 2020 and 18 September 2020, the Company's circular dated 29 April 2020 and the Company's prospectus dated 8 July 2020 (collectively the "Rights Issue Documents").

Pursuant to the Company's announcements dated 26 November 2021 and 8 December 2021 in relation to the change in use of proceeds from the Rights Issue, in light of the current market conditions, the Board has resolved that it would be in the best interest of the Company and the Shareholders to reallocate the unutilized net proceeds of HK\$81,490,000 which was originally allocated for potential strategic investment opportunity(ies) to (i) the repayment of existing debts and payables, which will allow the Group to lower its gearing ratio, reduce its interest expenses and financing costs and to achieve greater flexibility on the allocation of the Group's internal resources for the daily operation of the Group; and (ii) as general working capital to meet the Group's business development and allow the Group to deploy its financial resources to cope with the economic uncertainties in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets out the details of the intended use of net proceeds as stated in the Rights Issue Documents, the reallocation of unutilized net proceeds as stated in the Company's announcements dated 26 November 2021 and 8 December 2021, the actual use of net proceeds up to 31 March 2025 and the remaining balance of unutilised net proceeds as at 31 March 2025:

	Intended use of net proceeds as stated in the Rights Issue Documents (%) HK\$'000	Reallocation of unutilized net proceeds as stated in the Company's announcements dated 26 November 2021 and 8 December 2021 HK\$'000	Actual use of proceeds during the Year HK\$'000	Actual use of net proceeds up to 31 March 2025 HK\$'000	Remaining balance of unutilised net proceeds as at 31 March 2025 HK\$'000
Original intended use of net proceeds					
Potential opportunity(ies) in strategic investment	81,490 (62%)	(81,490)	–	–	–
Repayment of existing debts and payables	28,891 (22%)	60,000	17,677	88,891	–
General working capital	21,120 (16%)	21,490	–	42,610	–
	131,501	–	17,677	131,501	–

The Company has fully applied the net proceeds from the Rights Issue in accordance with the proposed intentions as set out in the Rights Issue Documents and the subsequent announcements.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The following set forth the biographical details of the Directors and the members of the senior management of the Company as at the date of this annual report.

EXECUTIVE DIRECTOR AND CHAIRMAN

Mr. Shi Hua, aged 73, was appointed as an Executive Director on 20 June 2011. He is also the Chairman and chairman of the Nomination Committee as from 15 December 2011 and 30 March 2012, respectively. Mr. Shi Hua was the Chief Executive Officer from 15 December 2011 to 22 January 2014.

Mr. Shi Hua was a teacher of 浙江汽校寧波分校 (Zhejiang Motor School, Ningbo Branch*) from 1976 to 1977. During 1977 to 1990, Mr. Shi Hua worked for Zhejiang Civil Affairs Bureau and was responsible for the daily office routine of the Civil Affairs Bureau. During 1990 to 1996, Mr. Shi Hua worked for 杭州富安刺繡服裝廠 (Hangzhou Fu An Embroidery Clothing Factory*) as its manager to oversee the overall day-to-day operation. In 1996, Mr. Shi Hua established 浙江富安移民經濟開發有限公司 (Zhejiang Fu An Immigration Economic Development Company Limited*) and worked as its chairman and general manager. He was fully responsible for the Company's operational management and investment decisions. In 1999, Mr. Shi Hua established Zhejiang Anxian Yuan and worked as its chairman of the board of directors and general manager. In 2007, he resigned from Zhejiang Anxian Yuan as general manager but remains as its chairman. Mr. Shi Hua was the president of Funeral Association of Zhejiang Province from September 2018 to June 2023. He currently is a consultant of Funeral Association of Zhejiang Province.

Mr. Shi Hua is the father of Mr. Shi Jun, an Executive Director and the Chief Executive Officer.

Pursuant to Part XV of the SFO, as at the date of this annual report, Mr. Shi Hua is interested in the aggregate of 1,299,325,616 Shares, representing approximately 58.49% of the total issued share capital of the Company, and is a substantial Shareholder of the Company. The 1,273,530,616 Shares out of 1,299,325,616 Shares are held by Master Point Overseas Limited ("Master Point"), the entire issued share capital of which is legally and beneficially owned by Mr. Shi Hua. Under the SFO, Mr. Shi Hua is deemed to be interested in the Shares held by Master Point. The remaining 25,795,000 Shares out of the 1,299,325,616 Shares are held by Mr. Shi Hua in personal interests.

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr. Shi Jun, aged 43, was appointed as an Executive Director and Chief Executive Officer on 15 December 2011 and 23 January 2014, respectively.

From 2003 to 2005, Mr. Shi Jun worked for 浙江富安移民經濟開發有限公司 (Zhejiang Fu An Immigration Economic Development Company Limited*) as a deputy business manager, and was responsible for business development. From 2005 to 2007, Mr. Shi Jun worked for Hangzhou Haoletian Etiquette Service Company Limited* (杭州好樂天禮儀服務有限公司) as a deputy general manager responsible for the company's overall business operations. In 2007, Mr. Shi Jun worked for Zhejiang Anxian Yuan as an assistant general manager and was responsible for the company's human resources and general business plan. He has been the general manager of Zhejiang Anxian Yuan since 2008, and was responsible for the company's overall daily operations. He is currently a director of Zhejiang Anxian Yuan. Mr. Shi Jun also has been the president of Funeral Association of Hangzhou and vice president of Funeral Association of Zhejiang Province since May 2018 and June 2023, respectively.

Mr. Shi Jun is the son of Mr. Shi Hua, an Executive Director and the Chairman.

Pursuant to Part XV of the SFO, as at the date of this annual report, Mr. Shi Jun is interested in 30,500,000 Shares personally, representing approximately 1.37% of the total issued share capital of the Company.

* The English translation is for identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR AND DEPUTY CHIEF EXECUTIVE OFFICER

Mr. Law Fei Shing, aged 65, was appointed as an Independent Non-executive Director on 4 June 2009 and was re-designated to Executive Director on 10 June 2009. He was the Company Secretary from 22 July 2011 to 1 July 2021. He is also the Deputy Chief Executive Officer since 23 January 2014.

Mr. Law is a practicing certified public accountant of the HKICPA. He is also a member of American Institute of Certified Public Accountants, USA and an associate member the HKICPA. Mr. Law has over 30 years of experience in audit and accounting services.

Mr. Law was reprimanded and further ordered (i) the cancellation of Mr. Law's practising certificate, with no issuance of a practising certificate to him for 15 months, with effect from 14 January 2022; and (ii) to pay a penalty of HK\$160,000 and costs of the disciplinary proceedings of HK\$4,943,123 (which Mr. Law has to bear the HKICPA's cost in full) for failure or neglect to observe, maintain or otherwise apply professional standards as issued by the HKICPA over 10 years ago for deficiencies found in the audits on the financial statements of a private company (which is unrelated to the Group) for the two years ended 31 March 2010 and 2011, in particular, the Hong Kong Standard on Auditing 250 Consideration of Laws and Regulations in an Audit of Financial Statements, HKSA 701 Modifications to the Independent Auditor's Report, section 270 Custody of Client Assets of the Code of Ethics for Professional Accountants and the fundamental principle of professional competence and due care in section 100 of the Code of Ethics. Further details were set out in the Company's announcements dated 24 January 2022 and 27 January 2022, respectively. Mr. Law made a practising certificate application in 2023 and a practising certificate was issued by the Accounting and Financial Reporting Council in January 2024.

Pursuant to Part XV of the SFO, as at the date of this annual report, Mr. Law is interested in 50,000,000 Shares personally and has a security interest in 1,136,530,616 Shares, representing approximately 2.25% and 51.16% of the total issued share capital of the Company, respectively. Those security interest of 1,136,530,616 Shares are held by Master Point, which is legally and beneficially owned by Mr. Shi Hua, were subject to a share charge executed by Master Point as chargor in favour of Excel Precise International Limited ("Excel Precise") as chargee which is owned as to 25% by Mr. Law and 73.5% by True Promise Investments Limited ("True Promise"), a company which in turn is wholly owned by Mr. Law. Accordingly, Mr. Law and True Promise were deemed to be interested in the 1,136,530,616 Shares in which Excel Precise was interested under the SFO.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Koon Yung, aged 66, was appointed as an Independent Non-executive Director on 24 June 2014. He is the chairman of each of the Audit Committee and Remuneration Committee and a member of Nomination Committee.

Mr. Chan has more than 35 years of experience in management, audit, finance, taxation and accounting. He obtained a Diploma in Accounting from the Hong Kong Baptist University (formerly known as Hong Kong Baptist College) in 1982 and a Master degree of Business Administration from the University of Strathclyde in the United Kingdom in 1993. He worked for Tupperware (China) Company Limited from December 1987 to April 1998 with his last position as a financial director, and for Herbalife International of Hong Kong Limited from January 1999 to November 2005 as the general manager/director, where the holding companies for both companies are listed on the New York Stock Exchange. Mr. Chan later joined Synergy Worldwide (HK) Limited from March 2006 to August 2008 as a general manager. Besides, he has been working for Poon & Partners CPA Limited since September 2008 with his current position as a director, and has been the sole proprietor of his own accounting firm Chan Koon Yung & Co. since March 2013. Mr. Chan was the chief financial officer of Star Centurium Limited from January 2023 to December 2023. He was an independent non-executive director of Yues International Holdings Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1529), from October 2022 to May 2025.

He is currently a practicing certified public accountant in Hong Kong and is an associate member of the HKICPA.

Mr. Lum Pak Sum, aged 64, was appointed as an Independent Non-executive Director on 15 May 2017. He is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee.

Mr. Lum obtained a master's degree in business administration from the University of Warwick, UK in 1994 and a bachelor's degree in laws from University of Wolverhampton, UK in 2002. He has been currently a non-practising fellow member of the HKICPA and the Association of Chartered Certified Accountants. U.K. since 1996 and 1993, respectively. Mr. Lum possesses over 20 years of working experience in financial field, the money market and capital market. Mr. Lum's positions in other companies listed on the Stock Exchange in the present and in the last three years are set out below:

Name of company	Position	Period of service
i-Control Holdings Limited (stock code: 1402)	Independent non-executive director	May 2015 to present
Kwan On Holdings Limited (stock code: 1559)	Independent non-executive director	August 2016 to present
Wai Hung Group Holdings Limited (stock code: 3321)	Independent non-executive director	October 2024 to May 2025
Sunway International Holdings Limited (stock code: 58)	Non-executive director	May 2019 to January 2025
Great China Holdings (Hong Kong) Limited (stock code: 21)	Independent non-executive director	August 2007 to June 2023
Imperial Pacific International Holdings Limited (stock code: 1076)	Independent non-executive director	October 2023 to April 2024

Imperial Pacific International Holdings Limited was ordered to be wound up in accordance with the applicable laws of Hong Kong on 15 April 2024 and the listing of its shares was cancelled on the Stock Exchange with effect from 17 June 2024.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Hung Wan Fong, Joanne, aged 51, was appointed as an Independent Non-executive Director on 19 October 2020. She is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee.

Ms. Hung has about 29 years of experience in audit and assurance. She graduated from the City University of Hong Kong with Bachelor Degree of Accountancy in 1996. Ms. Hung is a practicing certified public accountant of the HKICPA and she is currently a director of an international accounting firm, where she focuses on serving listed companies over a wide variety of industries. Ms. Hung has also been involved in various transaction support assignments including initial public offerings, capital market transactions and financial due diligence in acquisitions of companies. Ms. Hung was an independent non-executive director of Yi Hua Holdings Limited (stock code: 2213), a company listed on the Main Board of the Stock Exchange, from June 2016 to May 2019. Prior to joining the current position, Ms. Hung worked in various international accounting firms in Hong Kong.

SENIOR MANAGEMENT

Various businesses of the Group are respectively under the direct responsibility of the Executive Directors, as named above.

Only the Executive Directors are regarded as members of the Group's senior management.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited consolidated financial statements of the Group for the Year (the “Consolidated Financial Statements”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, whilst its major operating subsidiaries are engaged in the cemetery business. Details of the principal activities of the Company's subsidiaries are set out in note 1 to the Consolidated Financial Statements.

BUSINESS REVIEW

A review of the Group's business during the Year and analysis of the Group's performance using financial key performance indicators and prospects of the Group's business is set out in the sections headed “Chairman's Statement” and “Management Discussion and Analysis” on pages 3 to 12. This discussion forms part of this Directors' Report.

FINANCIAL RESULTS AND DIVIDENDS

The results of the Group for the Year are set out under the consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 55 and 56, respectively.

The Board has recommended the declaration of a final dividend of HK1.1 cents per Share for the Year (2024: HK1.3 cents per Share) to the Shareholders. The proposed final dividend is subject to approval by the Shareholders at AGM to be held on Monday, 8 September 2025. Upon Shareholders' approval, the proposed final dividend will be paid on Friday, 3 October 2025 to the Shareholders whose names shall appear on the register of members of the Company on Friday, 12 September 2025.

Together with the interim dividend of HK0.5 cents per Share (2024: HK0.8 cent per Share) which was declared and paid by the Company on 7 January 2025, the total dividend for the Year will amount to HK1.6 cents per Share (2024: HK2.1 cents per Share).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five years is set out in the section headed “Five Year Summary” on page 28 of this annual report. The summary does not form part of the Consolidated Financial Statements.

SHARE CAPITAL

Details of the Company's share capital and movements during the Year are set out in note 30 to the Consolidated Financial Statements.

DIRECTORS' REPORT

RESERVES

Details of movements in the Company and the Group during the Year are set out in note 41 to the Consolidated Financial Statements and in the consolidated statement of changes in equity on page 59, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2025, the aggregate amount of reserves available for distribution to equity holders of the Company was approximately HK\$117,790,000 (2024: approximately HK\$120,838,000).

DONATIONS

HK\$179,000 donation was noted during the Year (2024: HK\$313,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Year are set out in note 13 to the Consolidated Financial Statements.

BANK BORROWINGS

Details of bank borrowings of the Group as at 31 March 2025 are set out in note 28 to the Consolidated Financial Statements.

DIRECTORS

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

Executive Directors

Mr. Shi Hua (*Chairman*)

Mr. Shi Jun (*Chief Executive Officer*)

Mr. Law Fei Shing (*Deputy Chief Executive Officer*)

Non-executive Director

Mr. Wang Hongjie (*Resigned on 30 April 2024*)

Independent Non-executive Directors

Mr. Chan Koon Yung

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

In accordance with Bye-law No. 84 of the Bye-laws Mr. Shi Jun and Mr. Lum Pak Sum will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election at the forthcoming AGM.

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with the Company that is not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' REPORT

BIOGRAPHIES OF DIRECTORS

Biographical details of Directors are set out on pages 13 to 16 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Mr. Shi Hua has entered into a service contract with the Company for a period of one year from 20 June 2011 and will continue thereafter unless and until terminated by either party by not less than three months' prior notice.

Mr. Shi Jun has entered into a service contract with the Company for a period of one year from 15 December 2011 and will continue thereafter unless and until terminated by either party by not less than three months' prior notice.

Mr. Law Fei Shing has entered into a service contract with the Company for a period of one year from 10 June 2009 and will continue thereafter unless and until terminated by either party by not less than three months' prior notice.

Mr. Chan Koon Yung has entered into a service contract with the Company for a period of one year from 24 June 2014 and will continue thereafter unless and until terminated by either party by not less than three months' prior notice.

Mr. Lum Pak Sum has entered into a service contract with the Company for a period of one year from 15 May 2017 and will continue thereafter unless and until terminated by either party by not less than three months' prior notice.

Ms. Hung Wan Fong, Joanne has entered into a service contract with the Company for a period of one year from 19 October 2020 and will continue thereafter unless and until terminated by either party by not less than three months' prior notice.

All the Directors are subject to retirement by rotation and re-election at the AGM pursuant to the Listing Rules and the Bye-laws.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the Independent Non-executive Directors to be independent.

UPDATE ON DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Director(s) since the date of the 2025 interim report of the Company and up to the date of this annual report is set out below:

- (1) Mr. Lum Pak Sum has resigned as a non-executive director of Sunway International Holdings Limited (stock code: 58) with effect from 15 January 2025;
- (2) Mr. Lum Pak Sum has resigned as an independent non-executive director of Wai Hung Group Holdings Limited (stock code: 3321) with effect from 2 May 2025; and
- (3) Mr. Chan Koon Yung has resigned as an independent non-executive director of Yues International Holdings Group Limited (stock code: 1529) with effect from 22 May 2025.

Save as disclosed above, there is no other change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' REPORT

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the note 36 to the Consolidated Financial Statements and those exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under the Listing Rules, there was no

- (1) transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party in which any Director or any entity connected with any Director is or was materially interested, either directly or indirectly;
- (2) contract of significance between the Company, or any of its subsidiaries, and any of the Company's controlling Shareholders or their subsidiaries; or
- (3) contract of significance for the provision of services to the Company, or any of its subsidiaries, by any of the Company's controlling Shareholders or their Subsidiaries

subsisting during or at the end of the Year.

MANAGEMENT CONTRACTS

No contracts (other than the employment contracts) concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the Year, so far as the Directors are aware, none of the Directors had any competing interest in a business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

EMOLUMENT POLICY

The Remuneration Committee was established for reviewing and determining the remuneration and compensation packages of the Directors with reference to their responsibilities and commitment, tenure of Directors and senior management, workload, the time devoted to the Group, the salaries paid by similar companies and the performance of the Group. The Directors may also receive options to be granted under share option schemes. The Company has conditionally adopted a share option scheme. The details of the share option schemes are set out in the paragraph headed "Share Option Scheme" below and in note 32 to the Consolidated Financial Statements.

REMUNERATION OF DIRECTORS, SENIOR MANAGEMENT AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, senior management and five individuals with highest emoluments are set out in notes 8 and 9 to the Consolidated Financial Statements, respectively.

DIRECTORS' REPORT

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

As at 31 March 2025, the interests and short positions of the Directors and the chief executives of the Company (the "Chief Executives") in the shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO, which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required to be entered in the register referred to therein pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long Position in the issued Shares

Name of Director	Nature of interest/Capacity	Number of Shares held	Approximate percentage of shareholding (Note 3)	Notes
Mr. Shi Hua	Beneficial Owner	25,795,000	1.16%	
	Interest of controlled corporation	1,273,530,616	57.33%	1
Mr. Shi Jun	Beneficial Owner	30,500,000	1.37%	
Mr. Law Fei Shing	Beneficial Owner	50,000,000	2.25%	
	Interest of controlled corporation	1,136,530,616	51.16%	2

Notes:

- 1,273,530,616 Shares were registered in the name of Master Point Overseas Limited. Master Point Overseas Limited is a company incorporated under the laws of the British Virgin Islands, the entire issued share capital (i.e. 50,000 shares) of which is legally and beneficially owned by Mr. Shi Hua. Under the SFO, Mr. Shi Hua was deemed to be interested in 1,273,530,616 Shares held by Master Point Overseas Limited.

As Master Point Overseas Limited held more than 50% of the issued share capital of the Company, Master Point Overseas Limited was an associated corporation of the Company within the meaning of Part XV of the SFO.
- 1,136,530,616 Shares held by Master Point Overseas Limited were subject to a share charge executed by Master Point Overseas Limited as chargor in favour of Excel Precise International Limited ("Excel Precise") as chargee which is owned as to 25% by Mr. Law Fei Shing and 73.5% by True Promise Investments Limited ("True Promise"), a company which in turn is wholly owned by Mr. Law Fei Shing. Accordingly, Mr. Law Fei Shing and True Promise were deemed to be interested in the 1,136,530,616 Shares in which Excel Precise was interested under the SFO.
- The percentages are calculated based on the total number of ordinary Shares in issue as at 31 March 2025 which was 2,221,363,150.

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2025, so far as is known to the Directors and Chief Executives, based on the public records filed on the website of the Stock Exchange and the register kept by the Company under Section 336 of the SFO, the following parties, other than the interests of the Directors or chief executive of Company as disclosed above, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO:

Long Position in the issued Shares

Name of Shareholder	Nature of interest/ Capacity	Number of Shares held	Approximate percentage of shareholding (Note 3)	Notes
Master Point Overseas Limited	Beneficial Owner	1,273,530,616	57.33%	1
Excel Precise International Limited	Person having a security interest in shares	1,136,530,616	51.16%	2
True Promise Investments Limited	Interest of controlled corporation	1,136,530,616	51.16%	2

Notes:

1. The interest of Master Point Overseas Limited is also disclosed as the interest of Mr. Shi Hua, the beneficial owner of Master Point Overseas Limited, in the above section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES".
2. The interests of Excel Precise and True Promise are also disclosed as the interest of Mr. Law Fei Shing in the above section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES".
3. The percentages are calculated based on the total number of ordinary Shares in issue as at 31 March 2025 which was 2,221,363,150.

Save as disclosed above, as far as was known to the Directors, no other person (not being a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' REPORT

OTHER INTERESTS DISCLOSEABLE UNDER THE SFO

Save as disclosed above, so far as is known to the Directors, there was no other person who had interest or short position in the Shares and underlying Shares that is discloseable under section 336 of the SFO.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme operated by the Company as disclosed in the section headed "Share Option Scheme" below, neither at the end of nor at any time during the Year there subsisted any arrangement to which the Company or any of its subsidiaries was a party and the objects of or one of the objects of such arrangement are/is to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

RELATED PARTY AND CONNECTED TRANSACTIONS

Details of the related party transactions that are required to be disclosed for the Year are set out in note 36 to the Consolidated Financial Statements. Save as disclosed in the annual report, there were no transactions required to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme of the Company as disclosed below, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Year or subsisted at the end of the Year.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 28 August 2018 (the "Adoption Date"), a summary of the principal terms of which is set out as follows:

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide incentives or rewards to eligible persons who contribute to the success of the Group's operations.

2. Participants of the Share Option Scheme

The Board may, at its discretion, offer to grant an option to the following persons (collectively the "Eligible Participants") to subscribe for such number of new Shares as the Board may determine:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisers or consultants who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries.

DIRECTORS' REPORT

3. **Total number of Shares available for issue under the Share Option Scheme and percentage of issued Shares**

As of 1 April 2024, 31 March 2025 and the date of this annual report, the total number of share options available for grant under the scheme mandate and available for issue under the Share Option Scheme were 74,054,526, representing approximately 3.33% of the total number of issued Shares (excluding treasury Shares) as at the date of this annual report. No service provider sublimit was established under the Share Option Scheme.

4. **Maximum entitlement of each participant under the Share Option Scheme**

The total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and other schemes must not, in aggregate, exceed 10% of the Shares in issue as at the Adoption Date as altered by the capital reorganisation undertaken by the Company which became effective on 29 August 2018 (i.e. 74,054,526) (the "Scheme Mandate Limit"). The total number of Shares issued and to be issued upon exercise of the options granted to a participant under the Share Option Scheme and other schemes (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue from time to time. Where any further grant of options to a participant (the "Further Grant") would result in the Shares issued and to be issued upon exercise of all options granted and to be granted under the Share Option Scheme and other schemes to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the Shares in issue from time to time, the Further Grant must be separately approved by the Shareholders in general meeting with such participants and his close associates (as defined in the Listing Rules) (or his associates (as defined in the Listing Rules) if the participant is a connected person) abstaining from voting.

Notwithstanding the foregoing, the Company may not grant any option if the 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 other schemes exceeds 30% of the Shares in issue from time to time.

5. **The period within which the options must be exercised under the Share Option Scheme**

Subject to the discretion of the Board, an option must be exercised within 10 years from the date of the grant of the option.

6. **The minimum period for which an option must be held before it can be exercised**

There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the Directors.

7. **The basis of determining the exercise price**

The exercise price for the Shares subject to options will be a price determined by the Board and notified to each participant and must be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a trading day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the options.

8. **The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid**

The Board may, at its discretion, invite any eligible persons to take up options at a price calculated as mentioned above in paragraph 7. Upon acceptance of the option, the eligible person shall pay HK\$1.00 to the Company by way of consideration for the grant. The option will be offered for acceptance for a period of 28 days from the date on which the option is granted.

DIRECTORS' REPORT

9. The remaining life of the Share Option Scheme

The Share Option Scheme will be valid and effective for a period of ten years commencing on the date of approval of the Share Option Scheme (i.e. 28 August 2018), after which period no further options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing Shares. The share options do not confer rights on the holders to dividends or to vote at Shareholders' meetings.

Since the adoption of the Share Option Scheme and during the Year and up to the date of this annual report, no share options were granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme. There were no outstanding share options under the Share Option Scheme as at 31 March 2025 and the date of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year:

- (i) the Group's five largest customers accounted for less than 30% of the Group's total revenue; and
- (ii) the Group's largest supplier and five largest suppliers accounted for approximately 50% and 87%, respectively of the Group's total purchases (not including purchases of items which are of capital nature).

None of the Directors, their Associates, or any Shareholders (which to the best knowledge of the Directors owned more than 5% of the Company's share capital) has any beneficial interests in these major customers and suppliers.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group places a high value on its relationships with employees, customers, suppliers, and other relevant parties, as these connections are essential for the Group's sustainable development. The Group operates according to the principles of legality, fairness, reasonableness, and mutual benefit, ensuring that it effectively manages its relationships with all stakeholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to its Shareholders by reason of their holding of the Shares.

DIRECTORS' REPORT

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float with at least 25% of the issued Shares as required under the Listing Rules throughout the Year and up to the date of this annual report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duties in their offices.

Such permitted indemnity provision has been in force throughout the Year and is still in force. In addition, the Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

PENSION SCHEMES

The Group participates in a defined contribution retirement scheme organised by the government in the PRC and the Mandatory Provident Fund Scheme under which certain percentage of the salaries of the employees are contributed to the pension schemes. Particulars of these schemes are set out under "Other employee benefits" in note 2.4(n) of the Consolidated Financial Statements. There is no provision under the pension schemes which provides for forfeiture of contributions which may be used by the Group to reduce the existing level of contributions.

CORPORATE GOVERNANCE

Throughout the Year, the Company has complied with the CG Code in so far as they are applicable as disclosed in the "Corporate Governance Report" is set out in pages 29 to 49 in this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Further discussion on the Group's environmental policy and our relationship with various stakeholders are covered by a separate Environmental, Social and Governance Report which will be available on the websites of the Stock Exchange and the Company, at the same time as the publication of this annual report.

CLOSURE OF REGISTERS OF MEMBERS/RECORD DATES

The Company will hold its upcoming AGM on Monday, 8 September 2025. The record date for determining Shareholders' right to attend and vote at the AGM is Tuesday, 2 September 2025. Shareholders who are entitled to attend and vote at the AGM are those whose names appear on the register of members of the Company as at the close of business on Tuesday, 2 September 2025. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not later than 4:30 p.m. on Tuesday, 2 September 2025.

DIRECTORS' REPORT

The proposed final dividend is subject to the passing of an ordinary resolution by the Shareholders at the forthcoming AGM. The register of members of the Company will be closed on Friday, 12 September 2025 for the purpose of determining the entitlement of the Shareholders to the proposed final dividend and no transfer of Shares will be effected on that date. In order to qualify for the proposed final dividend, all Share transfers accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong no later than 4:30 p.m. on Thursday, 11 September 2025. The final dividend, if approved by the Shareholders at the AGM, will be paid on Friday, 3 October 2025 to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 12 September 2025 being the record date for determining the entitlement to the final dividend.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

EVENTS AFTER THE REPORTING DATE

There was no significant event occurring after the reporting date to be disclosed by the Group up to the approval date of the Consolidated Financial Statements.

AUDITOR

The Consolidated Financial Statements of the Group for the Year have been audited by BDO Limited, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution will be submitted to the forthcoming AGM to seek Shareholders' approval on the re-appointment of BDO Limited as the Company's auditor until the conclusion of the next AGM.

By Order of the Board

Anxian Yuan China Holdings Limited

Shi Hua

Chairman

Hong Kong, 20 June 2025

FIVE YEAR SUMMARY

Year ended 31 March	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS					
Revenue	236,429	284,430	340,533	310,947	298,742
Profit before income tax	75,955	87,718	146,041	108,006	114,163
Income tax expense	(23,640)	(29,321)	(40,529)	(36,720)	(32,872)
Profit for the year	52,315	58,397	105,512	71,286	81,291
Profit/(Loss) attributable to:					
Owners of the Company	51,078	57,824	104,921	73,125	80,295
Non-controlling interests	1,237	573	591	(1,839)	996
	52,315	58,397	105,512	71,286	81,291
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION					
Non-current assets	723,320	691,611	727,036	816,247	800,141
Net current assets	396,242	436,040	445,587	382,522	375,993
Non-current liabilities	(146,097)	(148,980)	(165,916)	(194,850)	(240,089)
Net assets	973,465	978,671	1,006,707	1,003,919	936,045
Non-controlling interests	(35,816)	(35,706)	(36,381)	(38,631)	(38,859)
Equity attributable to owners of the Company	937,649	942,965	970,326	965,288	897,186

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report for the Year.

The Company believes that good corporate governance practices are very important for maintaining and promoting investor confidence and sustainable growth of the Group. The Board is committed to maintaining a solid, transparent and sensible framework of corporate governance and related measures that the Directors consider applicable to and practical for the Group. The Board will continue to monitor and review their effectiveness.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and code provisions as set out in the CG Code. In the opinion of the Directors, the Company has complied with all the applicable code provisions set out in the CG Code throughout the Year.

The Board will continue to monitor and periodically review the effectiveness of the corporate governance structure of the Company and effect changes whenever necessary.

Corporate Culture

The Board has set forth the Company's mission, vision, core values, and strategy, ensuring that these elements are consistently aligned with the corporate culture. This alignment is effectively conveyed to all employees, providing crucial guidance for the management team. Directors are expected to uphold integrity, set a positive example, and nurture the desired corporate culture.

Impact on Performance:

We assess success using key performance indicators such as revenue growth, profit margins, return on equity, and market share. Our desired culture is essential in enhancing organizational performance. By fostering teamwork, we cultivate an environment that promotes collaboration and high performance, ultimately driving sustainable growth and providing a competitive edge.

Assessing and Monitoring Culture:

We employ a variety of indicators to assess and monitor our culture, such as employee turnover rates, whistleblowing statistics, employee surveys, breaches of the code of conduct, and compliance with regulations. These metrics help us pinpoint cultural challenges, enabling us to implement corrective measures and ensure alignment with our desired culture.

Communication of Desired Culture:

We share our vision for a desired culture and the expected behaviours of our employees through various platforms, including interactive forums and a comprehensive code of conduct. These avenues promote open communication, keep everyone informed about our cultural values, and empower employees to actively contribute to cultivating a positive workplace environment.

CORPORATE GOVERNANCE REPORT

Dealing with Misconduct or Misalignment:

We offer dedicated channels for employees to express concerns regarding misconduct or misalignment. These channels include anonymous reporting mechanisms and regular feedback sessions. We diligently investigate all concerns brought forward and take appropriate actions that align with our values and code of conduct.

Financial and Non-Financial Incentives:

We provide both financial and non-financial incentives that reinforce our desired culture. These include performance-based bonuses, opportunities for professional development, and a supportive work environment that fosters work-life balance and prioritises employee well-being.

Board Evaluations:

We regularly perform board evaluations to examine our governance practices and ensure our culture aligns with our strategic goals. These assessments yield valuable insights for continuous improvement. We share a summary of the evaluations, highlighting key findings and actions taken, with stakeholders to maintain transparency and accountability.

In conclusion, the Company's corporate culture prioritises teamwork and celebrates employee passion. This culture significantly impacts our overall performance and is measured through various indicators. We effectively communicate our cultural values through multiple channels, address any misconduct promptly, and offer incentives that reinforce our desired culture. The board evaluations play a crucial role in enhancing governance and ensuring our culture remains aligned with our strategic objectives.

Corporate Governance Structure

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are 3 board committees, namely the Audit Committee, Remuneration Committee and Nomination Committee. All these committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the management.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Model Code as its own code of conduct for securities transactions by the Directors. The Company had made specific enquiry to all the Directors and they had confirmed compliance with the Model Code throughout the Year. No incident of non-compliance was noted by the Company during the Year.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Composition of the Board

The Board has a balance of skills and experience appropriate for the requirements of the business of the Group. The Board currently comprises three Executive Directors and three Independent Non-executive Directors. As at 31 March 2025 and the date of this annual report, the composition of the Board is as follows:

The Board (including corporate governance functions) (Total no. of Directors: 6)	
Executive Directors	Independent Non-executive Directors
Mr. Shi Hua (<i>Chairman</i>) Mr. Shi Jun (<i>Chief Executive Officer</i>) Mr. Law Fei Shing (<i>Deputy Chief Executive Officer</i>)	Mr. Chan Koon Yung (<i>Note 2</i>) Mr. Lum Pak Sum (<i>Note 2</i>) Ms. Hung Wan Fong, Joanne (<i>Note 2</i>)
Total number: 3 % to total no. of Directors: 50%	Total number: 3 (<i>Note 1</i>) % to total no. of Directors: 50% (<i>Note 3</i>)

Notes:

1. Minimum number of independent non-executive Directors: 3 (pursuant to Listing Rule 3.10(1)).
2. Independent non-executive Director having accounting expertise (pursuant to Listing Rule 3.10(2)).
3. Independent non-executive Directors represent one-third of the Board (pursuant to Listing Rule 3.10A).
4. Following the resignation of Mr. Wang Hongjie as a Non-executive Director on 30 April 2024, the total number of Directors as at 31 March 2025 and the date of this annual report is 6.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

The Board currently includes a balanced composition of executive and non-executive Directors (including independent non-executive Directors) and more than one-third of the Directors are independent non-executive Directors so that there is a strong independent element in the Board, which can effectively exercise independent judgment.

The brief biographical details of the current Directors as well as the relationships among Board members, if any, are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 13 to 16 of this annual report.

CORPORATE GOVERNANCE REPORT

To ensure independent views and input are made available to the Board, the Board (or through its board committees) ensures the following mechanisms are in place and reviews the implementation and effectiveness of such mechanisms annually:

- (1) all Directors should have the required character, integrity, perspectives, skills, expertise and experience to fulfill their roles and are encouraged to express their independent views through Board meetings;
- (2) all Directors are required to declare conflicts of interest (if any) in their roles as Directors and Directors who have material interests shall not vote or be counted in the quorum for the relevant Board resolutions;
- (3) the Chairman meets with Independent Non-executive Directors annually without the presence of the Executive Director and Non-executive Directors; and
- (4) all Independent Non-executive Directors are required to confirm in writing on an annual basis their compliance of independence requirements pursuant to Rule 3.13 of the Listing Rules.

Responsibilities of and Delegation by the Board

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Apart from the regular Board meetings of the Year, the Board also meets on other occasions when a Board-level decision on a particular matter is required.

The Company is governed by the Board which is responsible for directing and supervising its affairs and overseeing the business, strategic direction and performance of the Group. Execution of the Board's decisions and daily operations are delegated to the executive Directors and the management. The functions reserved to the Board and those delegated to executive Directors and management, for the running of the Company's business, have been formalised. The Board reviews those arrangements from time to time to ensure that they remain appropriate to the needs of the Company.

The management of the Company updates the Directors on their duties and responsibilities as well as the conduct, business activities and development of the Group. It supplies the Directors and the Board committees of the Company (the "Board Committees") with adequate, complete and reliable information in a timely manner to enable them to make informed decisions on all major matters of the Company. The day to day management, administration, operation of the Group and adoption of the Company's strategies and policies are delegated to the management. The clear responsibilities division between the Board and the management ensure the power and authority are balanced and not concentrated in any one individual. The management also provides sufficient information and explanation to the Board to enable it to make an informed assessment of financial and other information put before it for approval. The management also supplies additional information upon request and enquiry by the Directors. Timely updates on changes in laws and compliance issues relevant to the Group and appropriate information on the Group's business and activities are provided to the Directors. During the Year, management provided all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail. The Board and each Director has a separate and independent access to the management and the Company Secretary, whenever necessary, for any information relevant to the Group they may require in discharging their duties.

Directors' Liability Insurance

During the Year, the Company had arranged for appropriate insurance coverage in respect of legal action against the Directors.

Relationships among Board members

Mr. Shi Hua, an Executive Director and the Chairman, is the father of Mr. Shi Jun, an Executive Director and the Chief Executive Officer. Save for the aforesaid, there are no financial, business, family or other material or relevant relationships among members of the Board.

CORPORATE GOVERNANCE REPORT

Appointment and Re-election of Directors

Pursuant to Bye-law No. 84 of the Bye-laws, at each AGM, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation such that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to rotation who have been longest in office since their last election or appointment and so that as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Pursuant to Bye-law No. 83(2) of the Bye-laws, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. All Directors so appointed shall hold office until the next following AGM and shall then be eligible for re-election at that meeting.

Directors' Attendance Records

The Board schedules regular Board meetings in advance to give Directors the opportunity to participate actively, either in person or through electronic means of communication. Directors are consulted for their views regarding inclusion of specific matters in the agenda for regular Board meetings and the draft agenda is circulated to Directors for their comments. Special Board meetings are convened as and when needed. All Directors are properly briefed on issues to be discussed at Board meetings. These Board meetings, together with the Board Committees, provide effective means for the Board and Board Committees to perform their work and discharge their duties.

The Board meets regularly to review the financial and operating performance of the Group, to make important decisions and to approve future strategies. In addition, the Board would also hold the other Board meetings with a short notice given to discuss the material transactions as and when required. During the Year, nine Board meetings, five Audit Committee meetings, two Nomination Committee meetings, one Remuneration Committee meeting and one general meeting were held. Details of individual Directors' attendance at these meetings are set out in the following table:

Name of Directors	Board Meeting Attended/Eligible to attend	Audit Committee Meeting Attended/Eligible to attend	Nomination Committee Meeting Attended/Eligible to attend	Remuneration Committee Meeting Attended/Eligible to attend	AGM Attended/Eligible to attend
Executive Directors					
Mr. Shi Hua	9/9	N/A	2/2	N/A	1/1
Mr. Shi Jun	9/9	N/A	N/A	N/A	1/1
Mr. Law Fei Shing	9/9	N/A	N/A	N/A	1/1
Non-executive Director					
Mr. Wang Hongjie (<i>Resigned on 30 April 2024</i>)	1/1	N/A	N/A	N/A	0/0
Independent Non-executive Directors					
Mr. Chan Koon Yung	9/9	5/5	2/2	1/1	1/1
Mr. Lum Pak Sum	9/9	5/5	2/2	1/1	1/1
Ms. Hung Wan Fong, Joanne	9/9	5/5	2/2	1/1	1/1

CORPORATE GOVERNANCE REPORT

Induction and Continuous Professional Development of the Directors

Each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Pursuant to code provision of C.1.4 of the CG Code, all Directors should participate in continuous professional development (the "Continuous Professional Development") to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, in order to ensure compliance and enhance their awareness of good corporate governance practices. During the Year, the Company also circulated various journals, articles and commentaries about the latest development of the industry from time to time amongst Directors. The Company will continuously arrange suitable professional development seminars and courses for the Directors.

According to the confirmation records provided by the Directors, all the Directors have participated in Continuous Professional Development for the Year. During the Year, the Directors have participated in the Continuous Professional Development in the following manner:

Name of Directors	Type of continuous professional development training (Notes)
Executive Directors	
Mr. Shi Hua	B
Mr. Shi Jun	B
Mr. Law Fei Shing	A, B
Non-executive Director	
Mr. Wang Hongjie (<i>Resigned on 30 April 2024</i>)	B
Independent Non-executive Directors	
Mr. Chan Koon Yung	A, B
Mr. Lum Pak Sum	A, B
Ms. Hung Wan Fong, Joanne	A, B

Notes:

- A. Attending seminar(s), conference(s), forum(s) and/or training course(s).
- B. Reading materials provided by external parties or by the Company including but not limited to updates relating to the Company's business or directors' duties and responsibilities, the latest development of the Listing Rules and other applicable regulatory requirements.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The roles of Chairman and Chief Executive Officer should be separated to ensure a clear division between the Chairman's responsibility to manage the Board and the Chief Executive Officer's responsibility to manage the Company's business. The separation ensures a balance of power and authority so that power is not concentrated in one individual.

The Chairman and the Chief Executive Officer are currently two separate positions held by Mr. Shi Hua and Mr. Shi Jun respectively with clear distinction in responsibilities.

Mr. Shi Hua, being the Chairman, is responsible for the management and leadership of the Board to formulate overall strategies and business development directions for the Group, to ensure that adequate, complete and reliable information is provided to all Directors in a timely manner, and to ensure that the issues raised at the Board meetings are explained appropriately. The Chairman meets with the Independent Non-executive Directors annually without the presence of the other Directors.

Mr. Shi Jun, being the Chief Executive Officer, is responsible for the daily operations of the Group and the implementation of business policies, objectives and plans as formulated and adopted by the Board, and is accountable to the Board for the overall operation of the Group.

NON-EXECUTIVE DIRECTORS

All Non-executive Directors (including Independent Non-executive Directors) are appointed for an initial term of one year and renewable automatically for successive terms of one year until terminated by the Non-executive Director or the Company by giving not less than three months' written notice. Each of the Directors is subject to retirement and re-election at least once every three years in accordance with the Bye-laws.

The Non-executive Directors (including Independent Non-executive Directors) have the appropriate balance of skills and knowledge in the fields of financial management, business development or strategies related to the Group's business. They scrutinise the performance of management in achieving agreed corporate goals and objectives and monitor the Group's performance reporting. They also provide independent judgment on the matters of strategies, policies and standards of conduct. Their role can serve to assure clarity and accuracy on the reporting of financial information so that systems of risk management and internal control are effectively in place, enabling the Board to maintain high standards of compliance with financial and other reporting requirements and to safeguard the interests of Shareholders and the Company.

The Independent Non-executive Directors and Non-executive Director have given a positive contribution to the development of the Group's strategies and policies through independent, constructive and informed comments. Independent Non-executive Directors also serve as the members of the Audit Committee, Remuneration Committee and Nomination Committee and share their views through regular attendance and active participation in the meetings of Board Committees.

All the existing three Independent Non-executive Directors have met all the guidelines for assessing their independence as set out in Rule 3.13 of the Listing Rules. The Company has received from each of them an annual written confirmation of independence and considers each of them to be independent.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has proper delegation of its powers and has established three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, with specific written terms of reference that deal clearly with their authority and duties, to oversee particular aspects of the Group's affairs. The Board may establish other Board Committee(s) when necessary in accordance with the Bye-laws. The terms of reference of all Board Committees have required them to report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.

Sufficient resources, including the advice of the external auditor and other independent professional advisers, are provided to the Board Committees to enable them to discharge their duties.

Audit Committee

The Audit Committee has been established with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee is accountable to the Board and is primarily responsible for reviewing and monitoring the integrity of financial information and reporting by the Company, for reviewing the Group's internal control and risk management systems and for overseeing the relationship with the external auditor. The Audit Committee has access to and maintains an independent communication with the external auditor and the management to ensure effective information exchange on all relevant financial and accounting matters.

The full terms of reference of the Audit Committee are available on the Stock Exchange's website and the Company's website.

The Audit Committee currently comprises three members all of whom are Independent Non-executive Directors, namely:

Mr. Chan Koon Yung (*chairman of the Audit Committee*)

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

None of the members of the Audit Committee is a member of the former or existing auditors of the Company.

The key roles and responsibilities of our Audit Committee include:

- (i) make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor, and deal with any questions of its resignation or dismissal;
- (ii) review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (iii) develop and implement policy on engaging an external auditor to supply non-audit services;
- (iv) monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and review significant financial reporting judgments contained in them;

CORPORATE GOVERNANCE REPORT

- (v) review the systems of the Company on financial controls, internal control (including without limitation the procedures for compliance with the requirements of the Listing Rules and the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) and risk management;
- (vi) discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;
- (vii) where an internal audit function exists, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and review and monitor its effectiveness;
- (viii) review the Group's financial and accounting policies and practices;
- (ix) review the external auditor's management letter, any material queries raised by the external auditor to management about accounting records, financial accounts or systems of control and management's response, and ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (x) review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters; and
- (xi) act as the key representative body for overseeing the Company's relations with the external auditor.

During the Year, the Audit Committee has performed the following major works:

- reviewed the annual financial statements of the Group and related results announcement and report of the Company for the year ended 31 March 2024, with recommendations to the Board for approval;
- reviewed and monitored the financial reporting system, the risk management and internal control systems and the internal audit function of the Group, including their performance and effectiveness, and findings and recommendations of the independent professionals;
- received reports on the findings of BT Corporate Governance Limited ("BT CG") during the monitoring and assessing the internal control systems and risk management and reviewed the recommendations made to management by BT CG and the relevant management's responses;
- reviewed the interim financial statements of the Group and related results announcement and report of the Company for the six months ended 30 September 2024, with recommendations to the Board for approval;
- received reports on the findings of BDO Limited during the audit and reviewed the recommendations made to management by BDO Limited and the relevant management's responses;
- considered and made recommendations to the Board on the re-appointment of BDO Limited;
- reviewed the independence of BDO Limited and engagement of BDO Limited for annual audit for the Year;
- reviewed and approved the annual audit plan of BDO Limited, including the nature and scope of the audit, the fee payable to them, their reporting obligations and their work plan;

CORPORATE GOVERNANCE REPORT

- reviewed internal audit charter and internal control assessment plan from professional consultants; and
- reviewed the Company's corporate governance compliance matters.

According to the current terms of reference, meetings of the Audit Committee shall be held at least twice a year. Five meetings were held during the Year. The attendance records of each committee member at the Audit Committee meeting held during the Year are set out in the above section headed "Directors' Attendance Records" on page 33 of this report.

The chairman of the Audit Committee will report the findings and recommendations, if any, to the Board after each meeting. There was no disagreement between the Board and the Audit Committee regarding the appointment of the external auditor.

Remuneration Committee

The Remuneration Committee has been established with written terms of reference in compliance with Rules 3.25 and 3.26 of the Listing Rules and code provision E.1.2 of the CG Code. The Remuneration Committee is primarily responsible for recommending to the Board the remuneration of Directors and certain senior managers.

The full terms of reference of the Remuneration Committee are available on the Stock Exchange's website and the Company's website.

The Remuneration Committee currently comprises three members all of whom are Independent Non-executive Directors, namely:

Mr. Chan Koon Yung (*chairman of the Remuneration Committee*)

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

The key roles and responsibilities of the Remuneration Committee include:

- make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment (in accordance with code provision E.1.2(c)(i) of the CG Code);
- make recommendations to the Board on the remuneration of Non-executive Directors;
- consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

CORPORATE GOVERNANCE REPORT

- (vi) review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (vii) review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (viii) ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- (ix) review and/or approve matters relating to share schemes under chapter 17 of the Listing Rules.

During the Year, the Remuneration Committee has performed the following major works:

- reviewed the policy on remuneration of all of the Directors, management and staff of the Company; and
- reviewed the remuneration packages and emolument of the Directors, management and staff of the Company.

Meetings of the Remuneration Committee shall be held at least once a year. One meeting was held during the Year. The attendance records of each committee member at the Remuneration Committee meeting held during the Year are set out in the above section headed “Directors’ Attendance Records” on page 33 of this report.

Remuneration of Members of Senior Management by Band

The Executive Directors are the senior management of the Company. The senior management of the Company receive remuneration in the form of salaries, bonuses, contribution to retirement schemes, and other allowances and benefits in kind subject to applicable laws, rules and regulations. Pursuant to code provision E.1.5 of the CG Code, the remuneration of members of the senior management by band for the Year is set out below:

Band of Remuneration	Number of Individuals
HK\$1,000,001 to HK\$1,500,000	2
HK\$1,500,001 to HK\$2,000,000	1

Further details of the Directors’ and Chief Executive’s remuneration and the five highest paid employees have been set out in notes 8 and 9 to the Consolidated Financial Statements, respectively.

Nomination Committee

The Nomination Committee has been established with written terms of reference in compliance with Rule 3.27A of the Listing Rules and code provision B.3.1 of the CG Code. The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and recommending any changes directly to the Board; identifying qualified and suitable individuals to become Board members and selecting and/or making recommendations to the Board on the selection of individuals nominated for directorships; assessing the independence of independent non-executive Directors; and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer.

The full terms of reference of the Nomination Committee are available on the Stock Exchange’s website and the Company’s website.

CORPORATE GOVERNANCE REPORT

The Nomination Committee currently comprises four members, a majority of them being Independent Non-executive Directors, namely:

Mr. Shi Hua (*Chairman and chairman of the Nomination Committee*)

Mr. Chan Koon Yung

Mr. Lum Pak Sum

Ms. Hung Wan Fong, Joanne

The key roles and responsibilities of the Nomination Committee include:

- (i) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) review the board diversity policy (the "Board Diversity Policy"), as appropriate; and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Company's corporate governance report annually;
- (iii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iv) assess the independence of independent non-executive Directors; and
- (v) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer.

During the Year, the Nomination Committee has performed the following major works:

- reviewed and considered the resignation from Mr. Wang Hongjie as Non-executive Director;
- reviewed the Board Diversity Policy;
- reviewed the nomination policy for directorship including procedures, process and criteria;
- reviewed the structure, size, diversity and composition of the Board and Board Committees and the split between numbers of Executive Directors, Non-executive Directors and Independent Non-executive Directors;
- considered and recommended to the Board the re-election of the retiring Directors at the 2024 AGM; and
- assessed the independence of the Independent Non-executive Directors.

CORPORATE GOVERNANCE REPORT

Meetings of the Nomination Committee shall be held at least once a year. Two meetings were held during the Year. The attendance records of each committee member at the Nomination Committee meeting held during the Year are set out in the above section headed “Directors’ Attendance Records” on page 33 of this report.

The Company has also adopted the Director nomination policy. Such policy, devising the criteria and process of selection and performance evaluation, provides guidance to the Board on nomination and appointment of Directors. The Board believes that the defined selection process is good for corporate governance in ensuring the Board continuity and appropriate leadership at Board level, and enhancing better Board effectiveness and diversity as well as in compliance with the applicable rules and regulations.

The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents. In selecting and evaluating candidates for directorship, the Nomination Committee may make reference to certain criteria, such as the Company’s needs, the integrity, experience, skills and professional knowledge of the candidate, and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. Each candidate shall be ranked by order of preference based on the needs of the Company and his/her reference check. The Nomination Committee shall report its findings and make recommendation to the Board on the appointment of appropriate candidates for directorship.

BOARD DIVERSITY POLICY

The Board adopted the Board Diversity Policy setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contributions that the selected candidates will bring to the Board.

Implementation and monitoring

The Nomination Committee reviewed the Board’s composition under diversified perspectives, and monitored the implementation of the Board Diversity Policy annually.

As at 31 March 2025, 1 out of 6 Directors is female. The Directors obtained degrees or diplomas in diverse disciplines, including accounting, law, economics and business management and have a balanced mix of professional experience and industry background in the cemetery business and operation management, corporate governance, financial management, asset management and investment, accounting, taxation, auditing and capital markets.

The Board is currently of the opinion that it generally meets the diversity requirements under the Listing Rules, while it will continue to take opportunities to increase the proportion of female board members over time as and when suitable candidates are identified, subject to the Board being satisfied with the competence and experience of the relevant candidates after a comprehensive review process based on reasonable criteria, and will review the implementation and effectiveness of the Board Diversity Policy on an annual basis to ensure its continued effectiveness.

CORPORATE GOVERNANCE REPORT

As at the date of this annual report, the Board's composition under diversified perspectives is summarized as follows:

Designation	Number of Directors	Percentage*
Executive Director	3	50.0%
Independent Non-Executive Director	3	50.0%
Gender		
Male	5	83.3%
Female	1	16.7%
Age Group		
40-49 years old	1	16.7%
50-59 years old	1	16.7%
60-69 years old	3	50.0%
70-79 years old	1	16.7%
Directorship with the Company (Number of years)		
1-5 years	1	16.7%
6-10 years	1	16.7%
11-15 years	3	50.0%
Over 15 years	1	16.7%
Directorship with other listed companies (Number of companies)		
0	5	83.3%
2	1	16.7%
Professional expertise		
Cemetery business	2	
Accounting, Audit and Finance	4	

* Percentages may not add up to 100% due to rounding.

As at 31 March 2025, the Group had a total of 108 female employees out of 210 employees, representing 51.4% of the employees of the Group, which is demonstrating a relatively balanced gender ratio achieved by the Group, and regarded by the Board as satisfactory and in line with the industry which the Group operates its businesses in.

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

The Board and the Nomination Committee have reviewed the implementation and effectiveness of the Board Diversity Policy and considered it to be effective for the Year.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties set out in code provision A.2.1 of the CG Code. The principal roles and functions of the Board in relation to corporate governance is to develop and review the Company's policies and practices on corporate governance, to review and monitor the training and continuous professional development of Directors and management, to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements, to develop, review and monitor the code of conduct applicable to employees and Directors, and to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the Year, the principal works performed by the Board in relation to corporate governance functions are summarised below:

- reviewed the template for monthly update (including financial information and business operations) of the Group;
- reviewed the arrangements for the Company's employees to use, in confidence, and to raise concerns about possible improprieties in financial reporting, internal control or other matters;
- developed and reviewed the corporate governance policy and practices;
- developed, reviewed and monitored the codes of conduct applicable to employees and Directors;
- reviewed and monitored the training and continuous professional development of the Directors and management;
- reviewed and monitored the legal and regulatory compliance policy of the Company;
- reviewed the terms of reference of each of the Board Committees; and
- reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board is accountable to the Shareholders and is committed to presenting comprehensive and timely information to the Shareholders for the assessment of the Company's performance, financial position and prospects. A separate statement containing a discussion and analysis of the Group's performance is included in the section headed "Management Discussion and Analysis" of this annual report.

The Board's endeavour to present a balanced, clear and understandable assessment extends to annual and interim reports and other financial disclosures required under the Listing Rules and other applicable rules.

The Directors acknowledge their responsibility for the presentation of financial statements, which give a true and fair view of the state of affairs of the Company and the Group, and the results and cash flows for each financial period. In preparing the financial statements, the Directors have to ensure that appropriate accounting policies are adopted. The financial statements are prepared on a going concern basis. The Board is provided with explanations and information by the management of the Company, so that the Directors have an informed assessment of the financial and other information of the Group put forward to the Board for discussion and approval.

CORPORATE GOVERNANCE REPORT

The independent auditor's report, which contains the statement of the external auditor about its reporting responsibilities on the Group's consolidated financial statements, is set out in the section headed "Independent Auditor's Report" of this annual report.

RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

The goal of the Group is to identify and manage the risks (including ESG Risks) which are inherent in the Group's business and its operating markets so that the risks can be reduced, mitigated, transferred or avoided. The main features of the risk management and internal control systems provides a clear governance structure, policies and procedures, as well as a reporting mechanism to facilitate the Group to manage its risks across business operations.

The Board recognizes its responsibility for maintaining an adequate and sound enterprise risk management and internal control system and through the Audit Committee and, if necessary, an external firm of professional internal control consultants, conducts reviews on the effectiveness of these systems at least annually, covering material controls, including financial, operational, compliance and strategic risk control functions. The Audit Committee will then report to the Board after properly reviewing the effectiveness of the Group's risk management and internal control systems. The Board considers the works, findings and recommendations of the Audit Committee in forming its own view on the effectiveness of such systems and makes proper responses. The Board understands that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

Our enterprise risk management framework

The Board has the overall responsibility to ensure that sound and effective internal controls are maintained, meanwhile management is responsible for designing and implementing an internal control system to manage all kinds of risks faced by the Group.

Through risk identification and assessment processes, risks are identified, assessed, prioritized and handled appropriately. Our risk management framework follows the COSO Enterprise Risk Management – Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit Committee that oversees risk management and internal audit functions.

Our risk control mechanism

The Group adopts a "three-layer" corporate governance structure with operational management and controls performed by operations management, coupled with risk management monitoring carried out by the finance team and independent internal audit outsourced to and conducted by BT Corporate Governance Limited ("BTCGL"). The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee, and management with a profile of its major risks and records management's actions taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact on the Group. The risk register is updated by management with the addition of new risks and/or removal of existing risks on an annual basis, if necessary, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced by it in the sense that all risk related parties have access to the risk register and are aware of and alert to those risks in their area of responsibility so that they can take follow-up action in an efficient manner.

CORPORATE GOVERNANCE REPORT

Our risk management activities are performed by management on an ongoing process. The effectiveness of our risk management framework will be evaluated at least annually, and a periodic management meeting is held to update the progress of risk monitoring efforts. Management is committed to ensuring that risk management forms part of daily business operation processes in order to align risk management with corporate goals in an effective manner.

Review of effectiveness of the risk management and internal control system

During the Year under review, the Board, through the Audit Committee, conducted review of both design and implementation effectiveness of the risk management and internal control systems of the Group, covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions are adequate.

To review the Group's internal control system, the Company appointed BTCGL, an external firm of professional internal control consultants, to assist in identifying and assessing the risks of the Group through a series of interviews and testing, and independently perform internal control reviews and assess the effectiveness of the Group's risk management and internal control systems, including the assessment of the effectiveness of the procedures, systems and controls established by Group.

The Company has an internal audit function, the effectiveness of which had been reviewed by the Audit Committee during the Year. Further information about the Audit Committee, including its work for the Year, is set out in the section headed "Audit Committee" in this annual report.

The Company will continue to engage external independent professionals to review the Group's system of internal controls and risk management annually and further enhance the Group's internal control and risk management systems as appropriate.

Details of the ESG-related risks of the Group are set out in the ESG Report which will be available on the websites of the Stock Exchange and the Company, at the same time as the publication of this annual report.

For the Year, both the Audit Committee and the Board were not aware of any material internal control defects and were satisfied that the risk management and internal control systems of the Group have been effective and adequate.

External Auditor and Auditors' Remuneration

The external auditor performs independent review or audit of the financial statements prepared by the management. The external auditor of the Company is BDO Limited. A statement by the external auditor of the Company about its reporting responsibilities is included in the independent auditor's report on the Group's consolidated financial statements on pages 50 to 54 in this annual report.

In arriving at its opinion, the auditor conducted an audit without any restrictions and had access to individual Directors (including Audit Committee members) and management of the Company.

CORPORATE GOVERNANCE REPORT

During the Year, the remuneration paid and payable to BDO Limited in respect of the audit and non-audit services of the Group is set out below:

Type of services provided by the external auditor	HK\$'000
Audit service	950
Non-audit service	—
Total	950

Procedures and internal controls for the handling and dissemination of inside information

The Group complies with requirements of the SFO and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures that the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group will immediately disclose the information to the public. The Group is committed to ensuring that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact, in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

COMPANY SECRETARY

Ms. Chan Ka Man Karmen has been appointed as the Company Secretary since July 2021. The Company Secretary supports the Board by ensuring good information flow within the Board and that board policy and procedures are followed and is also responsible for advising the Board through the Chairman on corporate governance and the implementation of the CG Code. The Company Secretary has day-to-day knowledge of the Group's affairs.

The Company Secretary reports to the Chairman. All Directors also have access to the advice and services of the Company Secretary to ensure that all applicable laws, rules and regulations are followed. The selection, appointment and dismissal of the Company Secretary are subject to the Board approval.

Ms. Chan Ka Man Karmen has confirmed that she has taken no less than 15 hours of relevant professional training as required under Rule 3.29 of the Listing Rules during the Year.

DIVIDEND POLICY

The Board has adopted the dividend policy to set out the basic principles and criteria based on which the Board may consider in determining the distribution of the dividends. Such declaration and payment of dividends shall remain to be determined at the absolute discretion of the Board, subject to all the applicable laws and regulations and the Bye-laws.

The Company intends to pay dividend(s) of not more than 75% of its distributable reserves available for distribution. However, the Board will take into account the following conditions and factors before recommending or declaring dividends, including without limitation to: (i) financial results; (ii) cash flow situation; (iii) balance of distributable reserves; (iv) business conditions and strategies; (v) future operations and earnings; and (vi) capital requirements and expenditure plans.

CORPORATE GOVERNANCE REPORT

The Board will review the said dividend policy as appropriate from time to time. The historical declarations of dividends of the Group should not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Group in the future. Any declaration and payment as well as the amount of the dividends will be subject to any restrictions under the applicable laws and regulations and the Bye-laws.

WHISTLEBLOWING POLICY

The whistleblowing policy has been established for all employees and those engaged in business with the Group, including customers and suppliers. This policy addresses concerns related to fraudulent or unethical behaviour, as well as non-compliance with laws and the Group's policies, which may have significant financial, legal, or reputational consequences for the Group. Individuals can raise concerns about potential improprieties related to the Group in writing to the Audit Committee. The Audit Committee will determine the appropriate course of action confidentially and anonymously, with the authority to delegate responsibilities regarding the report.

ANTI-CORRUPTION POLICY

The Group has established an anti-corruption policy to ensure that Directors and employees comply with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong). This policy outlines the integrity and conduct requirements, along with the policies and controls that apply to all Directors and employees at every level, as well as external parties conducting business with the Group and those acting in an agency or fiduciary capacity on behalf of the Group (such as agents, consultants and contractors). The policy is periodically reviewed to ensure it remains relevant and effective.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. The Shareholders may convene an extraordinary general meeting or put forward proposals at Shareholders' meetings as follows:

Procedures for the Shareholders to Convene a SGM

Pursuant to the Bye-law No. 58 of the Bye-laws, general meetings shall be convened on the written requisition of members 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, and they shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

CORPORATE GOVERNANCE REPORT

Procedures for Shareholders to Propose a Person for Election as a Director

The provisions for a Shareholder to propose a person for election as a Director are laid down under Bye-law No. 85 of the Bye-laws. No person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as a Director, signed by a Shareholder (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at the head office or at the registration office. The minimum length of the period during which such notices are given shall be at least seven (7) days and the period for lodgment of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. Detailed procedures for Shareholders to propose a person for election as a Director are available on the Company's website.

Procedures for Shareholders to Put Forward Proposals at General Meetings

Pursuant to the Companies Act 1981 of Bermuda, Shareholders holding at the date of deposit of the requisition not less than one-twentieth of the total voting rights at general meetings of the Company or not less than one hundred Shareholders may provide a written requisition to the Company stating the resolution intended to be proceeded at the general meeting. The requisition must be deposited at the registered office of the Company for the attention of the Company Secretary.

For the avoidance of doubt, Shareholder(s) must provide their full name(s), contact details and identification, in the originally signed written requisition, notice or statement (as the case may be), in order to give effect thereto. Information of Shareholder(s) may be disclosed as required by law. Shareholders may refer to the Bye-laws for further details of the rights of shareholders.

All resolutions put forward at Shareholders' meetings shall be voted by poll pursuant to the Listing Rules. The poll voting results shall be posted on the websites of the Stock Exchange and the Company after each Shareholders' meeting.

Procedures for Sending Enquiries to the Board

Enquiries and suggestions from Shareholders or investors to the Board are welcomed by mail to the Company's principal place of business in Hong Kong at Room 1215, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong or by fax (852) 2808 0791 or via email to axy@anxianyuanchina.com for the attention of the Company Secretary.

SHAREHOLDER COMMUNICATION AND INVESTOR RELATIONS

The Company believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of its corporate information, which enables Shareholders and investors to make an informed investment decision.

The Company maintains a website at www.anxianyuanchina.com as a communication platform with Shareholders and investors, where information and updates on the Group's business developments and operations and other information are available for public access.

CORPORATE GOVERNANCE REPORT

The Company uses a range of communication tools to ensure its Shareholders are kept well informed of key business imperatives, including AGM, annual report, various notices, announcements and circulars. Procedures for demanding a poll have been included in circulars accompanying a notice convening a general meeting and such procedures have been read out by the chairman of the general meeting. Besides, Shareholders' meetings provide an opportunity for communication between the Board and the Shareholders. It is the Company's general practice that the Chairman as well as chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, or in their absence, their duly appointed delegates, will be available to answer questions at the AGM. In addition, the Company will invite representatives of the auditor to attend its AGM to answer Shareholders' questions about the conduct of the audit, the preparation and contents of the auditor's report, the accounting policies and auditor's independence.

Shareholders' Communication Policy

The Company has in place a Shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed.

At the 2024 AGM, all Directors, including the chairmen of the Audit, Remuneration and Nomination Committees, and representatives from the auditor of the Company, BDO Limited, were present for questions from Shareholders. There was one general meeting held during the Year.

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

Constitutional Documents

There was no change to the Company's constitutional documents during the Year. The Company's Bye-laws is available on the websites of the Company and the Stock Exchange.

Information Disclosure

The Company discloses information in compliance with the Listing Rules and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions.

Conclusion

The Company believes that good corporate governance could ensure an effective distribution of the resources and Shareholders' interests. The senior management will continue endeavors in maintaining, enhancing and increasing the Group's corporate governance level and quality.

INDEPENDENT AUDITOR'S REPORT



Tel : +852 2218 8288
Fax : +852 2815 2239
www.bdo.com.hk

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF ANXIAN YUAN CHINA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Anxian Yuan China Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 55 to 124, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Impairment assessment of goodwill

Refer to note 15, and the Group's significant accounting judgements and estimates in relation to impairment assessment of goodwill as set out in note 3(i) to the consolidated financial statements.

As at 31 March 2025, goodwill of the Group amounted to HK\$12,111,000. In accordance with HKFRS Accounting Standards, the Group performed impairment assessment of goodwill on an annual basis. The impairment assessment was based on the recoverable amount of the cash-generating unit ("CGU") to which goodwill was allocated. Management performed the impairment assessment using the value in use calculation based on the discounted cash flows of the relevant CGU. This matter was significant to our audit because the management's assessment process on the discounted cash flows were highly judgmental and were based on assumptions, including discount rates, growth rates and expected changes to selling prices and direct costs, which were affected by expected future market or economic conditions.

The Group's disclosures of the key assumptions used by management for the value in use calculation of the relevant CGU are included in note 15 to the consolidated financial statements.

Our responses:

Our procedures in relation to management's impairment assessment of goodwill included:

- Evaluating the independent valuation firm's competence, capabilities and objectivity;
- Assessing the reasonableness of key assumptions used by management based on our knowledge of the business and industry, in particular those relating to the cash flow forecasts underlying the value in use calculation;
- Checking, on a sample basis, the accuracy and relevance of the data provided by management, such as growth rate and discount rate used;
- Conducting in-depth discussions with management and the independent valuation firm about the cash flow projections used in the value in use calculation and the appropriateness of the significant assumptions and critical judgement areas which affect the value in use calculation; and
- Benchmarking the growth rate and discount rate used in the value in use calculation against independent industry data and comparable companies.

Revenue recognition for sales of tombs and niches

Refer to note 5 and the Group's accounting policy in relation to revenue recognition as set out in note 2.4(m) to the consolidated financial statements.

For the year ended 31 March 2025, revenue from sales of tombs and niches amounted to HK\$206,150,000, which is approximately 87% of the total revenue of the Group.

We identified the recognition of revenue from sales of tombs and niches as a key audit matter due to the significance of the amount and volume of sales transactions recognised during the year.

The Group's disclosures of revenue from sales of tombs and niches are included in note 5 to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Revenue recognition for sales of tombs and niches (Continued)

Our responses:

Our procedures in relation to revenue recognition for sales of tombs and niches included:

- Obtaining an understanding of the key internal controls relevant to the sales of tombs and niches.
- Selecting sales transactions of tombs and niches on a sample basis and:
 - Examining the signed sales contracts to understand the relevant terms in determining when the right to use tombs and niches has passed to customers;
 - Obtaining evidence regarding the passing of the right to use tombs and niches to customers; and
 - Reconciling the amounts of recorded transactions and related receipts to the signed sale contracts of tombs and niches.

OTHER INFORMATION IN THE ANNUAL REPORT

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors of the Company in discharging their responsibilities in this regard.

INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

BDO Limited

Certified Public Accountants

Au Yiu Kwan

Practising Certificate Number P05018

Hong Kong, 20 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	5	236,429	284,430
Cost of sales		(63,446)	(76,701)
Gross profit		172,983	207,729
Other income and gains, net	5	6,110	8,744
Selling and distribution expenses		(22,407)	(37,758)
Administrative expenses		(79,643)	(90,322)
Finance costs	7	(1,088)	(675)
PROFIT BEFORE INCOME TAX	6	75,955	87,718
Income tax expense	10	(23,640)	(29,321)
PROFIT FOR THE YEAR		52,315	58,397
Profit for the year attributable to:			
Owners of the Company		51,078	57,824
Non-controlling interests		1,237	573
		52,315	58,397
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE YEAR			
Basic and diluted (<i>HK cents</i>)	12	2.30	2.60

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
PROFIT FOR THE YEAR		52,315	58,397
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		(17,013)	(33,466)
Item that will not be reclassified subsequently to profit or loss:			
Change in fair value of financial assets at fair value through other comprehensive income ("FVTOCI")	16	(32)	(1,876)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(17,045)	(35,342)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		35,270	23,055
Total comprehensive income for the year attributable to:			
Owners of the Company		34,669	23,730
Non-controlling interests		601	(675)
		35,270	23,055

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	62,296	68,698
Right-of-use assets	29	3,061	2,979
Intangible assets	14	398,732	408,445
Goodwill	15	12,111	12,328
Financial assets at FVTOCI	16	676	1,048
Cemetery assets	17	235,608	197,911
Fixed time deposits	23	10,836	–
Loan to non-controlling shareholder	22	–	202
Total non-current assets		723,320	691,611
CURRENT ASSETS			
Inventories	19	224,841	240,059
Trade receivables	20	2,444	1,009
Prepayments, deposits and other receivables	21	2,438	2,610
Loan to non-controlling shareholder	22	625	414
Financial assets at fair value through profit or loss (“FVTPL”)	16	10,579	–
Fixed time deposits	23	54,181	–
Cash and cash equivalents	23	264,944	339,428
Total current assets		560,052	583,520
CURRENT LIABILITIES			
Trade payables	24	33,307	36,456
Other payables and accruals	25	11,110	11,249
Amount due to a director of the Company	26	1,000	–
Contract liabilities	27	23,691	26,898
Interest-bearing bank borrowings	28	43,887	17,296
Lease liabilities	29	589	420
Tax payables		50,226	55,161
Total current liabilities		163,810	147,480
NET CURRENT ASSETS		396,242	436,040
TOTAL ASSETS LESS CURRENT LIABILITIES		1,119,562	1,127,651

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT LIABILITIES			
Contract liabilities	27	40,185	39,580
Lease liabilities	29	113	28
Deferred tax liabilities	18	105,799	109,372
Total non-current liabilities		146,097	148,980
NET ASSETS		973,465	978,671
EQUITY			
Share capital	30	222,136	222,136
Reserves	31	715,513	720,829
Equity attributable to owners of the Company		937,649	942,965
Non-controlling interests		35,816	35,706
TOTAL EQUITY		973,465	978,671

The consolidated financial statements on pages 55 to 124 were approved and authorised for issue by the board of directors on 20 June 2025 and are signed on its behalf by:

Shi Hua
Director

Law Fei Shing
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

Attributable to owners of the Company

	Share capital HK\$'000 (note 30)	Share premium HK\$'000	Equity investments at FVTOCI reserve HK\$'000	Contributed surplus reserve HK\$'000	Statutory reserve fund HK\$'000 (note 31)	Exchange fluctuation reserve HK\$'000	Other reserve HK\$'000 (note 31)	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2024	222,136	151,136	(1,513)	47,323	56,953	(61,006)	(10,687)	538,623	942,965	35,706	978,671
Profit for the year	-	-	-	-	-	-	-	51,078	51,078	1,237	52,315
Other comprehensive income for the year:											
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(16,377)	-	-	(16,377)	(636)	(17,013)
Change in fair value of financial assets at FVTOCI (note 16)	-	-	(27)	-	-	(5)	-	-	(32)	-	(32)
Total comprehensive income for the year	-	-	(27)	-	-	(16,382)	-	51,078	34,669	601	35,270
Final dividend declared and paid (note 11)	-	-	-	(28,878)	-	-	-	-	(28,878)	-	(28,878)
Interim dividend declared and paid (note 11)	-	-	-	(11,107)	-	-	-	-	(11,107)	-	(11,107)
Dividend paid to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	(491)	(491)
Transferred from retained profits (note)	-	-	-	40,000	2,034	-	-	(42,034)	-	-	-
At 31 March 2025	222,136	151,136	(1,540)	47,338	58,987	(77,388)	(10,687)	547,667	937,649	35,816	973,465

Note: The transfer of HK\$40,000,000 represents proposing dividend to be distributed in future.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company										
	Share capital HK\$'000 (note 30)	Share premium HK\$'000	Equity investments at FVTOCI reserve HK\$'000	Contributed surplus reserve HK\$'000	Statutory reserve fund HK\$'000 (note 31)	Exchange fluctuation reserve HK\$'000	Other reserve HK\$'000 (note 31)	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2023	222,136	151,136	258	98,414	49,366	(28,683)	(10,687)	488,386	970,326	36,381	1,006,707
Profit for the year	-	-	-	-	-	-	-	57,824	57,824	573	58,397
Other comprehensive income for the year:											
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(32,218)	-	-	(32,218)	(1,248)	(33,466)
Change in fair value of financial assets at FVTOCI (note 16)	-	-	(1,771)	-	-	(105)	-	-	(1,876)	-	(1,876)
Total comprehensive income for the year	-	-	(1,771)	-	-	(32,323)	-	57,824	23,730	(675)	23,055
Final dividend declared and paid (note 11)	-	-	-	(33,320)	-	-	-	-	(33,320)	-	(33,320)
Interim dividend declared and paid (note 11)	-	-	-	(17,771)	-	-	-	-	(17,771)	-	(17,771)
Transferred from retained profits	-	-	-	-	7,587	-	-	(7,587)	-	-	-
At 31 March 2024	222,136	151,136	(1,513)	47,323	56,953	(61,006)	(10,687)	538,623	942,965	35,706	978,671

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		75,955	87,718
Adjustments for:			
Bank interest income	5	(4,891)	(7,452)
Imputed interest income from loan to non-controlling shareholder	5	(45)	(74)
Fair value loss on financial assets at FVTPL, net	6	351	–
(Gain)/losses on disposals of property, plant and equipment, net	5	(75)	53
(Reversal)/loss allowance on loan to non-controlling shareholder	6	(655)	1,375
Interest on interest-bearing bank borrowings, net interest capitalised	7	1,061	639
Interest for lease liabilities	7, 29, 34	27	36
Depreciation on property, plant and equipment	6	8,268	7,694
Depreciation on right-of-use assets	6	2,663	2,573
Amortisation of cemetery assets	6	8,345	7,712
Amortisation of intangible assets	6	2,527	2,968
Operating profit before working capital change		93,531	103,242
Decrease in inventories		11,380	6,209
(Increase)/decrease in trade receivables		(1,402)	50
Decrease in prepayments, deposits and other receivables		217	623
(Decrease)/increase in trade payables		(2,525)	225
(Decrease)/increase in other payables and accruals		(340)	241
(Decrease)/increase in contract liabilities		(776)	13,415
Cash generated from operations		100,085	124,005
Interest paid		(1,088)	(1,197)
Income tax paid		(26,542)	(31,169)
Net cash flows generated from operating activities		72,455	91,639

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank interest received		4,891	7,452
Investment in foreign currency structured product contracts		(137,397)	–
Proceeds from disposal of foreign currency structured product contracts		126,467	–
Placement of fixed time deposits		(65,515)	–
Withdrawal of fixed time deposits		–	57,117
Repayment on loan to non-controlling shareholder		655	–
Purchases of property, plant and equipment	13	(3,055)	(5,709)
Purchases of cemetery assets	17	(54,090)	–
Prepaid lease payments for right-of-use assets		(1,894)	(1,123)
Proceeds from disposal of property, plant and equipment		86	38
Net cash flows (used in)/generated from investing activities		(129,852)	57,775
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance from a director of the Company	34	1,000	–
New borrowings raised	34	44,223	–
Repayments of bank borrowings	34	(16,772)	(26,047)
Repayments of principal portion of lease liabilities	34	(642)	(2,568)
Repayments of interest portion of lease liabilities	34	(27)	(36)
Dividend paid to non-controlling interests in subsidiary		(491)	–
Dividends paid	11, 34	(39,985)	(51,091)
Net cash flows used in financing activities		(12,694)	(79,742)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(70,091)	69,672
Cash and cash equivalents at beginning of year		339,428	283,409
Effect of foreign exchange rate changes, net		(4,393)	(13,653)
CASH AND CASH EQUIVALENTS AT END OF YEAR		264,944	339,428
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	261,693	310,633
Short-term deposits	23	3,251	28,795
		264,944	339,428

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. CORPORATE AND GROUP INFORMATION

Anxian Yuan China Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda and domiciled in Hong Kong. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company’s principal place of business in Hong Kong is Room 1215, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The principal activities and other particulars of the principal subsidiaries are set out as below. The Company and its subsidiaries’ (collectively referred as the “Group”) principal places of business are in Hong Kong and the People’s Republic of China (the “PRC”).

As at 31 March 2025 the Company’s immediate and ultimate parent is Master Point Overseas Limited which was incorporated in the British Virgin Islands (the “BVI”). Its ultimate controlling party is Mr. Shi Hua, who is also the chairman and executive director of the Company.

The consolidated financial statements for the year ended 31 March 2025 were approved for issue by the board of directors of the Company (the “Directors”) on 20 June 2025.

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation or establishment/ registration and business	Issued and fully paid shares/paid up capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Kylinfield Limited	BVI/Hong Kong	US\$100	100% (2024: 100%)	–	Investment holding
Sino Grandeur Limited	BVI/Hong Kong	US\$1	100% (2024: 100%)	–	Investment holding
China Boon Holdings Limited	Hong Kong/Hong Kong	HK\$1	–	100% (2024: 100%)	Investment holding
Anxian Yuan (HK) Limited	Hong Kong/Hong Kong	HK\$1	–	100% (2024: 100%)	Investment holding
浙江安賢陵園有限責任公司 (Zhejiang Anxian Yuan Company Limited) (“Zhejiang Anxian Yuan”)	the PRC/Mainland China, Sino-foreign equity joint venture	Renminbi (“RMB”) 85,000,000	–	100% (2024: 100%)	Cemetery business
Jia Yuan Trading Limited	BVI/Hong Kong	US\$1	–	100% (2024: 100%)	Investment holding
Hirise Corporation Limited	Hong Kong/Hong Kong	HK\$1	–	100% (2024: 100%)	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Name	Place of incorporation or establishment/ registration and business	Issued and fully paid shares/paid up capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
安賢園 (浙江) 投資管理有限公司 (Anxian Yuan (Zhejiang) Investment Management Company Limited) ("Anxian Yuan (Zhejiang)")	the PRC/Mainland China, wholly foreign-owned enterprise ("WFOE")	US\$15,703,988 (2024: US\$13,203,988)	–	100% (2024: 100%)	Cemetery business
杭州富亦賢科技有限公司 (Hangzhou Fuyixian Technology Company Limited) ("Hangzhou Fuyixian")	the PRC/Mainland China, WFOE	RMB1,000,000	–	100% (2024: 100%)	Cemetery business
銀川福壽園人文紀念園有限公司 (Yin Chuan Fu Shou Yuan Humanistic Cultural Memorial Park Co., Ltd.^) ("Yin Chuan Fu Shou Yuan")	the PRC/Mainland China, Sino-foreign equity joint venture	RMB2,200,000	–	70% (2024: 70%)	Cemetery business
遵義詩鄉大神山生態陵園有限公司 (Zunyi Shixiang Dashenshan Cemeteries Co., Ltd.^) ("Zunyi Dashenshan")	the PRC/Mainland China, Sino-foreign equity joint venture	RMB50,000,000	–	80% (2024: 80%)	Cemetery business
綏陽縣鮮辰餐飲服務有限公司* (Suiyang Xianchen Catering Service Co., Ltd.^) ("Suiyang Catering")**	the PRC/Mainland China	RMB50,000	–	80% (2024: N/A)	Catering business
杭州安耘物業管理有限公司* (Hangzhou Anyun Property Management Company Limited^) ("Hangzhou Anyun")	the PRC/Mainland China	RMB2,000,000	–	100% (2024: 100%)	Property Management

* Hangzhou Anyun and Suiyang Catering are domestic limited liability companies established in the PRC.

** Newly established during the year.

^ For identification only.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These consolidated financial statements have been prepared under historical cost convention, except for financial assets at FVTPL and financial assets at FVTOCI which were stated at fair value as explained in the material accounting policies set out in note 2.4.

It should be noted that accounting estimates and assumptions are used in the preparation of these financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group’s consolidated financial statements are disclosed in note 3.

The Group’s consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 ADOPTION OF AMENDED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied or early adopted for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 April 2024.

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 (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as disclose below, the application of the amendments to HKFRS Accounting Standards that are relevant and effective from 1 April 2024 did not have any significant impact on the Group’s accounting policies and no material effect on the amounts reported and/or disclosures set out in the Group’s consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.2 ADOPTION OF AMENDED HKFRS ACCOUNTING STANDARDS (CONTINUED)

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 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 amendments clarify that 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.3 NEW AND AMENDED HKFRS ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET EFFECTIVE

The following new and amended HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

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

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

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

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

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standards, 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 Accounting Policies, Changes in Accounting Estimates and Errors and HKFRS 7 Financial Instruments: Disclosures. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company of the Group and to the non-controlling interests.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

The carrying amount of non-controlling interests is the amount of those interests at initial recognition plus non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in non-controlling interests having a deficit balance.

If the Company loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interests and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

(b) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment assessment of goodwill as at 31 March. For the purpose of impairment assessment, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating unit ("CGU"), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill is allocated. Where the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5% – 6.67% or over the lease term, whichever is shorter
Furniture, fixtures and equipment	20% – 33.33%
Motor vehicles	20% – 25%
Leasehold improvements	20% or over the lease term, whichever is shorter

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

(d) Intangible assets (other than goodwill)

Intangible assets represent cemetery operating licences and are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less accumulated amortisation and any impairment losses. Amortisation is charged in accordance with the number of tombs and niches sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of non-financial assets (other than goodwill)

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or CGU's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated.

(f) Cemetery assets

Cemetery assets comprises the land cost for leasehold land and cost incurred of landscaping facilities for general public areas of the cemetery, except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, cemetery assets are carried at lower of cost less accumulated amortisation and net realisable value prior to the commencement of the cemetery. Amortisation for cemetery assets is provided on a straight-line basis over the shorter of the remaining lease term of land and the estimated useful life and is recognised in profit or loss.

The principal annual rates used for this purpose are follows:

Land costs	Over the lease term
Tree plantation	5% or over the lease term, whichever is shorter
Landscape and roads	2.5% or over the lease term, whichever is shorter

Upon commencement of development of the cemetery with the intention of sale in the ordinary course of business of the Group, the related carrying amounts of cemetery assets are transferred to inventories.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories mainly comprising cemetery assets developed with the intention of sale in the ordinary course of business of the Group and tombstone which are determined on the weighted average cost method and first-in first-out method respectively and, in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to completion and costs necessary to make the sales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Amortised cost: These assets arise principally from the portion of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. These are subsequently measured using effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

The Group's financial assets measured at amortised cost comprise trade receivables, deposits and other receivables, loan to non-controlling shareholder, fixed time deposits and cash and cash equivalents in the consolidated statement of financial position.

FVTPL: These include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVTOCI are measured at fair value and accumulated in the equity investments at FVTOCI reserve. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments.

The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investment and continues to be held in the equity investments at FVTOCI reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (“ECLs”) on trade receivables and other financial assets measured at amortised cost.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets measured at amortised cost, ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased if it is more than 30 days past due.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); and (2) the financial asset is more than 90 days past due. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of bank borrowings, net of directly attributable transaction costs.

After initial recognition, interest-bearing bank borrowings are subsequently measured at amortised cost, using effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

The Group’s financial liabilities comprise trade payables, other payables and accruals, interest-bearing bank borrowings and amount due to a director of the Company in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial liabilities (Continued)

Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(i) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired and form an integral part of the Group's cash management.

For the purpose of the Group's consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including short-term deposits, and assets similar in nature to cash, which are not restricted as to use.

(j) Leasing

All leases (irrespective of whether they are operating leases or finance leases) are required to be capitalised in the Group's consolidated statement of financial position as right-of-use assets and lease liabilities.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets for the lease properties under tenancy agreements at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

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

Leasehold lands in the cemetery assets which are classified as right-of-use assets are measured under HKFRS 16 at the lower of cost less accumulated amortisation and recoverable amount prior to the commencement of the development of the cemetery and transfer to inventories upon commencement of development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Leasing (Continued)

Right-of-use asset (Continued)

The Group presents right-of-use assets that do not meet the definition of cemetery assets defined in note 2.4(f) or inventories in HKAS 2 as a separate line item in the Group's consolidated statement of financial position.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

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

(k) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Income tax

Income tax comprises current and deferred tax.

Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

(m) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- 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.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Revenue recognition (Continued)

Various sources of revenue of the Group is recognised on the following bases:

- (a) Sales of tombs and niches (i.e. contracts with multiple performance obligations, including allocation of transaction price), customers obtain control of the tombs and niches when they are delivered to and have been accepted by the customers being when the right to use the tombs and niches has passed. Revenue is thus recognised at that point in time.

Additionally, the specified tombs and niches have no alternative use to the Group. The Group concludes it does not have an enforceable right to payment prior to transferring the right to use the tombs and niches to customers. Thus, revenue is recognised when the tombs and niches are transferred, ensuring the Group has a present right to payment and collection is probable.

For contracts that contain more than one performance obligations (sales of tombs and niches together with provision of cemetery management services), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

The cemetery management service is distinct, with an explicit management fee received after a specified period in the sales contracts. Revenue from these services is recognised over time, with the allocated transaction price recorded as a contract liability at the initial sale and released on a straight-line basis over the service period.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise be fully amortized to profit or loss within one year.

- (b) Burial services represented revenues from miscellaneous services such as the organising and conducting of burial rituals, the design and landscaping of the burial sites and additional engraving fee. Revenue relating to these burial services is recognised over time;
- (c) Management fee income which are bundled with sales of tombs and niches set out in note (a) above is recognised over time based on the allocated transaction price and amortised on a straight line basis over the contract terms. Management fee income separately billed after the expiration of a stated period set out in the sales contracts of tombs and niches is recognised over time on a straight line basis over the contract terms; and
- (d) Interest income, on an accrual basis using effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Other employee benefits

Short-term employee benefits

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for unused annual leave as a result of services rendered by employees up to the reporting date. Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Pension scheme

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

The employees of the Company’s subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(p) Dividends

Final dividends are recognised as liabilities when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company’s memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as liabilities when they are proposed and declared.

(q) Foreign currencies

The Group’s consolidated financial statements are presented in Hong Kong dollars, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the Group’s consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Foreign currencies (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e. translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the average exchange rates for the year.

(r) Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Fair value measurement (Continued)

For assets and liabilities that are recognised in the Group's consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

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

(i) Impairment assessment of goodwill

The Group assesses whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGU to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rates, growth rates and expected changes to selling prices and direct costs in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2025 was HK\$12,111,000 (2024: HK\$12,328,000). Further details are given in note 15 to the consolidated financial statements.

(ii) Useful lives of property, plant and equipment, cemetery assets and intangible assets

The Group determines the estimated useful lives and related depreciation or amortisation charges for its property, plant and equipment, cemetery assets and intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment, cemetery assets and intangible assets of similar nature and functions. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will increase the depreciation or amortisation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. The useful lives of property, plant and equipment, cemetery assets and intangible assets are disclosed in notes 2.4(c), (f) and (d) to the consolidated financial statements respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(iii) Impairment assessment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Impairment assessment of financial assets at amortised costs

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For other financial assets at amortised cost, measurement of ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets at amortised cost is disclosed in note 40(iii) to the consolidated financial statements.

(v) Income tax, other taxes and deferred tax

The Group is subject to income taxes in Hong Kong and the PRC and other taxes in the PRC. Significant judgement is required in determining the provision for taxes and the timing of payment of the related taxes. There are certain transactions and calculations for which the ultimate tax determination from the relevant local tax bureaus is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded if any, such differences will impact the tax provision in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. OPERATING SEGMENT INFORMATION

HKFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by senior executive management of the Company, the chief operating decision maker, in order to allocate resources and to assess performance.

The chief operating decision maker considers that the operation of the Group constitutes a single operating segment as the revenue and profit are derived from cemetery business entirely from the People’s Republic of China (“PRC”). Accordingly, no segment analysis is presented. The majority of property, plant and equipment and cemetery assets is located in the PRC. The information reported to the chief operating decision maker for the purpose of resources allocation and assessment of performance are same as the amounts reported under HKFRS Accounting Standards.

Geographical information

(a) Disaggregated revenue from external customers

	2025 HK\$'000	2024 HK\$'000
The PRC	236,429	284,430

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2025 HK\$'000	2024 HK\$'000
Hong Kong	27	350
The PRC	711,781	690,011
	711,808	690,361

Non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

For the year ended 31 March 2025, no (2024: Nil) revenue from a single customer accounted for 10% or more of the Group’s revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. REVENUE, OTHER INCOME AND GAINS

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major products and services and timing of revenue recognition. The Group has only one reportable operating segment which is the cemetery business in the PRC, and the disaggregated geographic information of revenue has been set out in note 4(a).

	2025 HK\$'000	2024 HK\$'000
Revenue by products and services		
Sales of tombs and niches	206,150	254,494
Management fee income	8,326	5,144
Burial services	21,953	24,792
	236,429	284,430
Timing of revenue recognition		
At point in time	206,150	254,494
Over time	30,279	29,936
	236,429	284,430
Other income and gains, net		
Gain/(loss) on disposals of property, plant and equipment, net	75	(53)
Government grants (<i>note</i>)	771	261
Bank interest income	4,891	7,452
Imputed interest income from loan to non-controlling shareholder	45	74
Others	328	1,010
	6,110	8,744

Note: The government grants for the years ended 31 March 2025 and 2024 represented the grants mainly in relation to PRC taxable subsidies and eco-friendly cemetery cash incentives, of which the Group complied with all attached conditions and therefore such grants were recognised as other income during the respective year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration	950	940
Amortisation of intangible assets (<i>note 14</i>)*	2,527	2,968
Amortisation of cemetery assets (<i>note 17</i>)*	8,345	7,712
Cost of inventories sold recognised as expense	46,307	58,285
Cost of services provided	6,267	7,779
Depreciation on property, plant and equipment (<i>note 13</i>)	8,268	7,694
Depreciation on right-of-use assets (<i>note 29</i>)	2,663	2,573
Employee benefit expense (excluding directors' and chief executives' remuneration (<i>note 8</i>)):		
Wages and salaries**	33,263	39,030
Fair value loss on financial assets at FVTPL, net	351	–
(Reversal of)/loss allowance on loan to non-controlling shareholder (<i>note 22</i>)	(655)	1,375

* Amortisations of intangible assets and cemetery assets for the years are included in "Cost of sales" in the consolidated statement of profit or loss.

** For the year ended 31 March 2025, there were neither contributions forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions (2024: Nil). As at 31 March 2025, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the MPF Scheme (2024: Nil).

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities (<i>note 29</i>)	27	36
Interest on interest-bearing bank borrowings	1,298	1,233
Less: interest capitalised	(237)	(594)
	1,088	675

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 4.42% (2024: 4.48%) per annum to the expenditure on qualifying assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executives' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 HK\$'000	2024 HK\$'000
Fees	546	516
Other emoluments:		
Salaries, allowances and benefits in kind	4,214	4,359
Performance related bonuses	350	363
Pension scheme contributions	30	36
	4,594	4,758
	5,140	5,274

(a) Independent non-executive directors

	Salaries, allowances and benefits in kind HK\$'000	Performance related bonuses HK\$'000	Total remuneration HK\$'000
2025			
Mr. Chan Koon Yung	168	14	182
Mr. Lum Pak Sum	168	14	182
Ms. Hung Wan Fong, Joanne	168	14	182
	504	42	546
2024			
Mr. Chan Koon Yung	159	13	172
Mr. Lum Pak Sum	159	13	172
Ms. Hung Wan Fong, Joanne	159	13	172
	477	39	516

There were no (2024: Nil) other emoluments payable to the independent non-executive directors during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive directors and non-executive director

	Salaries, allowances and benefits in kind HK\$'000	Performance related bonuses HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
2025				
Executive directors:				
Mr. Shi Hua	1,560	130	–	1,690
Mr. Shi Jun	1,320	110	18	1,448
Mr. Law Fei Shing	1,320	110	12	1,442
	4,200	350	30	4,580
Non-executive director:				
Mr. Wang Hongjie (Resigned on 30 April 2024)	14	–	–	14
	14	–	–	14
	4,214	350	30	4,594
2024				
Executive directors:				
Mr. Shi Hua	1,560	130	–	1,690
Mr. Shi Jun	1,320	110	18	1,448
Mr. Law Fei Shing	1,320	110	18	1,448
	4,200	350	36	4,586
Non-executive director:				
Mr. Wang Hongjie (Resigned on 30 April 2024)	159	13	–	172
	159	13	–	172
	4,359	363	36	4,758

There was no (2024: Nil) arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year. No inducement fee or compensation for loss of office was given to any of the above mentioned directors during year (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2024: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2024: two) highest paid employees who are neither an executive director nor chief executive are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	1,596	1,497
Performance related bonuses	133	122
Pension scheme contributions	36	36
	1,765	1,655

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$1 to HK\$1,000,000	1	2
HK\$1,000,001 to HK\$1,500,000	1	–
	2	2

No inducement fee or compensation for loss of office was given to any of the above mentioned individuals during the year (2024: Nil).

10. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Company are domiciled and operate.

Pursuant to the rules and regulations of Bermuda, the Company is not subject to any income tax in that jurisdiction (2024: Nil).

No (2024: Nil) provision for Hong Kong profits tax has been made as the Group had no (2024: Nil) assessable profits derived from or earned in Hong Kong during the year.

Provision for the PRC current income tax is based on the statutory rate of 25% (2024: 25%) of the assessable profits of the PRC subsidiaries of the Company as determined in accordance with the PRC Corporate Income Tax Law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. INCOME TAX EXPENSE (CONTINUED)

The major components of income tax expense are as follows:

	2025 HK\$'000	2024 HK\$'000
Current tax – PRC Corporate Income Tax		
– Tax for the year in the PRC	22,009	28,342
PRC dividend withholding tax	2,645	2,937
Deferred tax (<i>note 18</i>)	(1,014)	(1,958)
Total income tax expense for the year	23,640	29,321

A reconciliation of the income tax expense applicable to profit before income tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before income tax	75,955	87,718
Tax at the statutory tax rate of 25% (2024: 25%)	18,988	21,929
Effect of withholding tax on distributable profit of the Group's PRC subsidiaries	2,645	2,937
Tax effect of different taxation rates in other tax jurisdictions	344	1,706
Tax effect of non-taxable income	(432)	(418)
Tax effect of non-deductible expenses	159	1,809
Tax effect of tax losses not recognised	1,936	1,982
Tax effect of utilisation of tax losses not previously recognised	–	(624)
Income tax expense	23,640	29,321

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. DIVIDENDS

(i) Dividends declared to equity shareholders of the Company attributable to the year:

	2025 HK\$'000	2024 HK\$'000
Interim dividend declared and paid of HK0.5 cent (2024: HK0.8 cent) per ordinary share	11,107	17,771
Final dividend proposed of HK1.1 cents (2024: HK1.3 cents) per ordinary share after the end of the reporting period	24,435	28,878
	35,542	46,649

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2025 HK\$'000	2024 HK\$'000
Final dividend paid in respect of the previous financial year, approved and paid during the year, of HK1.3 cents (2024: HK1.5 cents) per share	28,878	33,320

The proposed final and interim dividends in respect of year ended 31 March 2024 and six months period ended 30 September 2024 respectively was paid as appropriations of contributed surplus reserve of the Company during the year ended 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company over the weighted average number of ordinary shares of 2,221,363,000 (2024: 2,221,363,000) in issue during the year.

There was no dilutive potential ordinary shares outstanding during the years ended 31 March 2025 and 2024 and hence the diluted earnings per share is the same as basic earnings per share.

The calculations of basic and diluted earnings per share are based on:

	2025 HK\$'000	2024 HK\$'000
Earnings		
Profit attributable to owners of the Company used in the basic and diluted earnings per share calculation	51,078	57,824
	2025 Number of Shares '000	2024 Number of shares '000
Shares		
Weighted average number of ordinary shares in issue during the year used in basic and diluted earnings per share calculation	2,221,363	2,221,363

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Leasehold improvements HK\$'000	Total HK\$'000
Cost:					
At 1 April 2023	113,370	11,796	6,644	3,460	135,270
Additions	–	1,315	1,964	2,430	5,709
Disposals	–	(300)	(1,331)	–	(1,631)
Exchange realignment	(3,903)	(392)	(220)	(100)	(4,615)
At 31 March 2024 and 1 April 2024	109,467	12,419	7,057	5,790	134,733
Additions	785	575	805	890	3,055
Disposals	–	(997)	(258)	–	(1,255)
Exchange realignment	(1,925)	(207)	(83)	(105)	(2,320)
At 31 March 2025	108,327	11,790	7,521	6,575	134,213
Accumulated depreciation:					
At 1 April 2023	(46,793)	(8,177)	(4,423)	(2,525)	(61,918)
Charged for the year (<i>note 6</i>)	(5,135)	(1,200)	(729)	(630)	(7,694)
Disposals	–	300	1,240	–	1,540
Exchange realignment	1,593	267	103	74	2,037
At 31 March 2024 and 1 April 2024	(50,335)	(8,810)	(3,809)	(3,081)	(66,035)
Charged for the year (<i>note 6</i>)	(5,074)	(1,250)	(912)	(1,032)	(8,268)
Disposals	–	997	247	–	1,244
Exchange realignment	898	146	41	57	1,142
At 31 March 2025	(54,511)	(8,917)	(4,433)	(4,056)	(71,917)
Net carrying amount:					
At 31 March 2024	59,132	3,609	3,248	2,709	68,698
At 31 March 2025	53,816	2,873	3,088	2,519	62,296

As at 31 March 2025, buildings with net carrying value of HK\$7,729,000 (2024: Nil) were pledged for interest-bearing bank borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

14. INTANGIBLE ASSETS

	HK\$'000
Cost:	
At 1 April 2023	464,854
Exchange realignment	(15,968)
At 31 March 2024 and 1 April 2024	448,886
Exchange realignment	(7,919)
At 31 March 2025	440,967
Accumulated amortisation:	
At 1 April 2023	(38,797)
Charged for the year (<i>note 6</i>)	(2,968)
Exchange realignment	1,324
At 31 March 2024 and 1 April 2024	(40,441)
Charged for the year (<i>note 6</i>)	(2,527)
Exchange realignment	733
At 31 March 2025	(42,235)
Net carrying amount:	
At 31 March 2024	408,445
At 31 March 2025	398,732

Intangible assets represent cemetery operating licenses acquired through business combinations with Zhejiang Anxian Yuan in 2010, and with Yin Chuan Fu Shou Yuan and Zunyi Dashenshan in 2016. All the cemetery operating licenses are amortised over their estimate useful lives in accordance with the number of tombs and niches sold which reflects the estimated consumption pattern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

15. GOODWILL

	HK\$'000
Cost:	
At 1 April 2023	12,767
Exchange realignment	(439)
At 31 March 2024 and 1 April 2024	12,328
Exchange realignment	(217)
At 31 March 2025	12,111
Accumulated impairment:	
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	–
Net carrying amount:	
At 31 March 2024	12,328
At 31 March 2025	12,111

The carrying amounts of the respective CGU's goodwill are as follows:

	2025 HK\$'000	2024 HK\$'000
Yin Chuan Fu Shou Yuan	12,111	12,328

Impairment assessment was based on the recoverable amount of the CGU. In the opinion of the directors of the Company, there is no (2024: Nil) impairment of the above CGU to which goodwill is allocated as at 31 March 2025. In addition to the goodwill, property, plant and equipment, intangible assets, cemetery assets and right-of-use assets that generate cash flows together with the related goodwill are also included in the CGU for the purpose of impairment assessment.

The recoverable amount of the above CGU is determined based on the value in use calculation performed by LCH (Asia-Pacific) Surveyors Limited, an independent firm of professional valuer. The key assumptions for the value in use calculation are those regarding the discount rate, growth rates and expected changes to selling prices and direct costs during the forecast period. Management estimates discount rate using pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the CGU. The growth rates are by reference to industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

15. GOODWILL (CONTINUED)

Major underlying assumptions are summarised below:

Value in use calculation uses cash flow projections based on financial budgets approved by the directors of the Company covering a five-year period (2024: five-year period) and a pre-tax discount rate of 13.80% (2024: 16.20%). Cash flows beyond that five-year period have been extrapolated using declining growth rates until a steady 3% (2024: 3%) growth rate is reached. This growth rate does not exceed the long-term average growth rate for the market in which the Group operates.

The recoverable amount is significantly above the carrying amount of the CGU. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

16. FINANCIAL ASSETS AT FVTOCI/FINANCIAL ASSETS AT FVTPL

	2025 Level 3 HK\$'000	2024 Level 3 HK\$'000
Financial assets at FVTOCI		
Unlisted equity investments, at fair value		
Shanghai Langtai Hospital Logistics Management Co., Ltd. ("Shanghai Langtai") (note (i))	676	717
Hangzhou Zhianyun Technology Service Co., Ltd. ("Hangzhou Zhianyun") (note (ii))	–	331
	676	1,048

Notes:

- (i) As at 31 March 2025 and 2024, the fair values of the equity investments of Shanghai Langtai were estimated by the directors of the Company by using market approach with the following key parameters:

	2025	2024
Price sales ratio	1.9	2.3
Price book ratio	1.0	1.1
Discount for lack of control	30%	30%
Discount for lack of marketability	25%	25%

- (ii) On 18 March 2022, the Group invested in 5% of equity interests of Hangzhou Zhianyun with the consideration of RMB300,000, and this equity investment was measured at FVTOCI. Hangzhou Zhianyun is primarily engaged in information technology services. The fair value is determined by net assets value approach, with the amount of RMB300,000 (equivalent to HK\$331,000) as at 31 March 2024. During the year ended 31 March 2025, Hangzhou Zhianyun was deregistered.

The fair value loss of approximately HK\$32,000 (2024: loss of approximately HK\$1,876,000) was recognised as other comprehensive income in consolidated statement of comprehensive income for the year ended 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. FINANCIAL ASSETS AT FVTOCI/FINANCIAL ASSETS AT FVTPL (CONTINUED)

	2025 Level 2 HK\$'000	2024 Level 2 HK\$'000
Financial assets at FVTPL:		
Foreign currency structured product contracts	10,579	–

As at 31 March 2025, the Group had several foreign currency structured product contracts of approximately United States Dollar ("US\$") 1,372,000 (equivalent to approximately HK\$10,579,000) entered into with a bank in Hong Kong. The maturity date will be on 28 April 2025. Details of the key contractual terms on the foreign currency structured product contracts are set out below.

Notional amount	USD1,372,000
Issue date	27 January 2025
Maturity date	28 April 2025
Exchange forward rate	7.76846600 HK\$ against 1 US\$

The foreign currency structured product contracts have been recognised as financial assets mandatorily measured at FVTPL at the initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. CEMETERY ASSETS

	Leasehold lands HK\$'000	Landscape facilities HK\$'000	Total HK\$'000
Cost:			
At 1 April 2023	20,600	257,225	277,825
Additions	—	7,853	7,853
Transferred to inventories	(267)	(2,444)	(2,711)
Exchange realignment	(708)	(9,085)	(9,793)
At 31 March 2024 and 1 April 2024	19,625	253,549	273,174
Additions	39,499	14,591	54,090
Transferred to inventories	(1,457)	(3,770)	(5,227)
Exchange realignment	(636)	(4,692)	(5,328)
At 31 March 2025	57,031	259,678	316,709
Accumulated amortisation:			
At 1 April 2023	(1,669)	(68,692)	(70,361)
Charged for the year (note 6)	(407)	(7,305)	(7,712)
Eliminated on transfers	59	299	358
Exchange realignment	70	2,382	2,452
At 31 March 2024 and 1 April 2024	(1,947)	(73,316)	(75,263)
Charged for the year (note 6)	(1,035)	(7,310)	(8,345)
Eliminated on transfers	338	780	1,118
Exchange realignment	40	1,349	1,389
At 31 March 2025	(2,604)	(78,497)	(81,101)
Net carrying amount:			
At 31 March 2024	17,678	180,233	197,911
At 31 March 2025	54,427	181,181	235,608

Cemetery assets mainly represent prepaid land costs of the leasehold lands and the construction cost of public facilities in the cemetery.

The carrying amount of leasehold lands is measured under HKFRS 16 at the lower of cost less accumulated amortisation and recoverable amount prior to the commencement of the development of the cemetery. The leasehold lands are amortised on a straight-line basis over lease term of 50 years.

Landscape facilities represent the construction cost of public facilities in the cemetery. Amortisation for landscape facilities is provided on a straight-line basis over the shorter of the remaining lease term of land and estimated useful life of 20 to 40 years.

Upon commencement of development of an area within the cemetery, the related carrying amounts of cemetery assets are transferred to inventories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. DEFERRED TAX

Movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Fair value adjustments arising from acquisition of subsidiaries HK\$'000	Withholding tax HK\$'000	Interest capitalisation HK\$'000	Total HK\$'000
At 1 April 2023	(103,440)	(7,027)	(10,024)	(120,491)
Deferred tax credited/(charged) to profit or loss during the year (<i>note 10</i>)	829	(277)	1,206	1,758
Exchange realignment	3,556	241	215	4,012
At 31 March 2024 and 1 April 2024	(99,055)	(7,063)	(8,603)	(114,721)
Deferred tax credited/(charged) to profit or loss during the year (<i>note 10</i>)	705	(49)	64	720
Exchange realignment	1,742	222	679	2,643
At 31 March 2025	(96,608)	(6,890)	(7,860)	(111,358)

Deferred tax assets

	Contract liabilities and others HK\$'000	Write-down of inventories to net realisable value HK\$'000	Total HK\$'000
At 1 April 2023	4,912	419	5,331
Deferred tax credited to profit or loss during the year (<i>note 10</i>)	200	–	200
Exchange realignment	(168)	(14)	(182)
At 31 March 2024 and 1 April 2024	4,944	405	5,349
Deferred tax credited to profit or loss during the year (<i>note 10</i>)	294	–	294
Exchange realignment	(77)	(7)	(84)
At 31 March 2025	5,161	398	5,559

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. DEFERRED TAX (CONTINUED)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	(105,799)	(109,372)

The Group has tax losses arising in Hong Kong of HK\$225,823,000 (2024: HK\$214,091,000) as at 31 March 2025, subject to the agreement with the Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of losses which have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets have not been recognised in respect of the following items:

	2025 HK\$'000	2024 HK\$'000
Tax losses	231,623	222,556

Deferred tax assets have not been recognised in respect of tax losses amounting to HK\$231,623,000 (2024: HK\$222,556,000) as at 31 March 2025. The tax losses amounting to HK\$5,800,000 (2024: HK\$8,465,000) as at 31 March 2025 will expire within the next 5 years for offsetting against future taxable profits. The tax losses of HK\$225,823,000 (2024: HK\$214,091,000) as at 31 March 2025 are available indefinitely for offsetting against future taxable profits in Hong Kong. Deferred tax assets have not been recognised as it is not considered probable that taxable profits will be available against which the above tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, 5% or 10% (2024: 5% or 10%) withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007.

The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

Pursuant to the resolution of the board of directors of the Company, part of the PRC subsidiaries' profits generated from 1 January 2008 onwards will be retained by the PRC subsidiaries for use in future operations or investments in the PRC. In the opinion of the directors of the Company, it is not probable that the PRC subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in the PRC for which deferred tax liabilities have not been recognised approximate to HK\$184,716,000 (2024: HK\$167,702,000) in aggregate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Inventories – Tombs	226,432	241,679
Less: write down to net realisable value	(1,591)	(1,620)
	224,841	240,059

As at 31 March 2025, inventories of approximately HK\$175,833,000 (2024: HK\$176,124,000) were expected to be realised in more than one year.

20. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	2,444	1,009

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is required. The trade credit period ranges from 30 to 365 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly and actively monitored by management to minimise credit risk.

Trade receivables are unsecured and non interest-bearing.

Ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, if any, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 60 days	261	279
61 to 180 days	1,488	–
Over 1 year	695	730
	2,444	1,009

Ageing analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2025 HK\$'000	2024 HK\$'000
Neither past due nor impaired	1,749	279
Past due more than two years	695	730
	2,444	1,009

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 40(iii).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Prepayments	1,432	1,021
Deposits and other receivables	1,006	1,589
	2,438	2,610

Quantitative disclosures in respect of the Group's exposure to credit risk arising from deposits and other receivables are set out in note 40(iii).

The directors of the Company consider that the fair value of deposits and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts because of the short maturity periods on their inception.

22. LOAN TO NON-CONTROLLING SHAREHOLDER

During the year ended 31 March 2021, Anxian Yuan (Zhejiang), a wholly-owned subsidiary of the Company, granted a loan to a non-controlling shareholder of Yin Chuan Fu Shou Yuan, the subsidiary of the Company, with principal amount of RMB3,000,000 (equivalent to approximately of HK\$3,550,000). This loan is interest-bearing at 1% per annum with an effective interest rate of 4.64% per annum. The loan and the accrued interest are repayable in five years annually and secured by 30% equity interests of Yin Chuan Fu Shou Yuan held by this non-controlling shareholder.

	2025 HK\$'000	2024 HK\$'000
Current	1,345	1,338
Non-current	–	653
	1,345	1,991
Less: loss allowance recognised for the year	(720)	(1,375)
	625	616
Analysed into:		
Current portion	1,345	1,338
Less: loss allowance recognised for the year	(720)	(924)
	625	414
Non-current portion	–	653
Less: loss allowance recognised for the year	–	(451)
	–	202

During the year ended 31 March 2025, reversal of loss allowance of HK\$655,000 (2024: loss allowance of HK\$1,375,000 had been provided) had been recognised in the consolidated statement of profit or loss.

Quantitative disclosures in respect of the Group's exposure to credit risk arising from loan to non-controlling shareholder are set out in note 40(iii).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

23. FIXED TIME DEPOSITS/CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Fixed time deposits <i>(note (i))</i>		
– Current portion	54,181	–
– Non-current portion	10,836	–
	65,017	–
Cash and cash equivalents: <i>(note (ii))</i>		
Cash and bank balances	261,693	310,633
Short-term deposits with original maturity period less than three months	3,251	28,795
	264,944	339,428

As at 31 March 2025, fixed time deposits and cash and cash equivalents of the Group denominated in RMB amounted to HK\$328,508,000 (2024: HK\$308,478,000). RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Notes:

- (i) The effective annual interest rate and maturities of fixed time deposits as at 31 March 2025 and 2024 are as follows:

	2025	2024
Effective annual interest rate	1.55% to 2.80%	N/A
Maturity	6 months to 36 months	N/A

- (ii) Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. All cash and bank balances held at each of the reporting dates were deposited in the reputable banks and financial institutions in Hong Kong and the PRC.

The effective interest rates of the Group's short-term deposits as at 31 March 2025 are among 1.05% to 2.05% (2024: 5.4%) per annum and these deposits have original maturity period of 30 days (2024: 90 days).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. TRADE PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	33,307	36,456

Ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 90 days	808	18,730
91 to 180 days	504	3,363
181 to 365 days	1,141	3,205
Over 1 year	30,854	11,158
	33,307	36,456

Trade payables are non interest-bearing and are normally settled on terms ranging from 30 days to 365 days.

25. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Accruals	9,916	9,455
Deposits received	55	55
Other payables	1,139	1,739
	11,110	11,249

Other payables are non interest-bearing and repayable on demand.

26. AMOUNT DUE TO A DIRECTOR OF THE COMPANY

The amount due to a director of the Company is unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

27. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
At 1 April	66,478	57,648
Additions during the year	52,952	78,230
Released to profit or loss	(54,391)	(67,391)
Exchange realignment	(1,163)	(2,009)
At 31 March	63,876	66,478

	2025 HK\$'000	2024 HK\$'000
Analysed into:		
Current	23,691	26,898
Non-current	40,185	39,580
	63,876	66,478

Contract liabilities represent management fees received in advance in respect of tombs and niches sold of HK\$47,093,000 (2024: HK\$46,307,000) and deposits received from sales of tombs and niches of HK\$16,783,000 (2024: HK\$20,171,000) which remain as contract liabilities until such time as the service or sales transaction completed to date outweigh the amount received.

The Group expected HK\$23,691,000 (2024: HK\$26,898,000) will be recognised as revenue within one year, and the remaining expected to receive when the tombs and niches are transferred to customer.

As at 31 March 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is HK\$63,876,000 (2024: HK\$66,478,000). This amount represents revenue expected to be recognised in the future. The expected timing of revenue recognition when the performance obligation is completed by the Group as at 31 March 2025 is as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	23,691	26,898
More than one year but less than five years	17,939	16,748
Over five years	22,246	22,832
	63,876	66,478

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle of 30 to 365 days, are classified as non-current liabilities based on the Group's earliest obligation to transfer goods or services to the customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. INTEREST-BEARING BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank borrowings due for repayment		
– within one year (<i>note</i>)	43,887	17,296

Notes:

- (a) As at 31 March 2025, the Group's bank borrowings amounting to (i) HK\$11,378,000 is personally guaranteed by an executive director of the Company; (ii) HK\$14,737,000 are secured by certain properties owned by a subsidiary of the Company with net carrying amount of HK\$7,729,000 (note 13); and (iii) HK\$17,772,000 is unsecured and unguaranteed.

As at 31 March 2024, the Group's bank loans amounting to HK\$17,296,000 are secured by 98.38% equity interests in a subsidiary of the Company and properties owned by a related company in which one of the executive directors has control, together with the rental income receivables from these properties.

- (b) All borrowings are denominated in RMB.

The ranges of effective interest rates per annum of the Group's bank borrowings are as follows:

	2025	2024
Fixed rate borrowings		
– Denominated in RMB	2.60% to 4.50%	4.75%

The directors of the Company estimated the fair value of the bank borrowings by discounting their future cash flows at the market rate and considered that the carrying amounts of the Group's bank borrowings approximate to their fair values at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

29. RIGHT-OF-USE ASSETS, LEASE LIABILITIES AND LEASES

The Group leases various offices, sales centers and staff quarters for its operations. Lease contracts are entered into for fixed term of 1 to 9 (2024: 1 to 10) years. Lease terms are negotiated on an individual basis and contain a wide range of 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.

Right-of-use assets

The analysis of the net carrying amount of leased properties recognised as right-of-use assets is as follows:

	HK\$'000
As at 1 April 2023	3,143
Additions	42
Lease modification	2,402
Depreciation charged (<i>note 6</i>)	(2,573)
Exchange realignment	(35)
	<hr/>
As at 31 March 2024 and 1 April 2024	2,979
Additions	902
Lease modification	1,894
Depreciation charged (<i>note 6</i>)	(2,663)
Exchange realignment	(51)
	<hr/>
As at 31 March 2025	3,061

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

29. RIGHT-OF-USE ASSETS, LEASE LIABILITIES AND LEASES (CONTINUED)

Lease liabilities

The present value of future lease payments of the Group's leases are analysed as:

	2025 HK\$'000	2024 HK\$'000
Current	589	420
Non-current	113	28
	702	448

Movement of the Group's lease liabilities is analysed as follows:

	HK\$'000
As at 1 April 2023	305
Lease modification	2,721
Interest expenses (<i>note 7</i>)	36
Lease payments	(2,604)
Exchange realignment	(10)
As at 31 March 2024 and 1 April 2024	448
Additions	902
Interest expenses (<i>note 7</i>)	27
Lease payments	(669)
Exchange realignment	(6)
As at 31 March 2025	702

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

29. RIGHT-OF-USE ASSETS, LEASE LIABILITIES AND LEASES (CONTINUED)

Lease liabilities (Continued)

The future lease payments of the Group's leases were scheduled to be repaid as follows:

	Minimum lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
As at 31 March 2025			
Not later than one year	616	(27)	589
Later than one year but not later than five years	114	(1)	113
	730	(28)	702
As at 31 March 2024			
Not later than one year	432	(12)	420
Later than one year but not later than five years	29	(1)	28
	461	(13)	448

30. SHARE CAPITAL

	2025 HK\$'000	2024 HK\$'000
Issued and fully paid:		
2,221,363,000 (2024: 2,221,363,000) ordinary shares	222,136	222,136

A summary of movements in the Company's share capital is as follows:

	Number of shares '000	Nominal Value HK\$'000
Issued and fully paid:		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	2,221,363	222,136

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

31. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 59 to 60 of the financial statements.

Statutory reserve fund

In accordance with the relevant PRC regulations applicable to wholly-foreign-owned companies, certain entities within the Group are required to allocate a certain portion (not less than 10%), as determined by their Boards of Directors, of their profit after tax in accordance with PRC GAAP to the statutory reserve fund (the "SRF") until such reserve reaches 50% of the registered capital.

The SRF is non-distributable other than in the event of liquidation and, subject to certain restrictions set out in the relevant PRC regulations, can be used to offset accumulated losses or be capitalised as issued capital.

In accordance with the relevant regulations and the articles of association, a subsidiary registered in the PRC as a domestic company is required to appropriate 10% of its net profit (after offsetting accumulated losses from prior years) to the statutory surplus reserve. After the balance of such reserve reaches 50% of the entity's capital, any further appropriation is at the discretion of the Company. The statutory surplus reserve can be utilised to offset accumulated losses or increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the capital after such usages.

Distributable reserve

For dividend purposes, the amounts which the PRC companies can legally distribute by way of dividend are determined by reference to the distributable profits as reflected in their PRC statutory financial statements which are prepared in accordance with PRC GAAP. These profits differ from those that are reflected in these financial statements which are prepared in accordance with HKFRS Accounting Standards.

In accordance with the Company Law of the PRC, profits after tax of the PRC companies can be distributed as dividends after the appropriation to the SRF as set out above.

Other reserve

Other reserve represents capital contributions in a subsidiary during the years ended 31 March 2016 and 2020 and acquisition of non-controlling interests in a subsidiary during the year ended 31 March 2020.

32. SHARE OPTION SCHEME

During the year, the Company has a share option scheme adopted on 28 August 2018 (the "2018 Share Option Scheme").

The 2018 Share Option Scheme was adopted on 28 August 2018 (the "2018 Adoption Date") for the purpose of providing incentives or rewards to eligible persons who contribute to the success of the Group's operations. Eligible persons of the 2018 Share Option Scheme include any full-time or part-time employee of the Company or any members of the Group, including any Executive Director, Non-executive Director and Independent Non-executive Director, adviser, consultant of the Company or any the subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

32. SHARE OPTION SCHEME (CONTINUED)

The total number of shares which may be issued upon the exercise of all options to be granted under the 2018 Share Option Scheme and other schemes must not, in aggregate, exceed 10% of the shares in issue as at the 2018 Adoption Date as altered by the capital reorganisation undertaken by the Company which became effective on 29 August 2018 (the “2018 Scheme Mandate Limit”). The total number of shares issued and to be issued upon exercise of the options granted to a participant under the 2018 Share Option Scheme and other schemes (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time. Where any further grant of options to a participant (the “Further Grant”) would result in the shares issued and to be issued upon exercise of all options granted and to be granted under the 2018 Share Option Scheme and other schemes to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the shares in issue from time to time, the Further Grant must be separately approved by the shareholders in general meeting with such participant and his close associates (as defined in the Listing Rules) (or his associates (as defined in the Listing Rules) if the participant is a connected person) abstaining from voting.

Notwithstanding the foregoing, the Company may not grant any option if the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2018 Share Option Scheme and other schemes exceeds 30% of the shares in issue from time to time.

The board of directors may, at its discretion, invite any eligible persons to take up options at a price calculated as mentioned below. Upon acceptance of the option, the eligible person shall pay HK\$1.00 to the Company by way of consideration for the grant. The option will be offered for acceptance for a period of 28 days from the date on which the option is granted.

The 2018 Share Option Scheme will be valid and effective for a period of ten years commencing on the date of approval of the 2018 Share Option Scheme (i.e. 28 August 2018), after which period no further options may be granted but the provisions of the 2018 Share Option Scheme shall remain in full force and effect in all other respects and options granted during the life of the 2018 Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

The exercise price for the shares subject to options will be a price determined by the Board and notified to each participant and must be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a trading day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the options.

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing shares. The share options do not confer rights on the holders to dividends or to vote at Shareholders' meetings.

During the year ended 31 March 2025, no (2024: Nil) share option has been granted under the 2018 Share Option Scheme. No (2024: Nil) share option was outstanding as at 31 March 2025.

33. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2025, the Group had non-cash transferred from cemetery assets to inventories in respect to tombs amounted HK\$4,109,000 (2024: HK\$1,593,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities:

	Interest-bearing bank borrowings HK\$'000	Amount due to a director of the Company HK\$'000	Dividend payable HK\$'000	Lease liabilities HK\$'000
At 1 April 2023	44,962	—	—	305
Changes arising from cash flows:				
Repayments of bank borrowings	(26,047)	—	—	—
Principal portion of lease liabilities paid	—	—	—	(2,568)
Interest portion of lease liabilities paid	—	—	—	(36)
Dividend paid	—	—	(51,091)	—
Other changes:				
Lease modification	—	—	—	2,721
Interest expense	639	—	—	36
Interest paid under operating activities	(1,233)	—	—	—
Capitalised finance costs	594	—	—	—
Dividend declared/approved	—	—	51,091	—
Exchange realignment	(1,619)	—	—	(10)
At 31 March 2024 and 1 April 2024	17,296	—	—	448
Changes arising from cash flows:				
Advance from a director of the Company	—	1,000	—	—
New borrowings raised	44,223	—	—	—
Repayments of bank borrowings	(16,772)	—	—	—
Principal portion of lease liabilities paid	—	—	—	(642)
Interest portion of lease liabilities paid	—	—	—	(27)
Dividends paid	—	—	(39,985)	—
Other changes:				
Addition	—	—	—	902
Interest expense	1,061	—	—	27
Interest paid under operating activities	(1,298)	—	—	—
Capitalised finance costs	237	—	—	—
Dividends declared/approved	—	—	39,985	—
Exchange realignment	(860)	—	—	(6)
At 31 March 2025	43,887	1,000	—	702

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. COMMITMENTS

As at 31 March 2025, the Group did not have any significant capital commitments (2024: Nil).

36. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year.

(a) Other transactions with related parties

	2025 HK\$'000	2024 HK\$'000
Consultancy fee to a related company in which one of the executive directors has control (<i>notes (i) and (ii)</i>)	311	792
Lease payment to a related company in which one of the executive directors has control (<i>notes (i) and (iii)</i>)	961	968
Carpark fee to a related company in which a close family member of one of the executive directors has control (<i>notes (i) and (iv)</i>)	60	60

Notes:

- (i) These transactions constitute a de minimis transactions under Rule 14A.76(1)(c) of Chapter 14A of the Listing Rules and are therefore fully exempted from all disclosure requirements.
- (ii) These transactions related to consultancy fee paid to a related party in which one of the executive directors has control.
- (iii) These lease expenses related to rental payment to related party in which one of the executive directors has control.
- (iv) These carpark expenses related to carpark payment to related party in which a close family member of one of the executive directors has control.

(b) Compensation of key management personnel of the Group

The directors of the Company are of the opinion that the key management are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and are defined as the executive directors, non-executive directors and the chief executive officer of the Company. Details of the key management remuneration are set out in note 8 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

37. NON-CONTROLLING INTERESTS

As at 31 March 2025, Yin Chuan Fu Shou Yuan and Zunyi Dashenshan, a 70% and 80% owned subsidiaries of the Company respectively, have material NCI. Except the above mentioned, the NCI of all other subsidiaries of the Company that are not 100% owned by the Company are considered to be immaterial.

Summarised financial information in relation to the NCI of Yin Chuan Fu Shou Yuan before intra-group eliminations, is presented below:

	2025 HK\$'000	2024 HK\$'000
For the year ended 31 March		
Revenue	20,473	29,573
Profit for the year	1,833	657
Total comprehensive income	419	(2,165)
Profit/(loss) allocated to NCI	549	(650)
For the year ended 31 March		
Cash flows generated from operating activities	3,805	3,089
Cash flows used in investing activities	(41,566)	(511)
Cash flows generated from/(used in) financing activities	37,795	(126)
Effect of foreign exchange rate changes, net	237	229
Net cash inflow	271	2,681
	2025 HK\$'000	2024 HK\$'000
As at 31 March		
Current assets	31,643	28,330
Non-current assets	123,216	88,923
Current liabilities	(41,934)	(3,510)
Non-current liabilities	(34,099)	(33,698)
Net assets	78,826	80,045
Accumulated non-controlling interests	23,648	24,014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

37. NON-CONTROLLING INTERESTS (CONTINUED)

Summarised financial information in relation to the NCI of Zunyi Dashenshan Group before intra-group eliminations, is presented below:

	2025 HK\$'000	2024 HK\$'000
For the year ended 31 March		
Revenue	29,191	30,723
Profit for the year	3,438	1,880
Total comprehensive income	2,381	(127)
Profit/(loss) allocated to NCI	688	(25)
For the year ended 31 March		
Cash flows generated from/(used in) operating activities	4,972	(542)
Cash flows used in investing activities	(1,333)	(356)
Effect of foreign exchange rate changes, net	(654)	(171)
Net cash inflow/(outflow)	2,985	(1,069)
	2025 HK\$'000	2024 HK\$'000
As at 31 March		
Current assets	28,019	26,026
Non-current assets	109,978	116,500
Current liabilities	(64,207)	(72,036)
Non-current liabilities	(12,953)	(12,032)
Net assets	60,837	58,458
Accumulated non-controlling interests	12,168	11,692

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL INSTRUMENTS BY CATEGORIES

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

31 March 2025

Financial assets

	At amortised cost HK\$'000	At FVTPL HK\$'000	At FVTOCI HK\$'000	Total HK\$'000
Financial assets at FVTPL (<i>note 16</i>)	–	10,579	–	10,579
Financial assets at FVTOCI (<i>note 16</i>)	–	–	676	676
Trade receivables (<i>note 20</i>)	2,444	–	–	2,444
Financial assets included in prepayments, deposits and other receivables (<i>note 21</i>)	1,006	–	–	1,006
Loan to non-controlling shareholder (<i>note 22</i>)	625	–	–	625
Fixed time deposits (<i>note 23</i>)	65,017	–	–	65,017
Cash and cash equivalents (<i>note 23</i>)	264,944	–	–	264,944
	334,036	10,579	676	345,291

Financial liabilities

	At amortised cost HK\$'000
Trade payables (<i>note 24</i>)	33,307
Financial liabilities included in other payables and accruals (<i>note 25</i>)	11,055
Amount due to a director of the Company	1,000
Interest-bearing bank borrowings (<i>note 28</i>)	43,887
Lease liabilities (<i>note 29</i>)	702
	89,951

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL INSTRUMENTS BY CATEGORIES (CONTINUED)

31 March 2024

Financial assets

	At amortised cost HK\$'000	At FVTOCI HK\$'000	Total HK\$'000
Financial assets at FVTOCI (<i>note 16</i>)	–	1,048	1,048
Trade receivables (<i>note 20</i>)	1,009	–	1,009
Financial assets included in prepayments, deposits and other receivables (<i>note 21</i>)	1,589	–	1,589
Loan to non-controlling shareholder (<i>note 22</i>)	616	–	616
Cash and cash equivalents (<i>note 23</i>)	339,428	–	339,428
	342,642	1,048	343,690

Financial liabilities

	At amortised cost HK\$'000
Trade payables (<i>note 24</i>)	36,456
Financial liabilities included in other payables and accruals (<i>note 25</i>)	11,194
Interest-bearing bank borrowings (<i>note 28</i>)	17,296
Lease liabilities (<i>note 29</i>)	448
	65,394

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, fixed time deposits, trade receivables, trade payables, financial assets included in deposits and other receivables, loan to non-controlling shareholder, amount due to a director of the Company, financial liabilities included in other payables and accruals and current portion of bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the lease liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms and characteristic, credit risk and remaining maturities. The Group's own non-performance risk for lease liabilities as at 31 March 2025 was assessed to be insignificant.

Fair value hierarchy

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

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

		Fair value measurement using			
	Notes	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
31 March 2025					
Financial assets at FVTPL					
Foreign currency structured product contracts	(a)	–	10,579	–	10,579
Financial assets at FVTOCI					
Unlisted equity securities	(b)	–	–	676	676
– Shanghai Langtai		–	–	676	676
		–	10,579	676	11,255
31 March 2024					
Financial assets at FVTOCI					
Unlisted equity securities	(b)	–	–	717	717
– Shanghai Langtai		–	–	331	331
– Hangzhou Zhianyun		–	–	1,048	1,048

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Note:

- (a) The fair value of foreign currency structured product contracts are mainly denominated in US\$ based on their carrying amount due to the short-term nature and the Linked Exchange Rate System between US\$ and HK\$.

The movement of the foreign currency structured product contracts during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Balance as at 1 April	–	–
Addition	137,397	–
Fair value changes	(351)	–
Proceeds from disposal	(126,467)	–
Balance as at 31 March	10,579	–

- (b) The fair value of the unlisted equity securities is denominated in RMB and the fair value of Shanghai Langtai and Hangzhou Zhianyun is determined by using valuation technique of market approach and net assets value approach respectively, which includes unobservable inputs that are not based on observable market data (note 16). The fair value of the unlisted equity securities is Level 3 recurring fair value measurement.

The movement of the unlisted equity securities during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Balance as at 1 April	1,048	2,924
Fair value changes	(27)	(1,771)
Loss on deregistration	(327)	–
Exchange differences	(18)	(105)
Balance as at 31 March	676	1,048

There were no transfers between levels during the years ended 31 March 2025 and 31 March 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

The following table gives information about how the fair value of the financial assets are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial items	Fair value at 2025 HK\$'000	2024 HK\$'000	Fair value hierarchy	Basis of fair value measurement/valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Foreign currency structured product contracts	10,579	–	Level 2	Observable contracted foreign currency exchange rates and market foreign currency exchange rates	N/A	N/A
Unlisted equity securities Shanghai Langtai	676	717	Level 3	Market approach	Price sales ratio Price book ratio Discount for lack of marketability Discount for lack of control	A shift of +/-5% in price sales ratio, would result in change of fair value by +/-HK\$31,000 A shift of +/-5% in price book ratio, would result in change of fair value by +/-HK\$3,000 A shift of +/-5% in the discount for lack of marketability, would result in change of fair value by +/- HK\$19,000 A shift of +/-5% in the discount for lack of control, would result in change of fair value by +/- HK\$23,000
Hangzhou Zhianyun	–	331	Level 3	Net assets value	N/A	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities.

The Group does not have written risk management policies and guidelines. Generally, the Group employs a conservative strategy regarding its risk management. Financial risk management is coordinated at the Group's headquarter, in close co-operation with the board of directors periodically. Overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels. As the Group's exposure to market risk (including currency risk and interest rate risk), credit risk and liquidity risk are kept at a minimum level, the Group has not used significant derivative or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The most significant financial risks to which the Group is exposed are discussed below.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(i) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has interest-bearing assets (fixed time deposits (note 23), cash at banks (note 23) and loan to non-controlling shareholder (note 22)) and interest-bearing liabilities (bank borrowings (note 28) and lease liabilities (note 29)) carried at effective interest rates with reference to the market. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has not used significant financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Group's fixed time deposits, cash at banks, loan to non-controlling shareholder and lease liabilities is considered minimal.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates of increase or decrease in 50 basis points (2024: 50 basis points), with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings). There is no impact on the Group's equity except for retained profits.

	Increase/(decrease) in profit before tax and retained profits HK\$'000	
31 March 2025	25	(25)
31 March 2024	37	(37)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

As HK\$ is currently pegged to US\$, the Group considers that the exposure to exchange fluctuation in respect of US\$ is limited as the relevant group entities have HK\$ as their functional currency. The Group therefore mainly exposed to risks in relation to other currencies. The Group's business transactions, assets and liabilities are denominated in HK\$ and RMB and the functional currencies of the Group's principal operating entities are HK\$ and RMB.

The Group currently does not have a formal foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and considers hedging significant foreign currency exposure should the need arise.

The Company did not have significant exposure to foreign currency risk both at 31 March 2025 and 2024. The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

(iii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The carrying amounts of financial assets at amortised cost presented in the Group's consolidated statement of financial position are net of impairment losses, if any. The Group manages its exposure to the credit risk by rigorously and continuously evaluating the credit risk of the counterparties.

Follow-up actions are taken in case of overdue balances on an ongoing basis. In addition, management monitors and reviews the recoverable amount of the receivables individually or collectively at each reporting date to ensure that adequate losses allowances are made for irrecoverable amounts. It is not the Group's policy to request collateral from its customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group had no concentrations of credit risk (2024: Nil) and none (2024: Nil) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively, within the cemetery business operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Credit risk (Continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

ECL rates are based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The Group concluded that ECL rates and the impact of ECLs on trade receivables are insignificant as at 31 March 2025 and 2024.

Other financial assets at amortised cost of the Group includes deposits and other receivables, loan to non-controlling shareholder, fixed time deposits and cash and cash equivalents. Apart from loan to non-controlling shareholder, there is no increase in credit risk, the loss allowance recognised during the year was therefore limited to 12-month ECLs. Management considers the probability of default is low on deposits and other receivables since the counterparties are in good credit quality. Besides, management considers the probability of default is low on bank balances since they are placed at the financial institutions with good credit rating. Reversal of loss allowance of HK\$655,000 (2024: loss allowance of HK\$1,375,000) is provided for loan to non-controlling shareholder based on lifetime ECLs due to the decrease (2024: increase) of credit risk as a result of no default event (2024: default event occurred) occurred during the year. Apart from this, the Group concluded that there is no other significant impact of ECLs on other financial assets at amortised cost as at 31 March 2025 and 2024.

As at 31 March 2025 and 2024, there is no financial guarantees issued by the Group.

(iv) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group is exposed to liquidity risk in respect of settlement of trade payables, other payables and accruals, amount due to a director of the Company, lease liabilities, bank borrowings and also cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed credit lines of funding to meet its liquidity requirements in the short and longer term.

The Group manages its liquidity needs on a consolidated basis by carefully monitoring the cash inflows and outflows due in day to day business. Liquidity needs are monitored in various time bands, on day to day and week to week basis. Long-term liquidity needs for 180-day and 365-day lookout periods are identified monthly.

The Group's liquidity is mainly dependent upon the cash received from its trade customers and fund raising activities. The directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Within 1 year or on demand HK\$'000	More than 1 year HK\$'000	Total contractual undiscounted cash flows HK\$'000	Carrying amount HK\$'000
31 March 2025				
Trade payables	33,307	–	33,307	33,307
Other payables and accruals	11,055	–	11,055	11,055
Amount due to a director of the Company	1,000	–	1,000	1,000
Interest-bearing bank borrowings	44,268	–	44,268	43,887
Lease liabilities	616	114	730	702
	90,246	114	90,360	89,951
31 March 2024				
Trade payables	36,456	–	36,456	36,456
Other payables and accruals	11,194	–	11,194	11,194
Interest-bearing bank borrowings	18,118	–	18,118	17,296
Lease liabilities	432	29	461	448
	66,200	29	66,229	65,394

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(v) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group, prevailing and projected capital expenditures and projected strategic investment opportunity and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 2024.

The Group regards total equity attributable to the owners of the Company presented on the face of the consolidated statement of financial position as capital, for capital management purposes. The amount of capital as at 31 March 2025 was approximately HK\$973,465,000 (2024: HK\$978,671,000), which management considers as optimal having considered the projected capital expenditures and the forecast strategic investment opportunities.

The Group is not subject to externally imposed capital requirements.

The net debt to equity ratios at the end of the reporting periods are as follows:

	2025 HK\$'000	2024 HK\$'000
Interest-bearing bank borrowings	43,887	17,296
Lease liabilities	702	448
Less: financial assets at FVTPL	(10,579)	–
fixed time deposits	(65,017)	–
cash and cash equivalents	(264,944)	(339,428)
Net equity	(295,951)	(321,684)
Total equity	973,465	978,671
Gearing ratio (%)	N/A	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		1	1
Right-of-use assets		26	349
Investments in subsidiaries		9	9
Total non-current assets		36	359
CURRENT ASSETS			
Deposits and other receivables		507	507
Amounts due from subsidiaries		491,609	492,985
Cash and cash equivalents		1,067	1,715
Total current assets		493,183	495,207
CURRENT LIABILITIES			
Other payables and accruals		1,129	1,099
Amount due to a director of the Company		1,000	–
Lease liabilities		28	329
Total current liabilities		2,157	1,428
NET CURRENT ASSETS		491,026	493,779
TOTAL ASSETS LESS CURRENT LIABILITIES		491,062	494,138
Non-Current liabilities			
Lease liabilities		–	28
Total non-current liabilities		–	28
NET ASSETS		491,062	494,110
EQUITY			
Share capital	30	222,136	222,136
Reserves (Note)		268,926	271,974
Total equity		491,062	494,110

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note: A summary of the Company's reserves is as follows:

	Share premium HK\$'000	Contributed surplus reserve* HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2023	151,136	98,414	38,241	287,791
Final dividend declared and paid (<i>note 11</i>)	–	(33,320)	–	(33,320)
Interim dividend declared and paid (<i>note 11</i>)	–	(17,771)	–	(17,771)
Total comprehensive income for the year	–	–	35,274	35,274
At 31 March 2024 and 1 April 2024	151,136	47,323	73,515	271,974
Final dividend declared and paid (<i>note 11</i>)	–	(28,878)	–	(28,878)
Interim dividend declared and paid (<i>note 11</i>)	–	(11,107)	–	(11,107)
Total comprehensive income for the year	–	–	36,937	36,937
Transferred from retained profits	–	40,000	(40,000)	–
At 31 March 2025	151,136	47,338	70,452	268,926

* Under the Companies Law of the Bermuda, contributed surplus reserve is distributable to owners of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

42. EVENTS AFTER THE REPORTING PERIOD

There is no significant event of the Group after 31 March 2025 and up to the date of issue of these consolidated financial statements.

GLOSSARY

In this annual report (other than the independent auditor's report and financial statements from pages 50 to 124), the following expressions shall have the following meanings unless the context otherwise requires:

AGM	annual general meeting of the Company
Anxian Yuan (Zhejiang)	安賢園 (浙江) 投資管理有限公司 (Anxian Yuan (Zhejiang) Investment Management Company Limited*), a limited liability company established under the laws of the PRC
Audit Committee	the audit committee of the Company
Board	the board of Directors
Bye-laws	the bye-laws of the Company, as amended from time to time
Chairman	the chairman of the Board
Chief Executive Officer	the chief executive officer of the Company
CG Code	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
Company/Anxian Yuan	Anxian Yuan China Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares are listed on the Stock Exchange
Company Secretary	the company secretary of the Company
Deputy Chief Executive Officer	the Deputy Chief Executive Officer of the Company
Director(s)	the director(s) of the Company
Executive Director(s)	the executive Director(s)
Group	the Company and its subsidiaries
Hangzhou Fuyixian	杭州富亦賢科技有限公司 (Hangzhou Fuyixian Technology Company Limited*), a limited liability company established under the laws of the PRC
HKAS	the Hong Kong Accounting Standards issued by the HKICPA
HKFRS(s)	the Hong Kong Financial Reporting Standards, collectively includes all applicable individual Hong Kong Financial Reporting Standards, HKAS and Interpretations issued by the HKICPA
HKICPA	the Hong Kong Institute of Certified Public Accountants
Hong Kong	the Hong Kong Special Administrative Region of the PRC

* The English translation is for identification Purpose only.

GLOSSARY

Independent Non-executive Director(s)	the independent non-executive Director(s)
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
Nomination Committee	the nomination committee of the Company
Non-executive Director(s)	the non-executive Director(s)
PRC	the People's Republic of China, which for the purpose of this report exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
Remuneration Committee	the remuneration committee of the Company
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SGM	special general meeting of the Company
Share(s)	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
Shareholder(s)	holder(s) of the Share(s)
Stock Exchange	The Stock Exchange of Hong Kong Limited
Year	the year ended 31 March 2025
Yin Chuan Fu Shou Yuan	銀川福壽園人文紀念園有限公司 (Yin Chuan Fu Shou Yuan Humanistic Cultural Memorial Park Co. Ltd.*), a limited liability company established under the laws of the PRC
Zhejiang Anxian Yuan	浙江安賢陵園有限責任公司 (Zhejiang Anxian Yuan Company Limited*), a limited liability company established under the laws of the PRC
Zunyi Dashenshan	遵義詩鄉大神山生態陵園有限公司 (Zunyi Shixiang Dashenshan Cemeteries Co. Ltd.*), a limited liability company established under the laws of the PRC
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
RMB	Renminbi, the lawful currency of PRC
US\$	United States dollars, the lawful currency of USA
%	per cent

* The English translation is for identification Purpose only.